

**SENATE**  
**STATE OF MINNESOTA**  
**EIGHTY-EIGHTH LEGISLATURE**

**S.F. No. 1607**

(SENATE AUTHORS: TOMASSONI, Sparks, Saxhaug and Dziedzic)

DATE	D-PG	OFFICIAL STATUS
04/16/2013	1860	Introduction and first reading Referred to Finance
04/17/2013	1967	Authors added Sparks; Saxhaug; Dziedzic
04/18/2013	2001a	Comm report: To pass as amended
	2006	Second reading
04/19/2013	2498a	Special Order: Amended
	2506	Third reading Passed

A bill for an act

1.1 relating to state government; appropriating money for environment, natural  
1.2 resources, agriculture, commerce, energy, jobs, and economic development;  
1.3 modifying and providing for certain fees; modifying and providing for  
1.4 disposition of certain revenue; modifying pesticide control; modifying animal  
1.5 waste technician provisions; making technical changes; modifying certain permit  
1.6 requirements; providing for federal law compliance; providing for certain  
1.7 easements; modifying snowmobile registration provisions; modifying state trails;  
1.8 modifying State Timber Act; modifying certain park boundaries and expenditures;  
1.9 modifying reporting requirements; modifying Petroleum Tank Release Cleanup  
1.10 Act; providing for silica sand mining model standards and technical assistance;  
1.11 providing for wastewater laboratory certification; providing for product  
1.12 stewardship program; providing for discontinuance of Hennepin County Soil and  
1.13 Water Conservation District; providing for school forests; providing for county  
1.14 intermediate timber sales; authorizing recreation of Hall's Island; providing  
1.15 for certain interim ordinance extension or renewal; repealing certain pollution  
1.16 control rules; providing for solar energy production incentives; creating Office of  
1.17 Broadband Development; modifying certain environmental review; modifying  
1.18 public utility provisions; providing for sanitary districts; modifying labor and  
1.19 industry policy provisions; modifying employment and economic development  
1.20 programs; reducing unemployment insurance employer tax; creating pilot  
1.21 projects; modifying residential contract for deed requirements; providing  
1.22 penalties; requiring studies and reports; requiring rulemaking; amending  
1.23 Minnesota Statutes 2012, sections 13.7411, subdivision 4; 16B.122, subdivision  
1.24 2; 17.03, subdivision 3; 17.1015; 18B.305; 18C.430; 18C.433, subdivision 1;  
1.25 45.0135, subdivision 6; 60A.14, subdivision 1; 65B.84, subdivision 1; 84.027, by  
1.26 adding a subdivision; 84.415, by adding a subdivision; 84.63; 84.82, subdivision  
1.27 3, by adding a subdivision; 84.8205, subdivision 1; 85.015, subdivision 13;  
1.28 85.052, subdivision 6; 85.053, subdivision 8; 85.054, by adding a subdivision;  
1.29 85.055, subdivisions 1, 2; 85.42; 89.0385; 89.41; 90.01, subdivisions 4, 5, 6, 8,  
1.30 11; 90.031, subdivision 4; 90.041, subdivisions 2, 5, 6, 9, by adding subdivisions;  
1.31 90.045; 90.061, subdivision 8; 90.101, subdivision 1; 90.121; 90.145; 90.151,  
1.32 subdivisions 1, 2, 3, 4, 6, 7, 8, 9; 90.161; 90.162; 90.171; 90.181, subdivision 2;  
1.33 90.191, subdivision 1; 90.193; 90.195; 90.201, subdivision 2a; 90.211; 90.221;  
1.34 90.252, subdivision 1; 90.301, subdivisions 2, 4; 90.41, subdivision 1; 93.46, by  
1.35 adding a subdivision; 93.481, subdivision 3; 97A.401, subdivision 3; 115A.1320,  
1.36 subdivision 1; 115B.20, subdivision 6; 115B.28, subdivision 1; 115B.421;  
1.37 115C.02, subdivision 4; 115C.08, subdivision 4, by adding a subdivision;  
1.38 115D.10; 116.48, subdivision 6; 116C.03, subdivisions 2, 4, 5; 116J.8731,  
1.39

2.1 subdivisions 2, 3; 116U.26; 136F.37; 179.02, by adding a subdivision; 216B.16,  
 2.2 by adding a subdivision; 237.012, subdivision 3; 237.52, subdivisions 4, 5;  
 2.3 239.101, subdivision 3; 245.4712, subdivision 1; 268A.13; 268A.14, subdivision  
 2.4 1; 275.066; 282.01, subdivisions 1a, 1d; 282.04, by adding a subdivision; 298.22,  
 2.5 subdivision 1; 298.28, subdivision 9b; 299F.011, by adding a subdivision; 326.02,  
 2.6 subdivision 5; 326B.163, by adding subdivisions; 326B.184, subdivisions 1, 2,  
 2.7 by adding a subdivision; 326B.187; 326B.33, subdivisions 19, 21; 326B.36,  
 2.8 subdivision 7; 326B.37, by adding a subdivision; 326B.49, subdivisions 2, 3;  
 2.9 341.321; 473.846; 507.235, subdivision 2; 559.211, subdivision 2; Laws 2010,  
 2.10 chapter 215, article 3, section 3, subdivision 6, as amended; Laws 2010, chapter  
 2.11 361, article 3, section 7; proposing coding for new law in Minnesota Statutes,  
 2.12 chapters 84; 90; 93; 115; 115A; 116; 116J; 116L; 216C; 237; 326B; 383B; 559;  
 2.13 proposing coding for new law as Minnesota Statutes, chapter 442A; repealing  
 2.14 Minnesota Statutes 2012, sections 90.163; 90.173; 90.41, subdivision 2; 115.18,  
 2.15 subdivisions 1, 3, 4, 5, 6, 7, 8, 9, 10; 115.19; 115.20; 115.21; 115.22; 115.23;  
 2.16 115.24; 115.25; 115.26; 115.27; 115.28; 115.29; 115.30; 115.31; 115.32; 115.33;  
 2.17 115.34; 115.35; 115.36; 115.37; 116W.01; 116W.02; 116W.03; 116W.035;  
 2.18 116W.04; 116W.05; 116W.06; 116W.20; 116W.21; 116W.23; 116W.24; 116W.25;  
 2.19 116W.26; 116W.27; 116W.28; 116W.29; 116W.30; 116W.31; 116W.32; 116W.33;  
 2.20 116W.34; 326B.31, subdivisions 18, 19, 22; 507.235, subdivision 4; Laws 2011,  
 2.21 First Special Session chapter 2, article 4, section 30; Minnesota Rules, parts  
 2.22 1307.0032; 6115.0190, subparts 3, 5; 6115.0191, subpart 8, item A; 7021.0010,  
 2.23 subparts 1, 2, 4, 5; 7021.0020; 7021.0030; 7021.0040; 7021.0050, subpart  
 2.24 5; 9210.0300; 9210.0310; 9210.0320; 9210.0330; 9210.0340; 9210.0350;  
 2.25 9210.0360; 9210.0370; 9210.0380; 9220.0530, subpart 6.

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

2.27 **ARTICLE 1**

2.28 **ENVIRONMENT AND NATURAL RESOURCES APPROPRIATIONS**

2.29 Section 1. **SUMMARY OF APPROPRIATIONS.**

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

	<u>2014</u>	<u>2015</u>	<u>Total</u>
2.32 <u>General</u>	\$ 89,107,000	\$ 89,153,000	\$ 178,260,000
2.33 <u>State Government Special</u>			
2.34 <u>Revenue</u>	75,000	75,000	150,000
2.35 <u>Environmental</u>	67,530,000	67,350,000	134,880,000
2.36 <u>Natural Resources</u>	88,397,000	88,397,000	176,794,000
2.37 <u>Game and Fish</u>	89,682,000	89,682,000	179,364,000
2.38 <u>Remediation</u>	10,596,000	10,596,000	21,192,000
2.39 <u>Permanent School</u>	200,000	200,000	400,000
2.40 <b><u>Total</u></b>	<b>\$ 345,587,000</b>	<b>\$ 345,453,000</b>	<b>\$ 691,040,000</b>

2.42 Sec. 2. **ENVIRONMENT AND NATURAL RESOURCES APPROPRIATIONS.**

2.43 The sums shown in the columns marked "Appropriations" are appropriated to the  
 2.44 agencies and for the purposes specified in this article. The appropriations are from the

3.1 general fund, or another named fund, and are available for the fiscal years indicated  
 3.2 for each purpose. The figures "2014" and "2015" used in this article mean that the  
 3.3 appropriations listed under them are available for the fiscal year ending June 30, 2014, or  
 3.4 June 30, 2015, respectively. "The first year" is fiscal year 2014. "The second year" is fiscal  
 3.5 year 2015. "The biennium" is fiscal years 2014 and 2015. Appropriations for the fiscal  
 3.6 year ending June 30, 2013, are effective the day following final enactment.

3.7		<b><u>APPROPRIATIONS</u></b>	
3.8		<b><u>Available for the Year</u></b>	
3.9		<b><u>Ending June 30</u></b>	
3.10		<b><u>2014</u></b>	<b><u>2015</u></b>

3.11 **Sec. 3. POLLUTION CONTROL AGENCY**

3.12	<b><u>Subdivision 1. Total Appropriation</u></b>	<b><u>\$</u></b>	<b><u>83,049,000</u></b>	<b><u>\$</u></b>	<b><u>82,869,000</u></b>
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3.13	<u>Appropriations by Fund</u>		
3.14		<u>2014</u>	<u>2015</u>
3.15	<u>General</u>	<u>4,948,000</u>	<u>4,948,000</u>
3.16	<u>State Government</u>		
3.17	<u>Special Revenue</u>	<u>75,000</u>	<u>75,000</u>
3.18	<u>Environmental</u>	<u>67,530,000</u>	<u>67,350,000</u>
3.19	<u>Remediation</u>	<u>10,496,000</u>	<u>10,496,000</u>

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

3.23	<b><u>Subd. 2. Water</u></b>	<b><u>23,697,000</u></b>	<b><u>23,697,000</u></b>
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3.24	<u>Appropriations by Fund</u>		
3.25	<u>General</u>	<u>3,737,000</u>	<u>3,737,000</u>
3.26	<u>State Government</u>		
3.27	<u>Special Revenue</u>	<u>75,000</u>	<u>75,000</u>
3.28	<u>Environmental</u>	<u>19,885,000</u>	<u>19,885,000</u>

3.29 \$1,959,000 the first year and \$1,959,000  
 3.30 the second year are for grants to delegated  
 3.31 counties to administer the county feedlot  
 3.32 program under Minnesota Statutes, section  
 3.33 116.0711, subdivisions 2 and 3. Money  
 3.34 remaining after the first year is available for  
 3.35 the second year.

4.1 \$500,000 the first year and \$500,000 the  
4.2 second year are from the environmental fund  
4.3 for additional water program operations  
4.4 related to permitting. This is a onetime  
4.5 appropriation.

4.6 \$740,000 the first year and \$740,000 the  
4.7 second year are from the environmental  
4.8 fund to address the need for continued  
4.9 increased activity in the areas of new  
4.10 technology review, technical assistance  
4.11 for local governments, and enforcement  
4.12 under Minnesota Statutes, sections 115.55  
4.13 to 115.58, and to complete the requirements  
4.14 of Laws 2003, chapter 128, article 1, section  
4.15 165.

4.16 \$400,000 the first year and \$400,000  
4.17 the second year are for the clean water  
4.18 partnership program. Any unexpended  
4.19 balance in the first year does not cancel but  
4.20 is available in the second year. Priority shall  
4.21 be given to projects preventing impairments  
4.22 and degradation of lakes, rivers, streams,  
4.23 and groundwater according to Minnesota  
4.24 Statutes, section 114D.20, subdivision 2,  
4.25 clause (4).

4.26 \$664,000 the first year and \$664,000 the  
4.27 second year are from the environmental  
4.28 fund for subsurface sewage treatment  
4.29 system (SSTS) program administration  
4.30 and community technical assistance and  
4.31 education, including grants and technical  
4.32 assistance to communities for water quality  
4.33 protection. Of this amount, \$80,000 each  
4.34 year is for assistance to counties through  
4.35 grants for SSTS program administration.

5.1 Any unexpended balance in the first year does  
 5.2 not cancel but is available in the second year.

5.3 \$105,000 the first year and \$105,000 the  
 5.4 second year are from the environmental fund  
 5.5 for registration of wastewater laboratories.

5.6 The commissioner shall conduct testing on  
 5.7 the effectiveness of peat-based products for  
 5.8 control of oil spills in the state. By January  
 5.9 15, 2014, the commissioner shall report on  
 5.10 the testing to the chairs and ranking minority  
 5.11 members of the legislative committees and  
 5.12 divisions with jurisdiction over environment  
 5.13 and natural resources and finance. The  
 5.14 report shall include an analysis of the cost  
 5.15 to maintain stocks of peat-based materials at  
 5.16 strategic locations in the state.

5.17 Notwithstanding Minnesota Statutes, section  
 5.18 16A.28, the appropriations encumbered on or  
 5.19 before June 30, 2015, as grants or contracts  
 5.20 for SSTS's, surface water and groundwater  
 5.21 assessments, total maximum daily loads,  
 5.22 storm water, and water quality protection in  
 5.23 this subdivision are available until June 30,  
 5.24 2018.

5.25 Subd. 3. **Air** 14,431,000 14,301,000

5.26 Appropriations by Fund  
 5.27 Environmental 14,431,000 14,301,000

5.28 \$200,000 the first year and \$200,000 the  
 5.29 second year are from the environmental fund  
 5.30 for a monitoring program under Minnesota  
 5.31 Statutes, section 116.454.

5.32 Up to \$150,000 the first year and \$150,000  
 5.33 the second year may be transferred from the  
 5.34 environmental fund to the small business

6.1 environmental improvement loan account  
 6.2 established in Minnesota Statutes, section  
 6.3 116.993.

6.4 \$425,000 the first year and \$125,000 the  
 6.5 second year are from the environmental  
 6.6 fund for monitoring ambient air for  
 6.7 hazardous pollutants in the metropolitan  
 6.8 area, including the purchase of mobile  
 6.9 monitoring equipment. The commissioner,  
 6.10 when selecting areas to monitor with the  
 6.11 new mobile monitoring equipment, shall  
 6.12 give priority to areas where low-income,  
 6.13 indigenous American Indians, and  
 6.14 communities of color are disproportionately  
 6.15 impacted by pollution from highway traffic,  
 6.16 air traffic, and industrial sources.

6.17 Subd. 4. Land 17,412,000 17,412,000

6.18	<u>Appropriations by Fund</u>		
6.19	<u>Environmental</u>	<u>6,916,000</u>	<u>6,916,000</u>
6.20	<u>Remediation</u>	<u>10,496,000</u>	<u>10,496,000</u>

6.21 All money for environmental response,  
 6.22 compensation, and compliance in the  
 6.23 remediation fund not otherwise appropriated  
 6.24 is appropriated to the commissioners of the  
 6.25 Pollution Control Agency and agriculture  
 6.26 for purposes of Minnesota Statutes, section  
 6.27 115B.20, subdivision 2, clauses (1), (2),  
 6.28 (3), (6), and (7). At the beginning of each  
 6.29 fiscal year, the two commissioners shall  
 6.30 jointly submit an annual spending plan  
 6.31 to the commissioner of management and  
 6.32 budget that maximizes the utilization of  
 6.33 resources and appropriately allocates the  
 6.34 money between the two departments. This  
 6.35 appropriation is available until June 30, 2015.

7.1 \$3,616,000 the first year and \$3,616,000 the  
 7.2 second year are from the remediation fund for  
 7.3 purposes of the leaking underground storage  
 7.4 tank program to protect the land. These same  
 7.5 annual amounts are transferred from the  
 7.6 petroleum tank fund to the remediation fund.

7.7 \$252,000 the first year and \$252,000 the  
 7.8 second year are from the remediation fund  
 7.9 for transfer to the commissioner of health for  
 7.10 private water supply monitoring and health  
 7.11 assessment costs in areas contaminated  
 7.12 by unpermitted mixed municipal solid  
 7.13 waste disposal facilities and drinking water  
 7.14 advisories and public information activities  
 7.15 for areas contaminated by hazardous releases.

7.16 **Subd. 5. Environmental Assistance and**  
 7.17 **Cross-Media**

27,138,000

27,088,000

7.18	<u>Appropriations by Fund</u>		
7.19	<u>Environmental</u>	<u>26,298,000</u>	<u>26,248,000</u>
7.20	<u>General</u>	<u>840,000</u>	<u>840,000</u>

7.21 \$14,250,000 the first year and \$14,250,000  
 7.22 the second year are from the environmental  
 7.23 fund for SCORE block grants to counties.

7.24 \$119,000 the first year and \$119,000 the  
 7.25 second year are from the environmental  
 7.26 fund for environmental assistance grants  
 7.27 or loans under Minnesota Statutes, section  
 7.28 115A.0716. Any unencumbered grant and  
 7.29 loan balances in the first year do not cancel  
 7.30 but are available for grants and loans in the  
 7.31 second year.

7.32 \$89,000 the first year and \$89,000 the  
 7.33 second year are from the environmental fund  
 7.34 for duties related to harmful chemicals in  
 7.35 products under Minnesota Statutes, sections

8.1 116.9401 to 116.9407. Of this amount,  
8.2 \$57,000 each year is transferred to the  
8.3 commissioner of health.

8.4 \$200,000 the first year and \$200,000 the  
8.5 second year are from the environmental  
8.6 fund for the costs of implementing general  
8.7 operating permits for feedlots over 1,000  
8.8 animal units.

8.9 \$913,000 the first year and \$913,000 the  
8.10 second year are from the environmental fund  
8.11 to continue perfluorochemical biomonitoring  
8.12 in eastern metropolitan communities, as  
8.13 recommended by the Environmental Health  
8.14 Tracking and Biomonitoring Advisory Panel,  
8.15 and address other environmental health risks.

8.16 Of this amount, \$812,000 the first year and  
8.17 \$812,000 the second year are for transfer to  
8.18 the Department of Health.

8.19 \$151,000 the first year and \$151,000 the  
8.20 second year are from the general fund for  
8.21 Environmental Quality Board operations and  
8.22 support.

8.23 \$75,000 the first year and \$50,000 the second  
8.24 year are from the environmental fund for  
8.25 transfer to the Office of Administrative  
8.26 Hearings to establish sanitary districts.

8.27 All money deposited in the environmental  
8.28 fund for the metropolitan solid waste  
8.29 landfill fee in accordance with Minnesota  
8.30 Statutes, section 473.843, and not otherwise  
8.31 appropriated, is appropriated for the purposes  
8.32 of Minnesota Statutes, section 473.844.

8.33 \$25,000 the first year is from the  
8.34 environmental fund to prepare and submit  
8.35 a report to the chairs and ranking minority

9.1 members of the senate and house of  
9.2 representatives committees and divisions  
9.3 with jurisdiction over the environment and  
9.4 natural resources by January 15, 2014, with  
9.5 recommendations for a statewide recycling  
9.6 refund program for beverage containers that  
9.7 achieves an 80 percent recycling rate. In  
9.8 preparing the report, the commissioner shall  
9.9 consult with stakeholders, including retailers,  
9.10 collectors, recyclers, local governments, and  
9.11 consumers on options to increase the current  
9.12 recycling rate. An assessment of the financial  
9.13 impact of any recommended program shall  
9.14 be included in the report. This is a onetime  
9.15 appropriation.

9.16 \$315,000 the first year and \$315,000 the  
9.17 second year are from the environmental  
9.18 fund for the electronic waste program under  
9.19 Minnesota Statutes, sections 115A.1310 to  
9.20 115A.1330.

9.21 \$300,000 the first year and \$300,000 the  
9.22 second year are from the environmental fund  
9.23 for the additional duties related to silica  
9.24 sand mining in this act. The agency may  
9.25 transfer a portion of this appropriation to the  
9.26 commissioners of natural resources, health,  
9.27 and transportation for additional costs of  
9.28 duties related to silica sand mining in this  
9.29 act. This is a onetime appropriation.

9.30 Notwithstanding Minnesota Statutes, section  
9.31 16A.28, the appropriations encumbered on  
9.32 or before June 30, 2015, as contracts or  
9.33 grants for surface water and groundwater  
9.34 assessments; environmental assistance  
9.35 awarded under Minnesota Statutes, section

10.1 115A.0716; technical and research assistance  
 10.2 under Minnesota Statutes, section 115A.152;  
 10.3 technical assistance under Minnesota  
 10.4 Statutes, section 115A.52; and pollution  
 10.5 prevention assistance under Minnesota  
 10.6 Statutes, section 115D.04, are available until  
 10.7 June 30, 2017.

10.8 Subd. 6. **Administrative Support** 371,000 371,000

10.9 Subd. 7. **Remediation Fund**

10.10 The commissioner shall transfer up to  
 10.11 \$46,000,000 from the environmental fund to  
 10.12 the remediation fund for the purposes of the  
 10.13 remediation fund under Minnesota Statutes,  
 10.14 section 116.155, subdivision 2.

10.15 Sec. 4. **NATURAL RESOURCES**

10.16 Subdivision 1. **Total Appropriation** \$ 233,706,000 \$ 233,752,000

10.17 Appropriations by Fund

	<u>2014</u>	<u>2015</u>
10.18 <u>General</u>	<u>61,647,000</u>	<u>61,693,000</u>
10.19 <u>Natural Resources</u>	<u>82,077,000</u>	<u>82,077,000</u>
10.20 <u>Game and Fish</u>	<u>89,682,000</u>	<u>89,682,000</u>
10.21 <u>Remediation</u>	<u>100,000</u>	<u>100,000</u>
10.22 <u>Permanent School</u>	<u>200,000</u>	<u>200,000</u>

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

10.27 Subd. 2. **Land and Mineral Resources**  
 10.28 **Management**

6,830,000 6,876,000

10.29 Appropriations by Fund

10.30 <u>General</u>	<u>1,725,000</u>	<u>1,771,000</u>
10.31 <u>Natural Resources</u>	<u>3,472,000</u>	<u>3,472,000</u>
10.32 <u>Game and Fish</u>	<u>1,433,000</u>	<u>1,433,000</u>
10.33 <u>Permanent School</u>	<u>200,000</u>	<u>200,000</u>

10.34 \$68,000 the first year and \$68,000 the  
 10.35 second year are for minerals cooperative

11.1 environmental research, of which \$34,000  
11.2 the first year and \$34,000 the second year are  
11.3 available only as matched by \$1 of nonstate  
11.4 money for each \$1 of state money. The  
11.5 match may be cash or in-kind.

11.6 \$251,000 the first year and \$251,000 the  
11.7 second year are for iron ore cooperative  
11.8 research. Of this amount, \$200,000 each year  
11.9 is from the minerals management account  
11.10 in the natural resources fund. \$175,000 the  
11.11 first year and \$175,000 the second year are  
11.12 available only as matched by \$1 of nonstate  
11.13 money for each \$1 of state money. The match  
11.14 may be cash or in-kind. Any unencumbered  
11.15 balance from the first year does not cancel  
11.16 and is available in the second year.

11.17 \$2,696,000 the first year and \$2,696,000  
11.18 the second year are from the minerals  
11.19 management account in the natural resources  
11.20 fund for use as provided in Minnesota  
11.21 Statutes, section 93.2236, paragraph (c),  
11.22 for mineral resource management, projects  
11.23 to enhance future mineral income, and  
11.24 projects to promote new mineral resource  
11.25 opportunities.

11.26 \$200,000 the first year and \$200,000 the  
11.27 second year are from the state forest suspense  
11.28 account in the permanent school fund to  
11.29 accelerate land exchanges, land sales, and  
11.30 commercial leasing of school trust lands and  
11.31 to identify, evaluate, and lease construction  
11.32 aggregate located on school trust lands. This  
11.33 appropriation is to be used for securing  
11.34 maximum long-term economic return  
11.35 from the school trust lands consistent with

12.1 fiduciary responsibilities and sound natural  
 12.2 resources conservation and management  
 12.3 principles.

12.4 The appropriations in Laws 2007, chapter  
 12.5 57, article 1, section 4, subdivision 2, as  
 12.6 amended by Laws 2009, chapter 37, article  
 12.7 1, section 60, and as extended by Laws  
 12.8 2011, First Special Session chapter 2, article  
 12.9 1, section 4, subdivision 2, for support of  
 12.10 the land records management system are  
 12.11 available until June 30, 2015.

12.12 Subd. 3. **Ecological and Water Resources** 25,443,000 25,443,000

<u>Appropriations by Fund</u>		
12.14 <u>General</u>	<u>11,317,000</u>	<u>11,317,000</u>
12.15 <u>Natural Resources</u>	<u>10,183,000</u>	<u>10,183,000</u>
12.16 <u>Game and Fish</u>	<u>3,943,000</u>	<u>3,943,000</u>

12.17 \$2,942,000 the first year and \$2,942,000 the  
 12.18 second year are from the invasive species  
 12.19 account in the natural resources fund and  
 12.20 \$3,706,000 the first year and \$3,706,000 the  
 12.21 second year are from the general fund for  
 12.22 management, public awareness, assessment  
 12.23 and monitoring research, and water access  
 12.24 inspection to prevent the spread of invasive  
 12.25 species; management of invasive plants in  
 12.26 public waters; and management of terrestrial  
 12.27 invasive species on state-administered lands.

12.28 \$5,000,000 the first year and \$5,000,000 the  
 12.29 second year are from the water management  
 12.30 account in the natural resources fund for only  
 12.31 the purposes specified in Minnesota Statutes,  
 12.32 section 103G.27, subdivision 2.

12.33 \$103,000 the first year and \$103,000 the  
 12.34 second year are for a grant to the Mississippi  
 12.35 Headwaters Board for up to 50 percent of

13.1 the cost of implementing the comprehensive  
 13.2 plan for the upper Mississippi within areas  
 13.3 under the board's jurisdiction.

13.4 \$10,000 the first year and \$10,000 the second  
 13.5 year are for payment to the Leech Lake Band  
 13.6 of Chippewa Indians to implement the band's  
 13.7 portion of the comprehensive plan for the  
 13.8 upper Mississippi.

13.9 \$264,000 the first year and \$264,000 the  
 13.10 second year are for grants for up to 50  
 13.11 percent of the cost of implementation of  
 13.12 the Red River mediation agreement. The  
 13.13 commissioner shall submit a report to the  
 13.14 chairs of the legislative committees having  
 13.15 primary jurisdiction over environment and  
 13.16 natural resources policy and finance on the  
 13.17 accomplishments achieved with the grants  
 13.18 by January 15, 2015.

13.19 \$1,636,000 the first year and \$1,636,000  
 13.20 the second year are from the heritage  
 13.21 enhancement account in the game and  
 13.22 fish fund for only the purposes specified  
 13.23 in Minnesota Statutes, section 297A.94,  
 13.24 paragraph (e), clause (1).

13.25 \$1,223,000 the first year and \$1,223,000 the  
 13.26 second year are from the nongame wildlife  
 13.27 management account in the natural resources  
 13.28 fund for the purpose of nongame wildlife  
 13.29 management. Notwithstanding Minnesota  
 13.30 Statutes, section 290.431, \$100,000 the first  
 13.31 year and \$100,000 the second year may  
 13.32 be used for nongame wildlife information,  
 13.33 education, and promotion.

13.34 Subd. 4. **Forest Management**

37,207,000

37,207,000

14.1	<u>Appropriations by Fund</u>		
14.2	<u>General</u>	<u>24,850,000</u>	<u>24,850,000</u>
14.3	<u>Natural Resources</u>	<u>11,093,000</u>	<u>11,093,000</u>
14.4	<u>Game and Fish</u>	<u>1,264,000</u>	<u>1,264,000</u>
14.5	<u>\$7,145,000 the first year and \$7,145,000</u>		
14.6	<u>the second year are for prevention,</u>		
14.7	<u>presuppression, and suppression costs of</u>		
14.8	<u>emergency firefighting and other costs</u>		
14.9	<u>incurred under Minnesota Statutes, section</u>		
14.10	<u>88.12. The amount necessary to pay for</u>		
14.11	<u>presuppression and suppression costs during</u>		
14.12	<u>the biennium is appropriated from the general</u>		
14.13	<u>fund.</u>		
14.14	<u>By January 15 of each year, the commissioner</u>		
14.15	<u>of natural resources shall submit a report to</u>		
14.16	<u>the chairs and ranking minority members</u>		
14.17	<u>of the house and senate committees</u>		
14.18	<u>and divisions having jurisdiction over</u>		
14.19	<u>environment and natural resources finance,</u>		
14.20	<u>identifying all firefighting costs incurred</u>		
14.21	<u>and reimbursements received in the prior</u>		
14.22	<u>fiscal year. These appropriations may</u>		
14.23	<u>not be transferred. Any reimbursement</u>		
14.24	<u>of firefighting expenditures made to the</u>		
14.25	<u>commissioner from any source other than</u>		
14.26	<u>federal mobilizations shall be deposited into</u>		
14.27	<u>the general fund.</u>		
14.28	<u>\$11,093,000 the first year and \$11,093,000</u>		
14.29	<u>the second year are from the forest</u>		
14.30	<u>management investment account in the</u>		
14.31	<u>natural resources fund for only the purposes</u>		
14.32	<u>specified in Minnesota Statutes, section</u>		
14.33	<u>89.039, subdivision 2.</u>		
14.34	<u>\$1,000,000 the first year and \$1,000,000</u>		
14.35	<u>the second year are from the heritage</u>		

15.1 enhancement account in the game and fish  
 15.2 fund to advance ecological classification  
 15.3 systems (ECS) scientific management tools  
 15.4 for forest and invasive species management.

15.5 \$580,000 the first year and \$580,000 the  
 15.6 second year are for the Forest Resources  
 15.7 Council for implementation of the  
 15.8 Sustainable Forest Resources Act.

15.9 \$250,000 the first year and \$250,000 the  
 15.10 second year are for the FORIST system.

15.11 Subd. 5. Parks and Trails Management 67,502,000 67,502,000

	<u>Appropriations by Fund</u>	
15.12		
15.13	<u>General</u>	<u>19,780,000</u> <u>19,780,000</u>
15.14	<u>Natural Resources</u>	<u>45,463,000</u> <u>45,463,000</u>
15.15	<u>Game and Fish</u>	<u>2,259,000</u> <u>2,259,000</u>

15.16 \$775,000 the first year and \$1,075,000 the  
 15.17 second year are from the water recreation  
 15.18 account in the natural resources fund for  
 15.19 enhancing public water access facilities.

15.20 \$5,731,000 the first year and \$5,731,000 the  
 15.21 second year are from the natural resources  
 15.22 fund for state trail, park, and recreation area  
 15.23 operations. This appropriation is from the  
 15.24 revenue deposited in the natural resources  
 15.25 fund under Minnesota Statutes, section  
 15.26 297A.94, paragraph (e), clause (2).

15.27 \$1,005,000 the first year and \$1,005,000 the  
 15.28 second year are from the natural resources  
 15.29 fund for trail grants to local units of  
 15.30 government on land to be maintained for at  
 15.31 least 20 years for the purposes of the grants.  
 15.32 This appropriation is from the revenue  
 15.33 deposited in the natural resources fund  
 15.34 under Minnesota Statutes, section 297A.94,  
 15.35 paragraph (e), clause (4). Any unencumbered

16.1 balance does not cancel at the end of the first  
16.2 year and is available for the second year.  
16.3 \$8,424,000 the first year and \$8,424,000  
16.4 the second year are from the snowmobile  
16.5 trails and enforcement account in the  
16.6 natural resources fund for the snowmobile  
16.7 grants-in-aid program. Any unencumbered  
16.8 balance does not cancel at the end of the first  
16.9 year and is available for the second year.  
16.10 \$1,460,000 the first year and \$1,460,000 the  
16.11 second year are from the natural resources  
16.12 fund for the off-highway vehicle grants-in-aid  
16.13 program. Of this amount, \$1,210,000 each  
16.14 year is from the all-terrain vehicle account;  
16.15 \$150,000 each year is from the off-highway  
16.16 motorcycle account; and \$100,000 each year  
16.17 is from the off-road vehicle account. Any  
16.18 unencumbered balance does not cancel at the  
16.19 end of the first year and is available for the  
16.20 second year.  
16.21 \$75,000 the first year and \$75,000 the second  
16.22 year are from the cross-country ski account  
16.23 in the natural resources fund for grooming  
16.24 and maintaining cross-country ski trails in  
16.25 state parks, trails, and recreation areas.  
16.26 \$300,000 the first year from the water  
16.27 recreation account in the natural resources  
16.28 fund is for construction of restroom facilities  
16.29 at the public water access for Crane Lake  
16.30 on Handberg Road. This is a onetime  
16.31 appropriation and is available until the  
16.32 construction is completed.  
16.33 The appropriation in Laws 2009, chapter  
16.34 37, article 1, section 4, subdivision 5, from  
16.35 the natural resources fund from the revenue

17.1	<u>deposited under Minnesota Statutes, section</u>		
17.2	<u>297A.94, paragraph (e), clause (4), for local</u>		
17.3	<u>grants is available until June 30, 2014.</u>		
17.4	<b><u>Subd. 6. Fish and Wildlife Management</u></b>	<b><u>61,176,000</u></b>	<b><u>61,176,000</u></b>
17.5	<u>Appropriations by Fund</u>		
17.6	<u>Natural Resources</u>	<u>1,906,000</u>	<u>1,906,000</u>
17.7	<u>Game and Fish</u>	<u>59,270,000</u>	<u>59,270,000</u>
17.8	<u>\$8,167,000 the first year and \$8,167,000</u>		
17.9	<u>the second year are from the heritage</u>		
17.10	<u>enhancement account in the game and fish</u>		
17.11	<u>fund only for activities specified in Minnesota</u>		
17.12	<u>Statutes, section 297A.94, paragraph (e),</u>		
17.13	<u>clause (1). Notwithstanding Minnesota</u>		
17.14	<u>Statutes, section 297A.94, five percent of</u>		
17.15	<u>this appropriation may be used for expanding</u>		
17.16	<u>hunter and angler recruitment and retention.</u>		
17.17	<u>Notwithstanding Minnesota Statutes, section</u>		
17.18	<u>84.943, \$13,000 the first year and \$13,000</u>		
17.19	<u>the second year from the critical habitat</u>		
17.20	<u>private sector matching account may be used</u>		
17.21	<u>to publicize the critical habitat license plate</u>		
17.22	<u>match program.</u>		
17.23	<b><u>Subd. 7. Enforcement</u></b>	<b><u>35,228,000</u></b>	<b><u>35,228,000</u></b>
17.24	<u>Appropriations by Fund</u>		
17.25	<u>General</u>	<u>3,975,000</u>	<u>3,975,000</u>
17.26	<u>Natural Resources</u>	<u>9,640,000</u>	<u>9,640,000</u>
17.27	<u>Game and Fish</u>	<u>21,513,000</u>	<u>21,513,000</u>
17.28	<u>Remediation</u>	<u>100,000</u>	<u>100,000</u>
17.29	<u>\$1,718,000 the first year and \$1,718,000 the</u>		
17.30	<u>second year are from the general fund for</u>		
17.31	<u>enforcement efforts to prevent the spread of</u>		
17.32	<u>aquatic invasive species.</u>		
17.33	<u>\$1,450,000 the first year and \$1,450,000</u>		
17.34	<u>the second year are from the heritage</u>		
17.35	<u>enhancement account in the game and</u>		

18.1 fish fund for only the purposes specified  
18.2 in Minnesota Statutes, section 297A.94,  
18.3 paragraph (e), clause (1).

18.4 \$250,000 the first year and \$250,000 the  
18.5 second year are for the conservation officer  
18.6 pre-employment education program. Of this  
18.7 amount, \$30,000 each year is from the water  
18.8 recreation account, \$13,000 each year is from  
18.9 the snowmobile account, and \$20,000 each  
18.10 year is from the all-terrain vehicle account  
18.11 in the natural resources fund; and \$187,000  
18.12 each year is from the game and fish fund, of  
18.13 which \$17,000 each year is from the heritage  
18.14 enhancement account.

18.15 \$1,082,000 the first year and \$1,082,000 the  
18.16 second year are from the water recreation  
18.17 account in the natural resources fund for  
18.18 grants to counties for boat and water safety.  
18.19 Any unencumbered balance does not cancel  
18.20 at the end of the first year and is available for  
18.21 the second year.

18.22 \$315,000 the first year and \$315,000 the  
18.23 second year are from the snowmobile  
18.24 trails and enforcement account in the  
18.25 natural resources fund for grants to local  
18.26 law enforcement agencies for snowmobile  
18.27 enforcement activities. Any unencumbered  
18.28 balance does not cancel at the end of the first  
18.29 year and is available for the second year.

18.30 \$250,000 the first year and \$250,000 the  
18.31 second year are from the all-terrain vehicle  
18.32 account for grants to qualifying organizations  
18.33 to assist in safety and environmental  
18.34 education and monitoring trails on public  
18.35 lands under Minnesota Statutes, section

19.1 84.9011. Grants issued under this paragraph:  
19.2 (1) must be issued through a formal  
19.3 agreement with the organization; and  
19.4 (2) must not be used as a substitute for  
19.5 traditional spending by the organization.  
19.6 By December 15 each year, an organization  
19.7 receiving a grant under this paragraph shall  
19.8 report to the commissioner with details on  
19.9 expenditures and outcomes from the grant.  
19.10 Of this appropriation, \$25,000 each year  
19.11 is for administration of these grants. Any  
19.12 unencumbered balance does not cancel at the  
19.13 end of the first year and is available for the  
19.14 second year.  
19.15 \$510,000 the first year and \$510,000  
19.16 the second year are from the natural  
19.17 resources fund for grants to county law  
19.18 enforcement agencies for off-highway  
19.19 vehicle enforcement and public education  
19.20 activities based on off-highway vehicle use  
19.21 in the county. Of this amount, \$498,000 each  
19.22 year is from the all-terrain vehicle account;  
19.23 \$11,000 each year is from the off-highway  
19.24 motorcycle account; and \$1,000 each year  
19.25 is from the off-road vehicle account. The  
19.26 county enforcement agencies may use  
19.27 money received under this appropriation  
19.28 to make grants to other local enforcement  
19.29 agencies within the county that have a high  
19.30 concentration of off-highway vehicle use.  
19.31 Of this appropriation, \$25,000 each year  
19.32 is for administration of these grants. Any  
19.33 unencumbered balance does not cancel at the  
19.34 end of the first year and is available for the  
19.35 second year.

20.1 \$500,000 the first year and \$500,000 the  
 20.2 second year are from the game and fish  
 20.3 fund for grants to county law enforcement  
 20.4 agencies for invasive species enforcement.

20.5 **Subd. 8. Operations Support** 320,000 320,000

20.6 Appropriations by Fund  
 20.7 Natural Resources 320,000 320,000

20.8 \$320,000 the first year and \$320,000 the  
 20.9 second year are from the natural resources  
 20.10 fund for grants to be divided equally between  
 20.11 the city of St. Paul for the Como Park Zoo  
 20.12 and Conservatory and the city of Duluth  
 20.13 for the Duluth Zoo. This appropriation  
 20.14 is from the revenue deposited to the fund  
 20.15 under Minnesota Statutes, section 297A.94,  
 20.16 paragraph (e), clause (5).

20.17 **Sec. 5. BOARD OF WATER AND SOIL**  
 20.18 **RESOURCES** \$ 12,683,000 \$ 12,683,000

20.19 \$3,423,000 the first year and \$3,423,000 the  
 20.20 second year are for natural resources block  
 20.21 grants to local governments. Grants must be  
 20.22 matched with a combination of local cash or  
 20.23 in-kind contributions. The base grant portion  
 20.24 related to water planning must be matched  
 20.25 by an amount as specified by Minnesota  
 20.26 Statutes, section 103B.3369. The board may  
 20.27 reduce the amount of the natural resources  
 20.28 block grant to a county by an amount equal to  
 20.29 any reduction in the county's general services  
 20.30 allocation to a soil and water conservation  
 20.31 district from the county's previous year  
 20.32 allocation when the board determines that  
 20.33 the reduction was disproportionate.

20.34 \$3,116,000 the first year and \$3,116,000  
 20.35 the second year are for grants requested

21.1 by soil and water conservation districts for  
21.2 general purposes, nonpoint engineering, and  
21.3 implementation of the reinvest in Minnesota  
21.4 reserve program. Upon approval of the  
21.5 board, expenditures may be made from these  
21.6 appropriations for supplies and services  
21.7 benefiting soil and water conservation  
21.8 districts. Any district requesting a grant  
21.9 under this paragraph shall maintain a Web  
21.10 page that publishes, at a minimum, its annual  
21.11 report, annual audit, annual budget, and  
21.12 meeting notices and minutes.

21.13 \$1,560,000 the first year and \$1,560,000  
21.14 the second year are for grants to soil and  
21.15 water conservation districts for cost-sharing  
21.16 contracts for erosion control, water quality  
21.17 management, and feedlot water quality  
21.18 projects.

21.19 \$386,000 the first year and \$386,000 the  
21.20 second year are for implementation and  
21.21 oversight of the Wetland Conservation Act.

21.22 \$166,000 the first year and \$166,000 the  
21.23 second year are to provide assistance to local  
21.24 drainage management officials and for the  
21.25 costs of the Drainage Work Group.

21.26 \$100,000 the first year and \$100,000 the  
21.27 second year are for a grant to the Red  
21.28 River Basin Commission for water quality  
21.29 and floodplain management, including  
21.30 administration of programs. If the  
21.31 appropriation in either year is insufficient, the  
21.32 appropriation in the other year is available  
21.33 for it.

21.34 \$120,000 the first year and \$120,000  
21.35 the second year are for grants to Area



23.1 \$5,670,000 the first year and \$5,670,000 the  
 23.2 second year are from the natural resources  
 23.3 fund for metropolitan area regional parks  
 23.4 and trails maintenance and operations. This  
 23.5 appropriation is from the revenue deposited  
 23.6 in the natural resources fund under Minnesota  
 23.7 Statutes, section 297A.94, paragraph (e),  
 23.8 clause (3).

23.9 **Sec. 7. CONSERVATION CORPS**

23.10 **MINNESOTA** **\$ 945,000 \$ 945,000**

23.11 Appropriations by Fund

23.12	<u>2014</u>	<u>2015</u>
23.13 <u>General</u>	<u>455,000</u>	<u>455,000</u>
23.14 <u>Natural Resources</u>	<u>490,000</u>	<u>490,000</u>

23.15 Conservation Corps Minnesota may receive  
 23.16 money appropriated from the natural  
 23.17 resources fund under this section only  
 23.18 as provided in an agreement with the  
 23.19 commissioner of natural resources.

23.20 **Sec. 8. ZOOLOGICAL BOARD** **\$ 5,585,000 \$ 5,585,000**

23.21 Appropriations by Fund

23.22	<u>2014</u>	<u>2015</u>
23.23 <u>General</u>	<u>5,425,000</u>	<u>5,425,000</u>
23.24 <u>Natural Resources</u>	<u>160,000</u>	<u>160,000</u>

23.25 \$160,000 the first year and \$160,000 the  
 23.26 second year are from the natural resources  
 23.27 fund from the revenue deposited under  
 23.28 Minnesota Statutes, section 297A.94,  
 23.29 paragraph (e), clause (5).

23.30 **Sec. 9. SCIENCE MUSEUM OF**

23.31 **MINNESOTA** **\$ 1,079,000 \$ 1,079,000**

23.32 Sec. 10. Laws 2010, chapter 215, article 3, section 3, subdivision 6, as amended by  
 23.33 Laws 2010, First Special Session chapter 1, article 6, section 6, is amended to read:

24.1 Subd. 6. **Transfers In**

24.2 (a) The amounts appropriated from the  
 24.3 agency indirect costs account in the special  
 24.4 revenue fund are reduced by \$328,000 in  
 24.5 fiscal year 2010 and \$462,000 in fiscal year  
 24.6 2011, and those amounts must be transferred  
 24.7 to the general fund by June 30, 2011. The  
 24.8 appropriation reductions are onetime.

24.9 (b) The commissioner of management and  
 24.10 budget shall transfer \$48,000,000 in fiscal  
 24.11 year 2011 from the closed landfill investment  
 24.12 fund in Minnesota Statutes, section 115B.421,  
 24.13 to the general fund. The commissioner shall  
 24.14 transfer ~~\$12,000,000~~ \$10,000,000 on July 1  
 24.15 ~~in each of the years, 2014, 2015, 2016, and~~  
 24.16 ~~2017~~ \$12,500,000 in each of the years 2015  
 24.17 and 2016, and \$13,000,000 in 2017 from the  
 24.18 general fund to the closed landfill investment  
 24.19 fund. For each transfer to the closed landfill  
 24.20 investment fund, the commissioner shall  
 24.21 determine the total amount of interest and  
 24.22 other earnings that would have accrued to  
 24.23 the fund if the transfers to the general fund  
 24.24 under this paragraph had not been made and  
 24.25 add this amount to the transfer. The amounts  
 24.26 necessary for these transfers are appropriated  
 24.27 from the general fund in the fiscal years  
 24.28 specified for the transfers.

24.29 **ARTICLE 2**

24.30 **ENVIRONMENT AND NATURAL RESOURCES STATUTORY CHANGES**

24.31 Section 1. Minnesota Statutes 2012, section 13.7411, subdivision 4, is amended to read:

24.32 Subd. 4. **Waste management.** (a) Product stewardship program. Trade secret  
 24.33 information submitted to the Pollution Control Agency under the product stewardship  
 24.34 program is classified under section 115A.141.

25.1 **(b) Transfer station data.** Data received by a county or district from a transfer  
 25.2 station under section 115A.84, subdivision 5, are classified under that section.

25.3 ~~(b)~~ **(c) Solid waste records.** Records of solid waste facilities received, inspected,  
 25.4 or copied by a county pursuant to section 115A.882 are classified pursuant to section  
 25.5 115A.882, subdivision 3.

25.6 ~~(e)~~ **(d) Customer lists.** Customer lists provided to counties or cities by solid waste  
 25.7 collectors are classified under section 115A.93, subdivision 5.

25.8 Sec. 2. Minnesota Statutes 2012, section 84.027, is amended by adding a subdivision  
 25.9 to read:

25.10 Subd. 19. **Federal law compliance.** Notwithstanding any law to the contrary,  
 25.11 the commissioner may establish, by written order, policies for the use and operation of  
 25.12 other power-driven mobility devices, as defined under Code of Federal Regulations, title  
 25.13 28, section 35.104, on lands and in facilities administered by the commissioner for the  
 25.14 purposes of implementing the Americans with Disabilities Act, United States Code, title  
 25.15 42, section 12101 et seq. These policies are exempt from the rulemaking provisions of  
 25.16 chapter 14 and section 14.386 does not apply.

25.17 Sec. 3. Minnesota Statutes 2012, section 84.415, is amended by adding a subdivision  
 25.18 to read:

25.19 Subd. 7. **Existing road right-of-way; fee exemption.** A utility license for crossing  
 25.20 public lands or public waters is exempt from all fees specified in this section and in rules  
 25.21 adopted under this section when the utility crossing is on an existing right-of-way of  
 25.22 a public road.

25.23 Sec. 4. Minnesota Statutes 2012, section 84.63, is amended to read:

25.24 **84.63 CONVEYANCE OF INTERESTS IN LANDS TO STATE AND**  
 25.25 **FEDERAL GOVERNMENTS.**

25.26 (a) Notwithstanding any existing law to the contrary, the commissioner of natural  
 25.27 resources is hereby authorized on behalf of the state to convey to the United States  
 25.28 or to the state of Minnesota or any of its subdivisions, upon state-owned lands under  
 25.29 the administration of the commissioner of natural resources, permanent or temporary  
 25.30 easements for specified periods or otherwise for trails, highways, roads including  
 25.31 limitation of right of access from the lands to adjacent highways and roads, flowage for  
 25.32 development of fish and game resources, stream protection, flood control, and necessary  
 25.33 appurtenances thereto, such conveyances to be made upon such terms and conditions

26.1 including provision for reversion in the event of non-user as the commissioner of natural  
26.2 resources may determine.

26.3 (b) In addition to the fee for the market value of the easement, the commissioner of  
26.4 natural resources shall assess the applicant the following fees:

26.5 (1) an application fee of \$2,000 to cover reasonable costs for reviewing the  
26.6 application and preparing the easement; and

26.7 (2) a monitoring fee to cover the projected reasonable costs for monitoring the  
26.8 construction of the improvement for which the easement was conveyed and preparing  
26.9 special terms and conditions for the easement. The commissioner must give the applicant  
26.10 an estimate of the monitoring fee before the applicant submits the fee.

26.11 (c) The applicant shall pay these fees to the commissioner of natural resources.  
26.12 The commissioner shall not issue the easement until the applicant has paid in full the  
26.13 application fee, the monitoring fee, and the market value payment for the easement.

26.14 (d) Upon completion of construction of the improvement for which the easement  
26.15 was conveyed, the commissioner shall refund the unobligated balance from the monitoring  
26.16 fee revenue. The commissioner shall not return the application fee, even if the application  
26.17 is withdrawn or denied.

26.18 (e) Money received under paragraph (b) must be deposited in the land management  
26.19 account in the natural resources fund and is appropriated to the commissioner of natural  
26.20 resources to cover the reasonable costs incurred for issuing and monitoring easements.

26.21 (f) A county or joint county regional railroad authority is exempt from all fees  
26.22 specified under this section for trail easements on state-owned land.

26.23 **Sec. 5. [84.633] EXCHANGE OF ROAD EASEMENTS.**

26.24 Subdivision 1. **Authority.** The commissioner of natural resources, on behalf of  
26.25 the state, may convey a road easement according to this section for access across state  
26.26 land under the commissioner's jurisdiction in exchange for a road easement for access to  
26.27 property owned by the United States, the state of Minnesota or any of its subdivisions, or a  
26.28 private party. The exercise of the easement across state land must not cause significant  
26.29 adverse environmental or natural resources management impacts. Exchanges under this  
26.30 section are limited to existing access corridors.

26.31 Subd. 2. **Substantially equal acres.** The acres covered by the state easement  
26.32 conveyed by the commissioner must be substantially equal to the acres covered by the  
26.33 easement being received by the commissioner. For purposes of this section, "substantially  
26.34 equal" means that the acres do not differ by more than 20 percent. The commissioner's

27.1 finding of substantially equal acres is in lieu of an appraisal or other determination of  
27.2 value of the lands.

27.3 Subd. 3. **School trust lands.** If the commissioner conveys a road easement over  
27.4 school trust land to a nongovernmental entity, the term of the road easement is limited  
27.5 to 50 years. The easement exchanged with the state may be limited to 50 years or may  
27.6 be perpetual.

27.7 Subd. 4. **Terms and conditions.** The commissioner may impose terms and  
27.8 conditions of use as necessary and appropriate under the circumstances. The state may  
27.9 accept an easement with similar terms and conditions as the state easement.

27.10 Subd. 5. **Survey.** If the commissioner determines that a survey is required, the  
27.11 governmental unit or private landowner shall pay to the commissioner a survey fee of not  
27.12 less than one half of the cost of the survey as determined by the commissioner.

27.13 Subd. 6. **Application fee.** When a private landowner or governmental unit, except  
27.14 the state, presents to the commissioner an offer to exchange road easements, the private  
27.15 landowner or governmental unit shall pay an application fee as provided under section  
27.16 84.63 to cover reasonable costs for reviewing the application and preparing the easements.

27.17 Subd. 7. **Title.** If the commissioner determines it is necessary to obtain an opinion  
27.18 as to the title of the land being encumbered by the easement that will be received by the  
27.19 commissioner, the governmental unit or private landowner shall submit an abstract of title  
27.20 or other title information sufficient to determine possession of the land, improvements,  
27.21 liens, encumbrances, and other matters affecting title.

27.22 Subd. 8. **Disposition of fees.** (a) Any fee paid under subdivision 5 must be credited  
27.23 to the account from which expenses are or will be paid and the fee is appropriated for the  
27.24 expenditures in the same manner as other money in the account.

27.25 (b) Any fee paid under subdivision 6 must be deposited in the land management  
27.26 account in the natural resources fund and is appropriated to the commissioner to cover the  
27.27 reasonable costs incurred for preparing and issuing the state road easement and accepting  
27.28 the road easement from the private landowner or governmental entity.

27.29 Sec. 6. Minnesota Statutes 2012, section 84.82, is amended by adding a subdivision to  
27.30 read:

27.31 Subd. 2a. **Nontrail use registration.** A snowmobile may be registered for nontrail  
27.32 use. A snowmobile registered under this subdivision may not be operated on a state or  
27.33 grant-in-aid snowmobile trail. The fee for a nontrail use registration is \$45 for three years.  
27.34 A nontrail use registration is not transferable. In addition to other penalties prescribed by

28.1 law, the penalty for violation of this subdivision is immediate revocation of the nontrail  
28.2 use registration.

28.3 Sec. 7. Minnesota Statutes 2012, section 84.82, subdivision 3, is amended to read:

28.4 Subd. 3. **Fees for registration.** (a) The fee for registration of each snowmobile,  
28.5 other than those used for an agricultural purpose, as defined in section 84.92, subdivision  
28.6 1c, ~~or~~ those registered by a dealer or manufacturer pursuant to paragraph (b) or (c), or  
28.7 those registered under subdivision 2a shall be as follows: \$75 for three years and \$10  
28.8 for a duplicate or transfer.

28.9 (b) The total registration fee for all snowmobiles owned by a dealer and operated for  
28.10 demonstration or testing purposes shall be \$50 per year.

28.11 (c) The total registration fee for all snowmobiles owned by a manufacturer and  
28.12 operated for research, testing, experimentation, or demonstration purposes shall be \$150  
28.13 per year. Dealer and manufacturer registrations are not transferable.

28.14 (d) The onetime fee for registration of an exempt snowmobile under subdivision  
28.15 6a is \$6.

28.16 Sec. 8. Minnesota Statutes 2012, section 84.8205, subdivision 1, is amended to read:

28.17 Subdivision 1. **Sticker required; fee.** (a) A snowmobile that is not registered  
28.18 in the state under section 84.82, subdivision 3, paragraph (a), or that is registered by a  
28.19 manufacturer or dealer under section 84.82, subdivision 3, paragraph (b) or (c), may  
28.20 not be operated on a state or grant-in-aid snowmobile trail unless a snowmobile state  
28.21 trail sticker is affixed to the snowmobile.

28.22 (b) The commissioner of natural resources shall issue a sticker upon application  
28.23 and payment of a fee. The fee is:

28.24 (1) \$35 for a one-year snowmobile state trail sticker purchased by an individual; and

28.25 (2) \$15 for a one-year snowmobile state trail sticker purchased by a dealer or  
28.26 manufacturer.

28.27 (c) In addition to other penalties prescribed by law, an individual in violation of  
28.28 this subdivision must purchase an annual state trail sticker for a fee of \$70. The sticker  
28.29 is valid from November 1 through June 30. Fees collected under this section, except for  
28.30 the issuing fee for licensing agents, shall be deposited in the state treasury and credited  
28.31 to the snowmobile trails and enforcement account in the natural resources fund and,  
28.32 except for the electronic licensing system commission established by the commissioner  
28.33 under section 84.027, subdivision 15, must be used for grants-in-aid, trail maintenance,  
28.34 grooming, and easement acquisition.

29.1 (d) A state trail sticker is not required under this section for:

29.2 (1) a snowmobile that is owned and used by the United States, an Indian tribal  
 29.3 government, another state, or a political subdivision thereof that is exempt from  
 29.4 registration under section 84.82, subdivision 6;

29.5 (2) a collector snowmobile that is operated as provided in a special permit issued for  
 29.6 the collector snowmobile under section 84.82, subdivision 7a;

29.7 (3) a person operating a snowmobile only on the portion of a trail that is owned by  
 29.8 the person or the person's spouse, child, or parent; or

29.9 (4) a snowmobile while being used to groom a state or grant-in-aid trail.

29.10 Sec. 9. Minnesota Statutes 2012, section 85.015, subdivision 13, is amended to read:

29.11 Subd. 13. **Arrowhead Region Trails, Cook, Lake, St. Louis, Pine, Carlton,**  
 29.12 **Koochiching, and Itasca Counties.** (a)(1) The Taconite Trail shall originate at Ely in St.  
 29.13 Louis County and extend southwesterly to Tower in St. Louis County, thence westerly to  
 29.14 McCarthy Beach State Park in St. Louis County, thence southwesterly to Grand Rapids in  
 29.15 Itasca County and there terminate;

29.16 (2) The C. J. Ramstad/Northshore Trail shall originate in Duluth in St. Louis County  
 29.17 and extend northeasterly to Two Harbors in Lake County, thence northeasterly to Grand  
 29.18 Marais in Cook County, thence northeasterly to the international boundary in the vicinity  
 29.19 of the north shore of Lake Superior, and there terminate;

29.20 (3) The Grand Marais to International Falls Trail shall originate in Grand Marais  
 29.21 in Cook County and extend northwesterly, outside of the Boundary Waters Canoe Area,  
 29.22 to Ely in St. Louis County, thence southwesterly along the route of the Taconite Trail to  
 29.23 Tower in St. Louis County, thence northwesterly through the Pelican Lake area in St.  
 29.24 Louis County to International Falls in Koochiching County, and there terminate;

29.25 (4) The Matthew Lourey Trail shall originate in Duluth in St. Louis County and  
 29.26 extend southerly to ~~St. Croix~~ Chengwatana State Forest in Pine County.

29.27 (b) The trails shall be developed primarily for riding and hiking.

29.28 (c) In addition to the authority granted in subdivision 1, lands and interests in lands  
 29.29 for the Arrowhead Region trails may be acquired by eminent domain. Before acquiring  
 29.30 any land or interest in land by eminent domain the commissioner of administration shall  
 29.31 obtain the approval of the governor. The governor shall consult with the Legislative  
 29.32 Advisory Commission before granting approval. Recommendations of the Legislative  
 29.33 Advisory Commission shall be advisory only. Failure or refusal of the commission to  
 29.34 make a recommendation shall be deemed a negative recommendation.

30.1 Sec. 10. Minnesota Statutes 2012, section 85.052, subdivision 6, is amended to read:

30.2 Subd. 6. **State park reservation system.** (a) The commissioner may, by written  
30.3 order, develop reasonable reservation policies for campsites and other lodging. These  
30.4 policies are exempt from rulemaking provisions under chapter 14 and section 14.386  
30.5 does not apply.

30.6 (b) The revenue collected from the state park reservation fee established under  
30.7 subdivision 5, including interest earned, shall be deposited in the state park account in the  
30.8 natural resources fund and is annually appropriated to the commissioner for the cost of  
30.9 the state park reservation system.

30.10 **EFFECTIVE DATE.** This section is effective retroactively from March 1, 2012.

30.11 Sec. 11. Minnesota Statutes 2012, section 85.053, subdivision 8, is amended to read:

30.12 Subd. 8. **Military personnel on leave; exemption.** (a) A one-day permit, under  
30.13 subdivision 4, shall be issued without a fee for a motor vehicle being used by a person  
30.14 who is serving in active military service in any branch or unit of the United States armed  
30.15 forces and who is stationed outside Minnesota, during the period of active service and for  
30.16 90 days immediately thereafter, if the person presents the person's current military orders  
30.17 to the park attendant on duty or other designee of the commissioner.

30.18 (b) For purposes of this section, "active service" has the meaning given under section  
30.19 190.05, subdivision 5c, when performed outside Minnesota.

30.20 (c) A permit is not required for a motor vehicle being used by military personnel or  
30.21 their dependents who have in their possession the annual pass for United States military  
30.22 and their dependents issued by the federal government for access to federal recreation sites.

30.23 Sec. 12. Minnesota Statutes 2012, section 85.054, is amended by adding a subdivision  
30.24 to read:

30.25 Subd. 18. **La Salle Lake State Recreation Area.** A state park permit is not  
30.26 required and a fee may not be charged for motor vehicle entry, use, or parking in La Salle  
30.27 Lake State Recreation Area unless the occupants of the vehicle enter, use, or park in a  
30.28 developed campground or day-use area.

30.29 Sec. 13. Minnesota Statutes 2012, section 85.055, subdivision 1, is amended to read:

30.30 Subdivision 1. **Fees.** The fee for state park permits for:

- 30.31 (1) an annual use of state parks is \$25;
- 30.32 (2) a second or subsequent vehicle state park permit is \$18;
- 30.33 (3) a state park permit valid for one day is \$5;

- 31.1 (4) a daily vehicle state park permit for groups is \$3;
- 31.2 (5) an annual permit for motorcycles is \$20;
- 31.3 (6) an employee's state park permit is without charge; and
- 31.4 (7) a state park permit for ~~disabled~~ persons with disabilities under section 85.053,
- 31.5 subdivision 7, clauses (1) ~~and (2)~~ to (3), is \$12.

31.6 The fees specified in this subdivision include any sales tax required by state law.

31.7 Sec. 14. Minnesota Statutes 2012, section 85.055, subdivision 2, is amended to read:

31.8 Subd. 2. **Fee deposit and appropriation.** The fees collected under this section shall

31.9 be deposited in the natural resources fund and credited to the state parks account. Money

31.10 in the account, except for the electronic licensing system commission established by the

31.11 commissioner under section 84.027, subdivision 15, and the state park reservation system

31.12 fee established by the commissioner under section 85.052, subdivisions 5 and 6, is available

31.13 for appropriation to the commissioner to operate and maintain the state park system.

31.14 Sec. 15. Minnesota Statutes 2012, section 85.42, is amended to read:

31.15 **85.42 USER FEE; VALIDITY.**

31.16 (a) The fee for an annual cross-country ski pass is \$19 for an individual age 16 and

31.17 over. The fee for a three-year pass is \$54 for an individual age 16 and over. This fee

31.18 shall be collected at the time the pass is purchased. Three-year passes are valid for three

31.19 years beginning the previous July 1. Annual passes are valid for one year beginning

31.20 the previous July 1.

31.21 (b) The cost for a daily cross-country skier pass is \$5 for an individual age 16 and

31.22 over. This fee shall be collected at the time the pass is purchased. The daily pass is valid

31.23 only for the date designated on the pass form.

31.24 (c) A pass must be signed by the skier across the front of the pass to be valid and

31.25 becomes nontransferable on signing.

31.26 (d) The commissioner and agents shall issue a duplicate pass to a person whose pass

31.27 is lost or destroyed, using the process established under section 97A.405, subdivision 3,

31.28 and rules adopted thereunder. The fee for a duplicate cross-country ski pass is \$2.

31.29 Sec. 16. Minnesota Statutes 2012, section 89.0385, is amended to read:

31.30 **89.0385 FOREST MANAGEMENT INVESTMENT ACCOUNT; COST**

31.31 **CERTIFICATION.**

31.32 (a) ~~After each fiscal year,~~ The commissioner shall certify the total costs incurred for

31.33 forest management, forest improvement, and road improvement on state-managed lands

32.1 during ~~that~~ a fiscal year. The commissioner shall distribute forest management receipts  
 32.2 credited to various accounts according to this section.

32.3 (b) The amount of the certified costs incurred for forest management activities on  
 32.4 state lands shall be transferred from the account where receipts are deposited to the forest  
 32.5 management investment account in the natural resources fund, except for those costs  
 32.6 certified under section 16A.125. Transfers may occur quarterly, based on quarterly cost and  
 32.7 revenue reports, throughout the fiscal year, with final certification and reconciliation after  
 32.8 each fiscal year. Transfers in a fiscal year cannot exceed receipts credited to the account.

32.9 Sec. 17. Minnesota Statutes 2012, section 89.41, is amended to read:

32.10 **89.41 EDUCATIONAL UNITS MAY ESTABLISH AND MAINTAIN SCHOOL**  
 32.11 **FORESTS.**

32.12 Subdivision 1. Establishment and maintenance of school forests. Any school  
 32.13 district in the state, however organized, the University of Minnesota, or any branch  
 32.14 thereof, any state university, community college, or other public educational institution  
 32.15 or agency of the state, all herein referred to as agencies, may establish and maintain  
 32.16 school forests as herein provided according to this section, subject to the approval of the  
 32.17 commissioner of natural resources. ~~Any such agency may use for the purpose of such a~~  
 32.18 ~~forest any land belonging to it, or may acquire land therefor by gift or with contributed~~  
 32.19 ~~funds.~~ For the purpose of a school forest, an agency may use land the agency owns or uses  
 32.20 under an agreement or may acquire land by gift or with contributed funds.

32.21 Subd. 2. Conveyance of tax-forfeited land for school forest use. For the purposes  
 32.22 of ~~such forest~~ school forests established under this section, any tax-forfeited lands may be  
 32.23 sold by the county board to ~~any such~~ an agency or may be conveyed by the commissioner of  
 32.24 revenue to ~~any such~~ an agency in like manner as provided for the sale or conveyance of ~~such~~  
 32.25 tax-forfeited lands to governmental subdivisions under section 282.01 ~~and amendments~~  
 32.26 ~~thereof.~~ A conveyance under this subdivision is made without monetary compensation or  
 32.27 consideration for the conveyance, but the conveyance is subject to the conditional use and  
 32.28 reversion provisions under section 282.01, subdivisions 1c and 1d, paragraph (e).

32.29 Subd. 3. Monitoring and reporting. The commissioner shall annually monitor  
 32.30 tax-forfeited lands conveyed according to subdivision 2 to determine whether the  
 32.31 lands continue to be used as school forests. The commissioner shall submit an annual  
 32.32 monitoring report to the commissioner of revenue that identifies any lands no longer  
 32.33 used as school forests.

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

33.1 Sec. 18. Minnesota Statutes 2012, section 90.01, subdivision 4, is amended to read:

33.2 Subd. 4. **Scaler.** "Scaler" means a qualified bonded person designated by the  
33.3 commissioner to measure timber and cut forest products.

33.4 Sec. 19. Minnesota Statutes 2012, section 90.01, subdivision 5, is amended to read:

33.5 Subd. 5. **State appraiser.** "State appraiser" means an employee of the department  
33.6 designated by the commissioner to appraise state lands, which includes, but is not limited  
33.7 to, timber and other forest resource products, for volume, quality, and value.

33.8 Sec. 20. Minnesota Statutes 2012, section 90.01, subdivision 6, is amended to read:

33.9 Subd. 6. **Timber.** "Timber" means trees, shrubs, or woody plants, that will produce  
33.10 forest products of value whether standing or down, and including but not limited to logs,  
33.11 sawlogs, posts, poles, bolts, pulpwood, cordwood, fuelwood, woody biomass, lumber,  
33.12 and woody decorative material.

33.13 Sec. 21. Minnesota Statutes 2012, section 90.01, subdivision 8, is amended to read:

33.14 Subd. 8. **Permit holder.** "Permit holder" means the person holding who is the  
33.15 signatory of a permit to cut timber on state lands.

33.16 Sec. 22. Minnesota Statutes 2012, section 90.01, subdivision 11, is amended to read:

33.17 Subd. 11. **Effective permit.** "Effective permit" means a permit for which the  
33.18 commissioner has on file full or partial surety security as required by section 90.161; or  
33.19 90.162, 90.163, or 90.173 or, in the case of permits issued according to section 90.191 or  
33.20 90.195, the commissioner has received a down payment equal to the full appraised value.

33.21 Sec. 23. Minnesota Statutes 2012, section 90.031, subdivision 4, is amended to read:

33.22 Subd. 4. **Timber rules.** The Executive Council may formulate and establish, from  
33.23 time to time, rules it deems advisable for the transaction of timber business of the state,  
33.24 including approval of the sale of timber on any tract in a lot exceeding ~~6,000~~ 12,000 cords  
33.25 in volume when the sale is in the best interests of the state, and may abrogate, modify,  
33.26 or suspend rules at its pleasure.

33.27 Sec. 24. Minnesota Statutes 2012, section 90.041, subdivision 2, is amended to read:

33.28 Subd. 2. **Trespass on state lands.** The commissioner may compromise and settle,  
33.29 ~~with the approval of~~ notification to the attorney general, upon terms the commissioner  
33.30 deems just, any claim of the state for casual and involuntary trespass upon state lands or

34.1 timber; provided that no claim shall be settled for less than the full value of all timber  
 34.2 or other materials taken in casual trespass or the full amount of all actual damage or  
 34.3 loss suffered by the state as a result. Upon request, the commissioner shall advise the  
 34.4 Executive Council of any information acquired by the commissioner concerning any  
 34.5 trespass on state lands, giving all details and names of witnesses and all compromises and  
 34.6 settlements made under this subdivision.

34.7 Sec. 25. Minnesota Statutes 2012, section 90.041, subdivision 5, is amended to read:

34.8 Subd. 5. **Forest improvement contracts.** The commissioner may contract as part  
 34.9 of the timber sale with the purchaser of state timber at either informal or auction sale  
 34.10 for ~~the following~~ forest improvement work to be done on the land included within the  
 34.11 sale area: Forest improvement work may include activities relating to preparation of  
 34.12 the site for seeding or planting of seedlings or trees, seeding or planting of seedlings or  
 34.13 trees, and other activities ~~relating~~ related to forest regeneration or deemed necessary by  
 34.14 the commissioner to accomplish forest management objectives, including those related  
 34.15 to water quality protection, trail development, and wildlife habitat enhancement. A  
 34.16 contract issued under this subdivision is not subject to the competitive bidding provisions  
 34.17 of chapter 16C and is exempt from the contract approval provisions of section 16C.05,  
 34.18 subdivision 2. The bid value received in the sale of the timber and the contract bid  
 34.19 cost of the improvement work may be combined and the total value may be considered  
 34.20 by the commissioner in awarding forest improvement contracts under this section.  
 34.21 The commissioner may refuse to accept any and all bids received and cancel a forest  
 34.22 improvement contract sale for good and sufficient reasons.

34.23 Sec. 26. Minnesota Statutes 2012, section 90.041, subdivision 6, is amended to read:

34.24 Subd. 6. **Sale of damaged timber.** The commissioner may sell at public auction  
 34.25 timber that has been damaged by fire, windstorm, flood, insect, disease, or other natural  
 34.26 cause on notice that the commissioner considers reasonable when there is a high risk that  
 34.27 the salvage value of the timber would be lost.

34.28 Sec. 27. Minnesota Statutes 2012, section 90.041, subdivision 9, is amended to read:

34.29 Subd. 9. **Reoffering unsold timber.** ~~To maintain and enhance forest ecosystems on~~  
 34.30 ~~state forest lands,~~ The commissioner may reoffer timber tracts remaining unsold under the  
 34.31 provisions of section 90.101 below appraised value at public auction with the required  
 34.32 30-day notice under section 90.101, subdivision 2.

35.1 Sec. 28. Minnesota Statutes 2012, section 90.041, is amended by adding a subdivision  
35.2 to read:

35.3 Subd. 10. Fees. (a) The commissioner may establish a fee schedule that covers the  
35.4 commissioner's cost of issuing, administering, and processing various permits, permit  
35.5 modifications, transfers, assignments, amendments, and other transactions necessary to the  
35.6 administration of activities under this chapter.

35.7 (b) A fee established under this subdivision is not subject to the rulemaking  
35.8 provisions of chapter 14 and section 14.386 does not apply. The commissioner may  
35.9 establish fees under this subdivision notwithstanding section 16A.1283.

35.10 Sec. 29. Minnesota Statutes 2012, section 90.041, is amended by adding a subdivision  
35.11 to read:

35.12 Subd. 11. Debarment. The commissioner may debar a permit holder if the holder  
35.13 is convicted in Minnesota at the gross misdemeanor or felony level of criminal willful  
35.14 trespass, theft, fraud, or antitrust violation involving state, federal, county, or privately  
35.15 owned timber in Minnesota or convicted in any other state involving similar offenses and  
35.16 penalties for timber owned in that state. The commissioner shall cancel and repossess the  
35.17 permit directly involved in the prosecution of the crime. The commissioner shall cancel  
35.18 and repossess all other state timber permits held by the permit holder after taking from  
35.19 all security deposits money to which the state is entitled. The commissioner shall return  
35.20 the remainder of the security deposits, if any, to the permit holder. The debarred permit  
35.21 holder is prohibited from bidding, possessing, or being employed on any state timber  
35.22 permit during the period of debarment. The period of debarment is not less than one year  
35.23 or greater than three years. The duration of the debarment is based on the severity of the  
35.24 violation, past history of compliance with timber permits, and the amount of loss incurred  
35.25 by the state arising from violations of timber permits.

35.26 Sec. 30. Minnesota Statutes 2012, section 90.045, is amended to read:

35.27 **90.045 APPRAISAL STANDARDS.**

35.28 By July 1, 1983, the commissioner shall establish specific timber appraisal standards  
35.29 according to which all timber appraisals will be conducted under this chapter. The  
35.30 standards shall include a specification of the maximum allowable appraisal sampling error,  
35.31 ~~and~~ including the procedures for tree defect allowance, tract area estimation, product  
35.32 volume estimation, and product value determination. The timber appraisal standards shall  
35.33 be included in each edition of the timber sales manual published by the commissioner. In  
35.34 addition to the duties pursuant to section 90.061, every state appraiser shall work within

36.1 the guidelines of the timber appraisal standards. The standards shall not be subject to  
36.2 the rulemaking provisions of chapter 14.

36.3 Sec. 31. Minnesota Statutes 2012, section 90.061, subdivision 8, is amended to read:

36.4 Subd. 8. **Appraiser authority; form of documents.** State appraisers are  
36.5 empowered, with the consent of the commissioner, to perform any scaling, and generally  
36.6 to supervise the cutting and removal of timber and forest products on or from state lands  
36.7 so far as may be reasonably necessary to insure compliance with the terms of the permits  
36.8 or other contracts governing the same and protect the state from loss.

36.9 The form of appraisal reports, records, and notes to be kept by state appraisers  
36.10 shall be as the commissioner prescribes.

36.11 Sec. 32. Minnesota Statutes 2012, section 90.101, subdivision 1, is amended to read:

36.12 Subdivision 1. **Sale requirements.** The commissioner may sell the timber on any  
36.13 tract of state land and may determine the number of sections or fractional sections of land  
36.14 to be included in the permit area covered by any one permit issued to the purchaser of  
36.15 timber on state lands, or in any one contract or other instrument relating thereto. No  
36.16 timber shall be sold, except (1) to the highest responsible bidder at public auction, or  
36.17 (2) if unsold at public auction, the commissioner may offer the timber for private sale  
36.18 for a period of no more than ~~six months~~ one year after the public auction to any ~~person~~  
36.19 responsible bidder who pays the appraised value for the timber. The minimum price shall  
36.20 be the appraised value as fixed by the report of the state appraiser. Sales may include tracts  
36.21 in more than one contiguous county or forestry administrative area and shall be held either  
36.22 in the county or forestry administrative area in which the tract is located or in an adjacent  
36.23 county or forestry administrative area that is nearest the tract offered for sale or that is  
36.24 most accessible to potential bidders. In adjoining counties or forestry administrative areas,  
36.25 sales may not be held less than two hours apart.

36.26 Sec. 33. Minnesota Statutes 2012, section 90.121, is amended to read:

36.27 **90.121 INTERMEDIATE AUCTION SALES; MAXIMUM LOTS OF 3,000**  
36.28 **CORDS.**

36.29 (a) The commissioner may sell the timber on any tract of state land in lots not  
36.30 exceeding 3,000 cords in volume, in the same manner as timber sold at public auction under  
36.31 section 90.101, and related laws, subject to the following special exceptions and limitations:

36.32 (1) the commissioner shall offer all tracts authorized for sale by this section  
36.33 separately from the sale of tracts of state timber made pursuant to section 90.101;

37.1 (2) no bidder may be awarded more than 25 percent of the total tracts offered at the  
 37.2 first round of bidding unless fewer than four tracts are offered, in which case not more than  
 37.3 one tract shall be awarded to one bidder. Any tract not sold at public auction may be offered  
 37.4 for private sale as authorized by section 90.101, subdivision 1, 30 days after the auction to  
 37.5 persons responsible bidders eligible under this section at the appraised value; and

37.6 (3) no sale may be made to a ~~person~~ responsible bidder having more than 30  
 37.7 employees. For the purposes of this clause, "employee" means an individual working in  
 37.8 the timber or wood products industry for salary or wages on a full-time or part-time basis.

37.9 (b) The auction sale procedure set forth in this section constitutes an additional  
 37.10 alternative timber sale procedure available to the commissioner and is not intended to  
 37.11 replace other authority possessed by the commissioner to sell timber in lots of 3,000  
 37.12 cords or less.

37.13 (c) Another bidder or the commissioner may request that the number of employees a  
 37.14 bidder has pursuant to paragraph (a), clause (3), be confirmed by signed affidavit if there is  
 37.15 evidence that the bidder may be ineligible due to exceeding the employee threshold. The  
 37.16 commissioner shall request information from the commissioners of labor and industry and  
 37.17 employment and economic development including the premiums paid by the bidder in  
 37.18 question for workers' compensation insurance coverage for all employees of the bidder.  
 37.19 The commissioner shall review the information submitted by the commissioners of labor  
 37.20 and industry and employment and economic development and make a determination based  
 37.21 on that information as to whether the bidder is eligible. A bidder is considered eligible and  
 37.22 may participate in intermediate auctions until determined ineligible under this paragraph.

37.23 Sec. 34. Minnesota Statutes 2012, section 90.145, is amended to read:

37.24 **90.145 PURCHASER QUALIFICATIONS AND, REGISTRATION, AND**  
 37.25 **REQUIREMENTS.**

37.26 Subdivision 1. **Purchaser qualifications requirements.** (a) In addition to any other  
 37.27 requirements imposed by this chapter, the purchaser of a state timber permit issued under  
 37.28 section 90.151 must meet the requirements in paragraphs (b) to ~~(d)~~ (e).

37.29 (b) The purchaser ~~and~~ or the purchaser's agents, employees, subcontractors, and  
 37.30 assigns conducting logging operations on the timber permit must comply with general  
 37.31 industry safety standards for logging adopted by the commissioner of labor and industry  
 37.32 under chapter 182. The commissioner of natural resources ~~shall~~ may require a purchaser  
 37.33 to provide proof of compliance with the general industry safety standards.

37.34 (c) The purchaser ~~and~~ or the purchaser's agents, subcontractors, and assigns  
 37.35 conducting logging operations on the timber permit must comply with the mandatory

38.1 insurance requirements of chapter 176. The commissioner ~~shall~~ may require a purchaser  
 38.2 to provide a copy of the proof of insurance required by section 176.130 before the start of  
 38.3 harvesting operations on any permit.

38.4 (d) Before the start of harvesting operations on any permit, the purchaser must certify  
 38.5 that a foreperson or other designated employee who has a current certificate of completion,  
 38.6 which includes instruction in site-level forest management guidelines or best management  
 38.7 practices, from the Minnesota Logger Education Program (MLEP), the Wisconsin Forest  
 38.8 Industry Safety and Training Alliance (FISTA), or any similar continuous education  
 38.9 program acceptable to the commissioner, is supervising active logging operations.

38.10 (e) The purchaser and the purchaser's agents, employees, subcontractors, and assigns  
 38.11 who will be involved with logging or scaling state timber must be in compliance with  
 38.12 this chapter.

38.13 Subd. 2. **Purchaser ~~preregistration~~ registration.** To facilitate the sale of permits  
 38.14 issued under section 90.151, the commissioner may establish a ~~purchaser preregistration~~  
 38.15 registration system to verify the qualifications of a person as a responsible bidder to  
 38.16 purchase a timber permit. Any system implemented by the commissioner shall be limited  
 38.17 in scope to only that information that is required for the efficient administration of the  
 38.18 purchaser qualification ~~provisions~~ requirements of this chapter ~~and shall conform with the~~  
 38.19 ~~requirements of chapter 13.~~ The registration system established under this subdivision is  
 38.20 not subject to the rulemaking provisions of chapter 14 and section 14.386 does not apply.

38.21 Sec. 35. Minnesota Statutes 2012, section 90.151, subdivision 1, is amended to read:

38.22 Subdivision 1. **Issuance; expiration.** (a) Following receipt of the down payment  
 38.23 for state timber required under section 90.14 or 90.191, the commissioner shall issue a  
 38.24 numbered permit to the purchaser, in a form approved by the attorney general, by the  
 38.25 terms of which the purchaser shall be authorized to enter upon the land, and to cut and  
 38.26 remove the timber therein described as designated for cutting in the report of the state  
 38.27 appraiser, according to the provisions of this chapter. The permit shall be correctly  
 38.28 dated and executed by the commissioner and signed by the purchaser. If a permit is not  
 38.29 signed by the purchaser within ~~60~~ 45 days from the date of purchase, the permit cancels  
 38.30 and the down payment for timber required under section 90.14 forfeits to the state. The  
 38.31 commissioner may grant an additional period for the purchaser to sign the permit, not to  
 38.32 exceed ~~five~~ ten business days, provided the purchaser pays a ~~\$125~~ \$200 penalty fee.

38.33 (b) The permit shall expire no later than five years after the date of sale as the  
 38.34 commissioner shall specify or as specified under section 90.191, and the timber shall  
 38.35 be cut and removed within the time specified therein. ~~All cut timber, equipment, and~~

39.1 ~~buildings not removed from the land within 90 days after expiration of the permit shall~~  
 39.2 ~~become the property of the state.~~ If additional time is needed, the permit holder must  
 39.3 request, prior to the expiration date, and may be granted, for good and sufficient reasons,  
 39.4 up to 90 additional days for the completion of skidding, hauling, and removing all  
 39.5 equipment and buildings. All cut timber, equipment, and buildings not removed from the  
 39.6 land after expiration of the permit becomes the property of the state.

39.7 (c) The commissioner may grant an additional period of time not to exceed ~~120~~ 240  
 39.8 days for the removal of cut timber, equipment, and buildings upon receipt of ~~such a written~~  
 39.9 request by the permit holder for good and sufficient reasons. ~~The commissioner may grant~~  
 39.10 ~~a second period of time not to exceed 120 days for the removal of cut timber, equipment,~~  
 39.11 ~~and buildings upon receipt of a request by the permit holder for hardship reasons only.~~  
 39.12 The permit holder may combine in the written request under this paragraph the request  
 39.13 for additional time under paragraph (b).

39.14 Sec. 36. Minnesota Statutes 2012, section 90.151, subdivision 2, is amended to read:

39.15 Subd. 2. **Permit requirements.** The permit shall state the amount of timber  
 39.16 estimated for cutting on the land, the estimated value thereof, and the price at which it is  
 39.17 sold in units of per thousand feet, per cord, per piece, per ton, or by whatever description  
 39.18 sold, and shall specify that all landings of cut products shall be legibly marked with the  
 39.19 assigned permit number. The permit shall provide for the continuous identification  
 39.20 and control of the cut timber from the time of cutting until delivery to the consumer.  
 39.21 The permit shall provide that failure to continuously identify the timber as specified in  
 39.22 the permit constitutes trespass.

39.23 Sec. 37. Minnesota Statutes 2012, section 90.151, subdivision 3, is amended to read:

39.24 Subd. 3. **Security provisions.** The permit shall contain such provisions as may be  
 39.25 necessary to secure to the state the title of all timber cut thereunder wherever found until  
 39.26 full payment therefor and until all provisions of the permit have been fully complied  
 39.27 with. The permit shall provide that from the date ~~the same becomes effective~~ cutting  
 39.28 commences until the expiration ~~thereof~~ of the permit, including all extensions, the  
 39.29 purchaser and successors in interest shall be liable to the state for the full permit price of  
 39.30 all timber covered thereby, notwithstanding any subsequent damage or injury thereto or  
 39.31 trespass thereon or theft thereof, and without prejudice to the right of the state to pursue  
 39.32 such timber and recover the value thereof anywhere prior to the payment therefor in full to  
 39.33 the state. If an effective permit is forfeited prior to any cutting activity, the purchaser is  
 39.34 liable to the state for a sum equal to the down payment and bid guarantee. Upon recovery

40.1 from any person other than the permit holder, the permit holder shall be deemed released  
40.2 to the extent of the net amount, after deducting all expenses of collecting same, recovered  
40.3 by the state from such other person.

40.4 Sec. 38. Minnesota Statutes 2012, section 90.151, subdivision 4, is amended to read:

40.5 Subd. 4. **Permit terms.** Once a permit becomes effective and cutting commences,  
40.6 the permit holder is liable to the state for the permit price for all timber required to be cut,  
40.7 including timber not cut. The permit shall provide that all timber sold or designated for  
40.8 cutting shall be cut ~~without~~ in such a manner so as not to cause damage to other timber;  
40.9 that the permit holder shall remove all timber authorized and designated to be cut under  
40.10 the permit; that timber sold by ~~board~~ measure identified in the permit, but later determined  
40.11 by the commissioner not to be convertible into ~~board~~ the permit's measure, shall be paid  
40.12 for by the piece or cord or other unit of measure according to the size, species, or value, as  
40.13 may be determined by the commissioner; and that all timber products, except as specified  
40.14 by the commissioner, shall be scaled and the final settlement for the timber cut shall be  
40.15 made on this scale; ~~and that the permit holder shall pay to the state the permit price for~~  
40.16 ~~all timber authorized to be cut, including timber not cut.~~

40.17 Sec. 39. Minnesota Statutes 2012, section 90.151, subdivision 6, is amended to read:

40.18 Subd. 6. **Notice and approval required.** The permit shall provide that the permit  
40.19 holder shall not start cutting any state timber nor clear ~~building sites~~ landings nor logging  
40.20 roads until the commissioner has been notified and has given prior approval to such  
40.21 cutting operations. Approval shall not be granted until the permit holder has completed  
40.22 a presale conference with the state appraiser designated to supervise the cutting. The  
40.23 permit holder shall also give prior notice whenever permit operations are to be temporarily  
40.24 halted, whenever permit operations are to be resumed, and when permit operations are to  
40.25 be completed.

40.26 Sec. 40. Minnesota Statutes 2012, section 90.151, subdivision 7, is amended to read:

40.27 Subd. 7. **Liability for timber cut in trespass.** The permit shall provide that the  
40.28 permit holder shall pay the permit price value for any timber sold which is negligently  
40.29 destroyed or damaged by the permit holder in cutting or removing other timber sold. If the  
40.30 permit holder shall cut or remove or negligently destroy or damage any timber upon the  
40.31 land described, not sold under the permit, except such timber as it may be necessary to cut  
40.32 and remove in the construction of necessary logging roads and landings approved as to  
40.33 location and route by the commissioner, such timber shall be deemed to have been cut in

41.1 trespass. The permit holder shall be liable for any such timber and recourse may be had  
41.2 upon the ~~bond~~ security deposit.

41.3 Sec. 41. Minnesota Statutes 2012, section 90.151, subdivision 8, is amended to read:

41.4 Subd. 8. **Suspension; cancellation.** The permit shall provide that the commissioner  
41.5 shall have the power to order suspension of all operations under the permit when ~~in the~~  
41.6 ~~commissioner's judgment~~ the conditions thereof have not been complied with and any  
41.7 timber cut or removed during such suspension shall be deemed to have been cut in trespass;  
41.8 that the commissioner may cancel the permit at any time ~~when in the commissioner's~~  
41.9 ~~judgment the conditions thereof have not been complied with~~ due to a breach of the permit  
41.10 conditions and such cancellation shall constitute repossession of the timber by the state;  
41.11 that the permit holder shall remove equipment and buildings from such land within 90 days  
41.12 after such cancellation; that, if the purchaser at any time fails to pay any obligations to the  
41.13 state under any other permits, any or all permits may be canceled; and that any timber cut  
41.14 or removed in violation of the terms of the permit or of any law shall constitute trespass.

41.15 Sec. 42. Minnesota Statutes 2012, section 90.151, subdivision 9, is amended to read:

41.16 Subd. 9. **Slashings disposal.** The permit shall provide that the permit holder shall  
41.17 ~~burn or otherwise~~ dispose of or treat all slashings or other refuse resulting from cutting  
41.18 operations, as specified in the permit, in the manner now or hereafter provided by law.

41.19 Sec. 43. Minnesota Statutes 2012, section 90.161, is amended to read:

41.20 **90.161 SURETY BONDS FOR AUCTION SECURITY DEPOSITS**  
41.21 **REQUIRED FOR EFFECTIVE TIMBER PERMITS.**

41.22 Subdivision 1. **Bond Security deposit required.** (a) Except as otherwise provided  
41.23 by law, the purchaser of any state timber, before any timber permit becomes effective for  
41.24 any purpose, shall give a good and valid ~~bond~~ security in the form of cash; a certified  
41.25 check; a cashier's check; a postal, bank, or express money order; a corporate surety bond;  
41.26 or an irrevocable bank letter of credit to the state of Minnesota equal to the value of all  
41.27 timber covered or to be covered by the permit, as shown by the sale price bid and the  
41.28 appraisal report as to quantity, less the amount of any payments pursuant to ~~sections~~  
41.29 section 90.14 and 90.163.

41.30 (b) The ~~bond~~ security deposit shall be conditioned upon the faithful performance  
41.31 by the purchaser and successors in interest of all terms and conditions of the permit and  
41.32 all requirements of law in respect to timber sales. The ~~bond~~ security deposit shall be  
41.33 approved in writing by the commissioner and filed for record in the commissioner's office.

42.1 ~~(c) In the alternative to cash and bond requirements, but upon the same conditions,~~  
42.2 A purchaser may post bond for 100 percent of the purchase price and request refund of the  
42.3 amount of any payments pursuant to ~~sections~~ section 90.14 and 90.163. The commissioner  
42.4 may credit the refund to any other permit held by the same permit holder if the permit is  
42.5 delinquent as provided in section 90.181, subdivision 2, or may credit the refund to any  
42.6 other permit to which the permit holder requests that it be credited.

42.7 (d) In the event of a default, the commissioner may take from the deposit the sum of  
42.8 money to which the state is entitled. The commissioner shall return the remainder of the  
42.9 deposit, if any, to the person making the deposit. When cash is deposited as security, it  
42.10 shall be applied to the amount due when a statement is prepared and transmitted to the  
42.11 permit holder according to section 90.181. Any balance due to the state shall be shown on  
42.12 the statement and shall be paid as provided in section 90.181. Any amount of the deposit  
42.13 in excess of the amount determined to be due according to section 90.181 shall be returned  
42.14 to the permit holder when a final statement is transmitted under section 90.181. All or  
42.15 part of a cash deposit may be withheld from application to an amount due on a nonfinal  
42.16 statement if it appears that the total amount due on the permit will exceed the bid price.

42.17 (e) If an irrevocable bank letter of credit is provided as security under paragraph  
42.18 (a), at the written request of the permittee, the commissioner shall annually allow the  
42.19 amount of the bank letter of credit to be reduced by an amount proportionate to the value  
42.20 of timber that has been harvested and for which the state has received payment under the  
42.21 timber permit. The remaining amount of the bank letter of credit after a reduction under  
42.22 this paragraph must not be less than the value of the timber remaining to be harvested  
42.23 under the timber permit.

42.24 (f) If cash; a certified check; a cashier's check; a personal check; or a postal, bank, or  
42.25 express money order is provided as security under paragraph (a) and no cutting of state  
42.26 timber has taken place on the permit, the commissioner may credit the security provided,  
42.27 less any deposit required under section 90.14, to any other permit to which the permit  
42.28 holder requests in writing that it be credited.

42.29 **Subd. 2. Failure to ~~bond~~ provide security deposit.** If ~~bond~~ the security deposit is  
42.30 not furnished, no harvesting may occur and ~~the down payment for timber~~ 15 percent of the  
42.31 permit's purchase price shall forfeit to the state when the permit expires.

42.32 **Subd. 3. Subrogation.** ~~In case of default~~ When security is provided by surety  
42.33 bond and the permit holder defaults in payment by the permit holder, the surety upon the  
42.34 bond shall make payment in full to the state of all sums of money due under such permit;  
42.35 and thereupon such surety shall be deemed immediately subrogated to all the rights of  
42.36 the state in the timber so paid for; and such subrogated party may pursue the timber and

43.1 recover therefor, or have any other appropriate relief in relation thereto which the state  
 43.2 might or could have had if such surety had not made such payment. No assignment or  
 43.3 other writing on the part of the state shall be necessary to make such subrogation effective,  
 43.4 but the certificate signed by and bearing the official seal of the commissioner, showing the  
 43.5 amount of such timber, the lands from which it was cut or upon which it stood, and the  
 43.6 amount paid therefor, shall be prima facie evidence of such facts.

43.7 Subd. 4. **Change of security.** Prior to any ~~harvest~~ cutting activity, or activities  
 43.8 incidental to the preparation for harvest, a purchaser having posted a ~~bond~~ security deposit  
 43.9 for 100 percent of the purchase price of a sale may request the release of the ~~bond~~ security  
 43.10 and the commissioner shall grant the release ~~upon cash payment to the commissioner of~~  
 43.11 ~~15 percent of the appraised value of the sale, plus eight percent interest on the appraised~~  
 43.12 ~~value of the sale from the date of purchase to the date of release~~ while retaining, or upon  
 43.13 repayment of, the permit's down payment and bid guarantee deposit requirement.

43.14 Subd. 5. **Return of security.** Any security required under this section shall be  
 43.15 returned to the purchaser within 60 days after the final scale.

43.16 Sec. 44. Minnesota Statutes 2012, section 90.162, is amended to read:

43.17 **90.162 ~~ALTERNATIVE TO BOND OR DEPOSIT REQUIREMENTS~~**  
 43.18 **SECURING TIMBER PERMITS WITH CUTTING BLOCKS.**

43.19 In lieu of the ~~bond or cash~~ security deposit equal to the value of all timber covered  
 43.20 by the permit required by section 90.161 ~~or 90.173~~, a purchaser of state timber may elect  
 43.21 in writing on a form prescribed by the attorney general to give good and valid surety to the  
 43.22 state of Minnesota equal to the purchase price for any designated cutting block identified  
 43.23 on the permit before the date the purchaser enters upon the land to begin harvesting the  
 43.24 timber on the designated cutting block.

43.25 Sec. 45. **[90.164] TIMBER PERMIT DEVELOPMENT OPTION.**

43.26 With the completion of the presale conference requirement under section 90.151,  
 43.27 subdivision 6, a permit holder may access the permit area in advance of the permit being  
 43.28 fully secured as required by section 90.161, for the express purpose of clearing approved  
 43.29 landings and logging roads. No cutting of state timber except that incidental to the clearing  
 43.30 of approved landings and logging roads is allowed under this section.

43.31 Sec. 46. Minnesota Statutes 2012, section 90.171, is amended to read:

43.32 **90.171 ASSIGNMENT OF AUCTION TIMBER PERMITS.**

44.1 Any permit sold at public auction may be assigned upon written approval of the  
44.2 commissioner. The assignment of any permit shall be signed and acknowledged by the  
44.3 permit holder. The commissioner shall not approve any assignment until the assignee has  
44.4 been determined to meet the qualifications of a responsible bidder and has given to the state  
44.5 a ~~bond~~ security deposit which shall be substantially in the form of, and shall be deemed  
44.6 of the same effect as, the ~~bond~~ security deposit required of the original purchaser. The  
44.7 commissioner may accept ~~the~~ an agreement of the assignee and any corporate surety upon  
44.8 ~~such~~ an original bond, substituting the assignee in the place of ~~such~~ the original purchaser  
44.9 and continuing ~~such~~ the original bond in full force and effect, as to the assignee. Thereupon  
44.10 but not otherwise the permit holder making the assignment shall be released from all  
44.11 liability arising or accruing from actions taken after the assignment became effective.

44.12 Sec. 47. Minnesota Statutes 2012, section 90.181, subdivision 2, is amended to read:

44.13 Subd. 2. **Deferred payments.** (a) If the amount of the statement is not paid within  
44.14 30 days of the date thereof, it shall bear interest at the rate determined pursuant to section  
44.15 16A.124, except that the purchaser shall not be required to pay interest that totals \$1 or  
44.16 less. If the amount is not paid within 60 days, the commissioner shall place the account in  
44.17 the hands of the commissioner of revenue according to chapter 16D, who shall proceed to  
44.18 collect the same. When deemed in the best interests of the state, the commissioner shall  
44.19 take possession of the timber for which an amount is due wherever it may be found and  
44.20 sell the same informally or at public auction after giving reasonable notice.

44.21 (b) The proceeds of the sale shall be applied, first, to the payment of the expenses  
44.22 of seizure and sale; and, second, to the payment of the amount due for the timber, with  
44.23 interest; and the surplus, if any, shall belong to the state; and, in case a sufficient amount is  
44.24 not realized to pay these amounts in full, the balance shall be collected by the attorney  
44.25 general. Neither payment of the amount, nor the recovery of judgment therefor, nor  
44.26 satisfaction of the judgment, nor the seizure and sale of timber, shall release the sureties  
44.27 on any ~~bond~~ security deposit given pursuant to this chapter, or preclude the state from  
44.28 afterwards claiming that the timber was cut or removed contrary to law and recovering  
44.29 damages for the trespass thereby committed, or from prosecuting the offender criminally.

44.30 Sec. 48. Minnesota Statutes 2012, section 90.191, subdivision 1, is amended to read:

44.31 Subdivision 1. **Sale requirements.** The commissioner may sell the timber on any  
44.32 tract of state land in lots not exceeding 500 cords in volume, without formalities but for  
44.33 not less than the full appraised value thereof, to any person. No sale shall be made under  
44.34 this section to any person holding ~~two~~ more than four permits issued hereunder which are

45.1 still in effect; ~~except that (1) a partnership as defined in chapter 323, which may include~~  
 45.2 ~~spouses but which shall provide evidence that a partnership exists, may be holding two~~  
 45.3 ~~permits for each of not more than three partners who are actively engaged in the business~~  
 45.4 ~~of logging or who are the spouses of persons who are actively engaged in the business of~~  
 45.5 ~~logging with that partnership; and (2) a corporation, a majority of whose shares and voting~~  
 45.6 ~~power are owned by natural persons related to each other within the fourth degree of~~  
 45.7 ~~kindred according to the rules of the civil law or their spouses or estates, may be holding~~  
 45.8 ~~two permits for each of not more than three shareholders who are actively engaged in the~~  
 45.9 ~~business of logging or who are the spouses of persons who are actively engaged in the~~  
 45.10 ~~business of logging with that corporation.~~

45.11 Sec. 49. Minnesota Statutes 2012, section 90.193, is amended to read:

45.12 **90.193 EXTENSION OF TIMBER PERMITS.**

45.13 The commissioner may, in the case of an exceptional circumstance beyond the  
 45.14 control of the timber permit holder which makes it unreasonable, impractical, and not  
 45.15 feasible to complete cutting and removal under the permit within the time allowed, grant  
 45.16 ~~an~~ one regular extension of ~~for~~ one year. A written request for the regular extension must  
 45.17 be received by the commissioner before the permit expires. The request must state the  
 45.18 reason the extension is necessary and be signed by the permit holder. An interest rate of  
 45.19 eight percent may be charged for the period of extension.

45.20 Sec. 50. Minnesota Statutes 2012, section 90.195, is amended to read:

45.21 **90.195 SPECIAL USE AND PRODUCT PERMIT.**

45.22 (a) The commissioner may issue a permit to salvage or cut not to exceed 12 cords of  
 45.23 fuelwood per year for personal use from either or both of the following sources: (1) dead,  
 45.24 down, and ~~diseased~~ damaged trees; (2) other trees that are of negative value under good  
 45.25 forest management practices. The permits may be issued for a period not to exceed one  
 45.26 year. The commissioner shall charge a fee for the permit ~~that shall cover the commissioner's~~  
 45.27 ~~cost of issuing the permit and~~ as provided under section 90.041, subdivision 10. The fee  
 45.28 shall not exceed the current market value of fuelwood of similar species, grade, and volume  
 45.29 that is being sold in the area where the salvage or cutting is authorized under the permit.

45.30 (b) The commissioner may issue a special product permit under section 89.42 for  
 45.31 commercial use, which may include incidental volumes of boughs, gravel, hay, biomass,  
 45.32 and other products derived from forest management activities. The value of the products  
 45.33 is the current market value of the products that are being sold in the area. The permit may

46.1 be issued for a period not to exceed one year and the commissioner shall charge a fee for  
 46.2 the permit as provided under section 90.041, subdivision 10.

46.3 (c) The commissioner may issue a special use permit for incidental volumes of  
 46.4 timber from approved right-of-way road clearing across state land for the purpose of  
 46.5 accessing a state timber permit. The permit shall include the volume and value of timber  
 46.6 to be cleared and may be issued for a period not to exceed one year. A presale conference  
 46.7 as required under section 90.151, subdivision 6, must be completed before the start of  
 46.8 any activities under the permit.

46.9 Sec. 51. Minnesota Statutes 2012, section 90.201, subdivision 2a, is amended to read:

46.10 Subd. 2a. **Prompt payment of refunds.** Any refund of cash that is due to a permit  
 46.11 holder as determined on a final statement transmitted pursuant to section 90.181 or a  
 46.12 refund of cash made pursuant to section 90.161, subdivision 1, ~~or 90.173, paragraph~~  
 46.13 ~~(a)~~, shall be paid to the permit holder according to section 16A.124 unless the refund is  
 46.14 credited on another permit as provided in this chapter.

46.15 Sec. 52. Minnesota Statutes 2012, section 90.211, is amended to read:

46.16 **90.211 PURCHASE MONEY, WHEN FORFEITED.**

46.17 If the holder of an effective permit begins to cut and then fails to ~~cut~~ complete any  
 46.18 part thereof of the permit before the expiration of the permit, the permit holder shall  
 46.19 nevertheless pay the price therefor; but under no circumstances shall timber be cut after  
 46.20 the expiration of the permit or extension thereof.

46.21 Sec. 53. Minnesota Statutes 2012, section 90.221, is amended to read:

46.22 **90.221 TIMBER SALES RECORDS.**

46.23 The commissioner shall keep timber sales records, including the description of each  
 46.24 tract of land from which any timber is sold; the date of the report of the state appraisers;  
 46.25 the kind, amount, and value of the timber as shown by such report; the date of the sale;  
 46.26 the price for which the timber was sold; the name of the purchaser; the number, date  
 46.27 of issuance and date of expiration of each permit; the date of any assignment of the  
 46.28 permit; the name of the assignee; the dates of the filing and the amounts of the respective  
 46.29 ~~bonds~~ security deposits by the purchaser and assignee; the names of the sureties thereon;  
 46.30 the amount of timber taken from the land; the date of the report of the scaler and state  
 46.31 appraiser; the names of the scaler and the state appraiser who scaled the timber; and the  
 46.32 amount paid for such timber and the date of payment.

47.1 Sec. 54. Minnesota Statutes 2012, section 90.252, subdivision 1, is amended to read:

47.2 Subdivision 1. **Consumer scaling.** The commissioner may enter into an agreement  
47.3 with either a timber sale permittee, or the purchaser of the cut products, or both, so  
47.4 that the scaling of the cut timber and the collection of the payment for the same can be  
47.5 consummated by the ~~consumer~~ state. Such an agreement shall be approved as to form and  
47.6 content by the attorney general and shall provide for a bond or cash in lieu of a bond and  
47.7 such other safeguards as are necessary to protect the interests of the state. The scaling  
47.8 and payment collection procedure may be used for any state timber sale, except that no  
47.9 permittee who is also the consumer shall both cut and scale the timber sold unless such  
47.10 scaling is supervised by a state scaler.

47.11 Sec. 55. Minnesota Statutes 2012, section 90.301, subdivision 2, is amended to read:

47.12 Subd. 2. **Seizure of unlawfully cut timber.** The commissioner may take possession  
47.13 of any timber hereafter unlawfully cut upon or taken from any land owned by the state  
47.14 wherever found and may sell the same informally or at public auction after giving such  
47.15 notice as the commissioner deems reasonable and after deducting all the expenses of such  
47.16 sale the proceeds thereof shall be paid into the state treasury to the credit of the proper  
47.17 fund; and when any timber so unlawfully cut has been intermingled with any other timber  
47.18 or property so that it cannot be identified or plainly separated therefrom the commissioner  
47.19 may so seize and sell the whole quantity so intermingled and, in such case, the whole  
47.20 quantity of such timber shall be conclusively presumed to have been unlawfully taken  
47.21 from state land. When the timber unlawfully cut or removed from state land is so seized  
47.22 and sold, the seizure shall not in any manner relieve the trespasser who cut or removed, or  
47.23 caused the cutting or removal of, any such timber from the full liability imposed by this  
47.24 chapter for the trespass so committed, but the net amount realized from such sale shall  
47.25 be credited on whatever judgment is recovered against such trespasser, if the trespass  
47.26 was deemed to be casual and involuntary.

47.27 Sec. 56. Minnesota Statutes 2012, section 90.301, subdivision 4, is amended to read:

47.28 Subd. 4. **Apprehension of trespassers; reward.** The commissioner may offer a  
47.29 reward to be paid to a person giving to the proper authorities any information that leads to  
47.30 the conviction of a person violating this chapter. The reward is limited to the greater of  
47.31 \$100 or ten percent of the single stumpage value of any timber unlawfully cut or removed.  
47.32 The commissioner shall pay the reward from funds appropriated for that purpose or from  
47.33 receipts from the sale of state timber. A reward shall not be paid to salaried forest officers,  
47.34 state appraisers, scalers, conservation officers, or licensed peace officers.

48.1 Sec. 57. Minnesota Statutes 2012, section 90.41, subdivision 1, is amended to read:

48.2 Subdivision 1. **Violations and penalty.** (a) Any state scaler or state appraiser who  
48.3 shall accept any compensation or gratuity for services as such from any other source  
48.4 except the state of Minnesota, or any state scaler, or other person authorized to scale state  
48.5 timber, or state appraiser, who shall make any false report, or insert in any such report any  
48.6 false statement, or shall make any such report without having examined the land embraced  
48.7 therein or without having actually been upon the land, or omit from any such report any  
48.8 statement required by law to be made therein, or who shall fail to report any known trespass  
48.9 committed upon state lands, or who shall conspire with any other person in any manner, by  
48.10 act or omission or otherwise, to defraud or unlawfully deprive the state of Minnesota of any  
48.11 land or timber, or the value thereof, shall be guilty of a felony. Any material discrepancy  
48.12 between the facts and the scale returned by any such person scaling timber for the state  
48.13 shall be considered prima facie evidence that such person is guilty of violating this statute.

48.14 (b) No such appraiser or scaler who has been once discharged for cause shall ever  
48.15 again be appointed. This provision shall not apply to resignations voluntarily made by and  
48.16 accepted from such employees.

48.17 Sec. 58. Minnesota Statutes 2012, section 93.46, is amended by adding a subdivision  
48.18 to read:

48.19 Subd. 10. **Scram mining.** "Scram mining" means a mining operation that produces  
48.20 natural iron ore, natural iron ore concentrates, or taconite ore as described in section 93.20,  
48.21 subdivisions 12 to 18, from previously developed stockpiles, tailing basins, underground  
48.22 mine workings, or open pits and that involves no more than 80 acres of land not previously  
48.23 affected by mining, or more than 80 acres of land not previously affected by mining  
48.24 if the operator can demonstrate that impacts would be substantially the same as other  
48.25 scram operations. "Land not previously affected by mining" means land upon which mine  
48.26 wastes have not been deposited and land from which materials have not been removed in  
48.27 connection with the production or extraction of metallic minerals.

48.28 Sec. 59. Minnesota Statutes 2012, section 93.481, subdivision 3, is amended to read:

48.29 Subd. 3. **Term of permit; amendment.** (a) A permit issued by the commissioner  
48.30 pursuant to this section shall be granted for the term determined necessary by the  
48.31 commissioner for the completion of the proposed mining operation, including reclamation  
48.32 or restoration. The term of a scram mining permit for iron ore or taconite shall be  
48.33 determined in the same manner as a permit to mine for an iron ore or taconite mining  
48.34 operation.

49.1 (b) A permit may be amended upon written application to the commissioner. A  
 49.2 permit amendment application fee must be submitted with the written application. The  
 49.3 permit amendment application fee is ten percent of the amount provided for in subdivision  
 49.4 1, clause (3), for an application for the applicable permit to mine. If the commissioner  
 49.5 determines that the proposed amendment constitutes a substantial change to the permit,  
 49.6 the person applying for the amendment shall publish notice in the same manner as for a  
 49.7 new permit, and a hearing shall be held if written objections are received in the same  
 49.8 manner as for a new permit. An amendment may be granted by the commissioner if the  
 49.9 commissioner determines that lawful requirements have been met.

49.10 Sec. 60. [93.61] DRILL CORE LIBRARY ACCESS.

49.11 Consistent with section 13.03, subdivision 3, a person shall not be required to pay a  
 49.12 fee to access exploration data, exploration drill core data, mineral evaluation data, and  
 49.13 mining data stored in the drill core library located in Hibbing, Minnesota, and managed  
 49.14 by the commissioner of natural resources. The library shall be open during regular  
 49.15 business hours.

49.16 Sec. 61. Minnesota Statutes 2012, section 97A.401, subdivision 3, is amended to read:

49.17 Subd. 3. **Taking, possessing, and transporting wild animals for certain**  
 49.18 **purposes.** (a) Except as provided in paragraph (b), special permits may be issued without  
 49.19 a fee to take, possess, and transport wild animals as pets and for scientific, educational,  
 49.20 rehabilitative, wildlife disease prevention and control, and exhibition purposes. The  
 49.21 commissioner shall prescribe the conditions for taking, possessing, transporting, and  
 49.22 disposing of the wild animals.

49.23 (b) A special permit may not be issued to take or possess wild or native deer for  
 49.24 exhibition, propagation, or as pets.

49.25 (c) Nonresident professional wildlife rehabilitators with a federal rehabilitation  
 49.26 permit may possess and transport wildlife affected by oil spills.

49.27 Sec. 62. [115.84] WASTEWATER LABORATORY CERTIFICATION.

49.28 Subdivision 1. Wastewater laboratory certification required. (a) Laboratories  
 49.29 performing wastewater or water analytical laboratory work, the results of which are  
 49.30 reported to the agency to determine compliance with a national pollutant discharge  
 49.31 elimination system (NPDES) permit condition or other regulatory document, must be  
 49.32 certified according to this section.

49.33 (b) This section does not apply to:

50.1 (1) laboratories that are private and for-profit;  
 50.2 (2) laboratories that perform drinking water analyses; or  
 50.3 (3) laboratories that perform remediation program analyses, such as Superfund or  
 50.4 petroleum analytical work.

50.5 (c) Until adoption of rules under subdivision 2, laboratories required to be certified  
 50.6 under this section that submit data to the agency must: (1) register with the agency by  
 50.7 submitting registration information required by the agency; or (2) be certified or accredited  
 50.8 by a recognized authority, such as the commissioner of health under sections 144.97 to  
 50.9 144.99, for the analytical methods required by the agency.

50.10 Subd. 2. **Rules.** The agency may adopt rules to govern certification of laboratories  
 50.11 according to this section. Notwithstanding section 16A.1283, the agency may adopt  
 50.12 rules establishing fees.

50.13 Subd. 3. **Fees.** (a) Until the agency adopts a rule establishing fees for certification,  
 50.14 the agency shall collect fees from laboratories registering with the agency, but not  
 50.15 accredited by the commissioner of health under sections 144.97 to 144.99, in amounts  
 50.16 necessary to cover the reasonable costs of the certification program, including reviewing  
 50.17 applications, issuing certifications, and conducting audits and compliance assistance.

50.18 (b) Fees under this section must be based on the number, type, and complexity of  
 50.19 analytical methods that laboratories are certified to perform.

50.20 (c) Revenue from fees charged by the agency for certification shall be credited to  
 50.21 the environmental fund.

50.22 Subd. 4. **Enforcement.** (a) The commissioner may deny, suspend, or revoke  
 50.23 wastewater laboratory certification for, but is not limited to, any of the following reasons:  
 50.24 fraud, failure to follow applicable requirements, failure to respond to documented  
 50.25 deficiencies or complete corrective actions necessary to address deficiencies, failure to pay  
 50.26 certification fees, or other violations of federal or state law.

50.27 (b) This section and the rules adopted under it may be enforced by any means  
 50.28 provided in section 115.071.

50.29 Sec. 63. Minnesota Statutes 2012, section 115A.1320, subdivision 1, is amended to read:

50.30 Subdivision 1. **Duties of the agency.** (a) The agency shall administer sections  
 50.31 115A.1310 to 115A.1330.

50.32 (b) The agency shall establish procedures for:

50.33 (1) receipt and maintenance of the registration statements and certifications filed  
 50.34 with the agency under section 115A.1312; and

51.1 (2) making the statements and certifications easily available to manufacturers,  
51.2 retailers, and members of the public.

51.3 (c) The agency shall annually review the value of the following variables that are  
51.4 part of the formula used to calculate a manufacturer's annual registration fee under section  
51.5 115A.1314, subdivision 1:

51.6 (1) the proportion of sales of video display devices sold to households that  
51.7 manufacturers are required to recycle;

51.8 (2) the estimated per-pound price of recycling covered electronic devices sold to  
51.9 households;

51.10 (3) the base registration fee; and

51.11 (4) the multiplier established for the weight of covered electronic devices collected  
51.12 in section 115A.1314, subdivision 1, paragraph (d). If the agency determines that any of  
51.13 these values must be changed in order to improve the efficiency or effectiveness of the  
51.14 activities regulated under sections 115A.1312 to 115A.1330, the agency shall submit  
51.15 recommended changes and the reasons for them to the chairs of the senate and house of  
51.16 representatives committees with jurisdiction over solid waste policy.

51.17 (d) By January 15 each year, beginning in 2008, the agency shall calculate estimated  
51.18 sales of video display devices sold to households by each manufacturer during the preceding  
51.19 program year, based on national sales data, and forward the estimates to the department.

51.20 (e) The agency shall provide a report to the governor and the legislature on the  
51.21 implementation of sections 115A.1310 to 115A.1330. For each program year, the report  
51.22 must discuss the total weight of covered electronic devices recycled and a summary  
51.23 of information in the reports submitted by manufacturers and recyclers under section  
51.24 115A.1316. The report must also discuss the various collection programs used by  
51.25 manufacturers to collect covered electronic devices; information regarding covered  
51.26 electronic devices that are being collected by persons other than registered manufacturers,  
51.27 collectors, and recyclers; and information about covered electronic devices, if any, being  
51.28 disposed of in landfills in this state. The report must include a description of enforcement  
51.29 actions under sections 115A.1310 to 115A.1330. The agency may include in its report  
51.30 other information received by the agency regarding the implementation of sections  
51.31 115A.1312 to 115A.1330. The report must be done in conjunction with the report required  
51.32 under section ~~115D.10~~ 115A.121.

51.33 (f) The agency shall promote public participation in the activities regulated under  
51.34 sections 115A.1312 to 115A.1330 through public education and outreach efforts.

51.35 (g) The agency shall enforce sections 115A.1310 to 115A.1330 in the manner  
51.36 provided by sections 115.071, subdivisions 1, 3, 4, 5, and 6; and 116.072, except for those

52.1 provisions enforced by the department, as provided in subdivision 2. The agency may  
 52.2 revoke a registration of a collector or recycler found to have violated sections 115A.1310  
 52.3 to 115A.1330.

52.4 (h) The agency shall facilitate communication between counties, collection and  
 52.5 recycling centers, and manufacturers to ensure that manufacturers are aware of video  
 52.6 display devices available for recycling.

52.7 (i) The agency shall develop a form retailers must use to report information to  
 52.8 manufacturers under section 115A.1318 and post it on the agency's Web site.

52.9 (j) The agency shall post on its Web site the contact information provided by each  
 52.10 manufacturer under section 115A.1318, paragraph (e).

52.11 Sec. 64. **[115A.141] ARCHITECTURAL PAINT; PRODUCT STEWARDSHIP**  
 52.12 **PROGRAM; STEWARDSHIP PLAN.**

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

52.15 (1) "architectural paint" means interior and exterior architectural coatings sold in  
 52.16 containers of five gallons or less. Architectural paint does not include industrial coatings,  
 52.17 original equipment coatings, or specialty coatings;

52.18 (2) "brand" means a name, symbol, word, or mark that identifies architectural paint,  
 52.19 rather than its components, and attributes the paint to the owner or licensee of the brand as  
 52.20 the producer;

52.21 (3) "discarded paint" means architectural paint that is no longer used for its  
 52.22 manufactured purpose;

52.23 (4) "producer" means a person that:

52.24 (i) has legal ownership of the brand, brand name, or cobrand of architectural paint  
 52.25 sold in the state;

52.26 (ii) imports architectural paint branded by a producer that meets item (i) when the  
 52.27 producer has no physical presence in the United States;

52.28 (iii) if items (i) and (ii) do not apply, makes unbranded architectural paint that is  
 52.29 sold in the state; or

52.30 (iv) sells architectural paint at wholesale or retail, does not have legal ownership of  
 52.31 the brand, and elects to fulfill the responsibilities of the producer for the architectural paint  
 52.32 by certifying that election in writing to the commissioner;

52.33 (5) "recycling" means the process of collecting and preparing recyclable materials and  
 52.34 reusing the materials in their original form or using them in manufacturing processes that  
 52.35 do not cause the destruction of recyclable materials in a manner that precludes further use;

53.1 (6) "retailer" means any person who offers architectural paint for sale at retail in  
53.2 the state;

53.3 (7) "reuse" means donating or selling collected architectural paint back into the  
53.4 market for its original intended use, when the architectural paint retains its original  
53.5 purpose and performance characteristics;

53.6 (8) "sale" or "sell" means transfer of title of architectural paint for consideration,  
53.7 including a remote sale conducted through a sales outlet, catalog, Web site, or similar  
53.8 electronic means. Sale or sell includes a lease through which architectural paint is  
53.9 provided to a consumer by a producer, wholesaler, or retailer;

53.10 (9) "stewardship assessment" means the amount added to the purchase price of  
53.11 architectural paint sold in the state that is necessary to cover the cost of collecting,  
53.12 transporting, and processing postconsumer architectural paint by the producer or  
53.13 stewardship organization pursuant to a product stewardship program;

53.14 (10) "stewardship organization" means an organization appointed by one or more  
53.15 producers to act as an agent on behalf of the producer to design, submit, and administer a  
53.16 product stewardship program under this section; and

53.17 (11) "stewardship plan" means a detailed plan describing the manner in which a  
53.18 product stewardship program under subdivision 2 will be implemented.

53.19 Subd. 2. **Product stewardship program.** For architectural paint sold in the state,  
53.20 producers must, individually or through a stewardship organization, implement and  
53.21 finance a statewide product stewardship program that manages the architectural paint by  
53.22 reducing the paint's waste generation, promoting its reuse and recycling, and providing for  
53.23 negotiation and execution of agreements to collect, transport, and process the architectural  
53.24 paint for end-of-life recycling and reuse.

53.25 Subd. 3. **Requirement for sale.** (a) On and after July 1, 2014, or three months after  
53.26 program plan approval, whichever is sooner, no producer, wholesaler, or retailer may sell  
53.27 or offer for sale in the state architectural paint unless the paint's producer participates in an  
53.28 approved stewardship plan, either individually or through a stewardship organization.

53.29 (b) Each producer must operate a product stewardship program approved by the  
53.30 agency or enter into an agreement with a stewardship organization to operate, on the  
53.31 producer's behalf, a product stewardship program approved by the agency.

53.32 Subd. 4. **Requirement to submit plan.** (a) On or before March 1, 2014, and before  
53.33 offering architectural paint for sale in the state, a producer must submit a stewardship  
53.34 plan to the agency and receive approval of the plan or must submit documentation to the  
53.35 agency that demonstrates the producer has entered into an agreement with a stewardship  
53.36 organization to be an active participant in an approved product stewardship program as

54.1 described in subdivision 2. A stewardship plan must include all elements required under  
54.2 subdivision 5.

54.3 (b) An amendment to the plan, if determined necessary by the commissioner, must  
54.4 be submitted every five years.

54.5 (c) It is the responsibility of the entities responsible for each stewardship plan to  
54.6 notify the agency within 30 days of any significant changes or modifications to the plan or  
54.7 its implementation. Within 30 days of the notification, a written plan revision must be  
54.8 submitted to the agency for review and approval.

54.9 Subd. 5. **Stewardship plan content.** A stewardship plan must contain:

54.10 (1) certification that the product stewardship program will accept all discarded  
54.11 paint regardless of which producer produced the architectural paint and its individual  
54.12 components;

54.13 (2) contact information for the individual and the entity submitting the plan, a list of  
54.14 all producers participating in the product stewardship program, and the brands covered by  
54.15 the product stewardship program;

54.16 (3) a description of the methods by which the discarded paint will be collected in all  
54.17 areas in the state without relying on end-of-life fees, including an explanation of how the  
54.18 collection system will be convenient and adequate to serve the needs of small businesses  
54.19 and residents in both urban and rural areas on an ongoing basis and a discussion of how  
54.20 the existing household hazardous waste infrastructure will be considered when selecting  
54.21 collection sites;

54.22 (4) a description of how the adequacy of the collection program will be monitored  
54.23 and maintained;

54.24 (5) the names and locations of collectors, transporters, and recyclers that will  
54.25 manage discarded paint;

54.26 (6) a description of how the discarded paint and the paint's components will be  
54.27 safely and securely transported, tracked, and handled from collection through final  
54.28 recycling and processing;

54.29 (7) a description of the method that will be used to reuse, deconstruct, or recycle  
54.30 the discarded paint to ensure that the paint's components, to the extent feasible, are  
54.31 transformed or remanufactured into finished products for use;

54.32 (8) a description of the promotion and outreach activities that will be used to  
54.33 encourage participation in the collection and recycling programs and how the activities'  
54.34 effectiveness will be evaluated and the program modified, if necessary;

54.35 (9) the proposed stewardship assessment. The producer or stewardship organization  
54.36 shall propose a uniform stewardship assessment for any architectural paint sold in the

55.1 state. The proposed stewardship assessment shall be reviewed by an independent auditor  
 55.2 to ensure that the assessment does not exceed the costs of the product stewardship program  
 55.3 and the independent auditor shall recommend an amount for the stewardship assessment.

55.4 The agency must approve the stewardship assessment;

55.5 (10) evidence of adequate insurance and financial assurance that may be required for  
 55.6 collection, handling, and disposal operations;

55.7 (11) five-year performance goals, including an estimate of the percentage of  
 55.8 discarded paint that will be collected, reused, and recycled during each of the first five  
 55.9 years of the stewardship plan. The performance goals must include a specific goal for the  
 55.10 amount of discarded paint that will be collected and recycled and reused during each year  
 55.11 of the plan. The performance goals must be based on:

55.12 (i) the most recent collection data available for the state;

55.13 (ii) the estimated amount of architectural paint disposed of annually;

55.14 (iii) the weight of the architectural paint that is expected to be available for collection  
 55.15 annually; and

55.16 (iv) actual collection data from other existing stewardship programs.

55.17 The stewardship plan must state the methodology used to determine these goals; and

55.18 (12) a discussion of the status of end markets for collected architectural paint and  
 55.19 what, if any, additional end markets are needed to improve the functioning of the program.

55.20 Subd. 6. **Consultation required.** Each stewardship organization or individual  
 55.21 producer submitting a stewardship plan must consult with stakeholders including  
 55.22 retailers, contractors, collectors, recyclers, local government, and customers during the  
 55.23 development of the plan.

55.24 Subd. 7. **Agency review and approval.** (a) Within 90 days after receipt of a proposed  
 55.25 stewardship plan, the agency shall determine whether the plan complies with subdivision  
 55.26 4. If the agency approves a plan, the agency shall notify the applicant of the plan approval  
 55.27 in writing. If the agency rejects a plan, the agency shall notify the applicant in writing of  
 55.28 the reasons for rejecting the plan. An applicant whose plan is rejected by the agency must  
 55.29 submit a revised plan to the agency within 60 days after receiving notice of rejection.

55.30 (b) Any proposed changes to a stewardship plan must be approved by the agency  
 55.31 in writing.

55.32 Subd. 8. **Plan availability.** All draft and approved stewardship plans shall be  
 55.33 placed on the agency's Web site for at least 30 days and made available at the agency's  
 55.34 headquarters for public review and comment.

55.35 Subd. 9. **Conduct authorized.** A producer or stewardship organization that  
 55.36 organizes collection, transport, and processing of architectural paint under this section

56.1 is immune from liability for the conduct under state laws relating to antitrust, restraint  
56.2 of trade, unfair trade practices, and other regulation of trade or commerce only to the  
56.3 extent that the conduct is necessary to plan and implement the producer's or organization's  
56.4 chosen organized collection or recycling system.

56.5 Subd. 10. **Responsibility of producers.** (a) On and after the date of implementation  
56.6 of a product stewardship program according to this section, a producer of architectural  
56.7 paint must add the stewardship assessment, as established under subdivision 5, clause (9),  
56.8 to the cost of architectural paint sold to retailers and distributors in the state by the producer.

56.9 (b) Producers of architectural paint or the stewardship organization shall provide  
56.10 consumers with educational materials regarding the stewardship assessment and product  
56.11 stewardship program. The materials must include, but are not limited to, information  
56.12 regarding available end-of-life management options for architectural paint offered through  
56.13 the product stewardship program and information that notifies consumers that a charge  
56.14 for the operation of the product stewardship program is included in the purchase price of  
56.15 architectural paint sold in the state.

56.16 Subd. 11. **Responsibility of retailers.** (a) On and after July 1, 2014, or three months  
56.17 after program plan approval, whichever is sooner, no architectural paint may be sold in the  
56.18 state unless the paint's producer is participating in an approved stewardship plan.

56.19 (b) On and after the implementation date of a product stewardship program according  
56.20 to this section, each retailer or distributor, as applicable, must ensure that the full amount  
56.21 of the stewardship assessment added to the cost of architectural paint by producers under  
56.22 subdivision 10 is included in the purchase price of all architectural paint sold in the state.

56.23 (c) Any retailer may participate, on a voluntary basis, as a designated collection  
56.24 point pursuant to a product stewardship program under this section and in accordance  
56.25 with applicable law.

56.26 (d) No retailer or distributor shall be found to be in violation of this subdivision if,  
56.27 on the date the architectural paint was ordered from the producer or its agent, the producer  
56.28 was listed as compliant on the agency's Web site according to subdivision 14.

56.29 Subd. 12. **Stewardship reports.** Beginning October 1, 2015, producers of  
56.30 architectural paint sold in the state must individually or through a stewardship organization  
56.31 submit an annual report to the agency describing the product stewardship program. At a  
56.32 minimum, the report must contain:

56.33 (1) a description of the methods used to collect, transport, and process architectural  
56.34 paint in all regions of the state;

57.1 (2) the weight of all architectural paint collected in all regions of the state and a  
57.2 comparison to the performance goals and recycling rates established in the stewardship  
57.3 plan;

57.4 (3) the amount of unwanted architectural paint collected in the state by method of  
57.5 disposition, including reuse, recycling, and other methods of processing;

57.6 (4) samples of educational materials provided to consumers and an evaluation of the  
57.7 effectiveness of the materials and the methods used to disseminate the materials; and

57.8 (5) an independent financial audit.

57.9 Subd. 13. **Data classification.** Trade secret information, as defined under section  
57.10 13.37, submitted to the agency under this section is nonpublic data under section 13.37,  
57.11 subdivision 2.

57.12 Subd. 14. **Agency responsibilities.** The agency shall provide, on its Web site, a  
57.13 list of all compliant producers and brands participating in stewardship plans that the  
57.14 agency has approved and a list of all producers and brands the agency has identified as  
57.15 noncompliant with this section.

57.16 Subd. 15. **Local government responsibilities.** (a) A city, county, or other public  
57.17 agency may choose to participate voluntarily in a product stewardship program.

57.18 (b) Cities, counties, and other public agencies are encouraged to work with producers  
57.19 and stewardship organizations to assist in meeting product stewardship program reuse and  
57.20 recycling obligations, by providing education and outreach or using other strategies.

57.21 (c) A city, county, or other public agency that participates in a product stewardship  
57.22 program must report for the first year of the program to the agency using the reporting  
57.23 form provided by the agency on the cost savings as a result of participation and describe  
57.24 how the savings were used.

57.25 Subd. 16. **Administrative fee.** (a) The stewardship organization or individual  
57.26 producer submitting a stewardship plan shall pay the agency an annual administrative fee.  
57.27 The agency shall set the fee at an amount that, when paid by every stewardship organization  
57.28 or individual producer that submits a stewardship plan, is adequate to cover the agency's  
57.29 full costs of administering and enforcing this section. The agency may establish a variable  
57.30 fee based on relevant factors, including, but not limited to, the portion of architectural  
57.31 paint sold in the state by members of the organization compared to the total amount of  
57.32 architectural paint sold in the state by all organizations submitting a stewardship plan.

57.33 (b) The total amount of annual fees collected under this subdivision must not exceed  
57.34 the amount necessary to recover costs incurred by the agency in connection with the  
57.35 administration and enforcement of this section.

58.1 (c) The agency shall identify the direct program development or regulatory costs  
58.2 it incurs under this section before stewardship plans are submitted and shall establish a  
58.3 fee in an amount adequate to cover those costs, which shall be paid by a stewardship  
58.4 organization or individual producer that submits a stewardship plan. The commissioner  
58.5 must make the proposed fee available for public review and comment for at least 30 days.

58.6 (d) A stewardship organization or individual producer subject to this section must  
58.7 pay to the commissioner the agency's administrative fee under paragraph (a) on or before  
58.8 July 1, 2014, and annually thereafter and the agency's onetime development fee under  
58.9 paragraph (c) on or before July 1 the year following submission of a stewardship plan.  
58.10 Each year after the initial payment, the annual administrative fee may not exceed five  
58.11 percent of the aggregate stewardship assessment collected for the preceding calendar year.

58.12 (e) The commissioner must deposit the fees collected under this section in the  
58.13 state treasury and credit the fee to the miscellaneous special revenue account in the  
58.14 environmental fund. Fees in the account may be used by the commissioner to implement  
58.15 and enforce this section. For fiscal years 2014 and 2015, the amount collected under this  
58.16 section is annually appropriated to the agency to implement and enforce this section.

58.17 **Sec. 65. [115A.142] REPORT TO LEGISLATURE AND GOVERNOR.**

58.18 As part of the report required under section 115A.121, the commissioner of the  
58.19 Pollution Control Agency shall provide a report to the governor and the legislature on  
58.20 the implementation of section 115A.141.

58.21 **Sec. 66. Minnesota Statutes 2012, section 115B.20, subdivision 6, is amended to read:**

58.22 **Subd. 6. Report to legislature.** Each year ~~By January 31~~ of each odd-numbered  
58.23 year, the commissioner of agriculture and the agency shall submit to the senate Finance  
58.24 Committee, the house of representatives Ways and Means Committee, the Environment  
58.25 and Natural Resources Committees of the senate and house of representatives, the Finance  
58.26 Division of the senate Committee on Environment and Natural Resources, and the house  
58.27 of representatives Committee on Environment and Natural Resources Finance, and the  
58.28 Environmental Quality Board a report detailing the activities for which money has been  
58.29 spent pursuant to this section during the previous fiscal year.

58.30 **EFFECTIVE DATE.** This section is effective July 1, 2013.

58.31 **Sec. 67. Minnesota Statutes 2012, section 115B.28, subdivision 1, is amended to read:**

59.1 Subdivision 1. **Duties.** In addition to performing duties specified in sections  
 59.2 115B.25 to 115B.37 or in other law, and subject to the limitations on disclosure contained  
 59.3 in section 115B.35, the agency shall:

59.4 (1) adopt rules, including rules governing practice and procedure before the agency,  
 59.5 the form and procedure for applications for compensation, and procedures for claims  
 59.6 investigations;

59.7 (2) publicize the availability of compensation and application procedures on a  
 59.8 statewide basis with special emphasis on geographical areas surrounding sites identified  
 59.9 by the agency as having releases from a facility where a harmful substance was placed or  
 59.10 came to be located prior to July 1, 1983;

59.11 (3) collect, analyze, and make available to the public, in consultation with the  
 59.12 Department of Health, the Pollution Control Agency, the University of Minnesota Medical  
 59.13 and Public Health Schools, and the medical community, data regarding injuries relating to  
 59.14 exposure to harmful substances; and

59.15 (4) prepare and transmit ~~by December 31 of each year to the governor and the~~  
 59.16 ~~legislature an annual~~ legislative report required under section 115B.20, subdivision  
 59.17 6, to include (i) a summary of agency activity under clause (3); (ii) data determined  
 59.18 by the agency from actual cases, including but not limited to number of cases, actual  
 59.19 compensation received by each claimant, types of cases, and types of injuries compensated,  
 59.20 as they relate to types of harmful substances as well as length of exposure, but excluding  
 59.21 identification of the claimants; (iii) all administrative costs associated with the business of  
 59.22 the agency; and (iv) agency recommendations for legislative changes, further study, or any  
 59.23 other recommendation aimed at improving the system of compensation.

59.24 Sec. 68. Minnesota Statutes 2012, section 115B.421, is amended to read:

59.25 **115B.421 CLOSED LANDFILL INVESTMENT FUND.**

59.26 The closed landfill investment fund is established in the state treasury. The fund  
 59.27 consists of money credited to the fund, and interest and other earnings on money in the  
 59.28 fund. ~~The commissioner of management and budget shall transfer an initial amount of~~  
 59.29 ~~\$5,100,000 from the balance in the solid waste fund beginning in fiscal year 2000 and~~  
 59.30 ~~shall continue to transfer \$5,100,000 for each following fiscal year, ceasing after 2003.~~

59.31 Beginning July 1, 2003, funds must be deposited as described in section 115B.445. The  
 59.32 fund shall be managed to maximize long-term gain through the State Board of Investment.  
 59.33 Money in the fund may be spent by the commissioner after fiscal year 2020 in accordance  
 59.34 with sections 115B.39 to 115B.444.

60.1 Sec. 69. Minnesota Statutes 2012, section 115C.02, subdivision 4, is amended to read:

60.2 Subd. 4. **Corrective action.** "Corrective action" means an action taken to minimize,  
60.3 eliminate, or clean up a release to protect the public health and welfare or the environment.

60.4 Corrective action may include, environmental covenants pursuant to chapter 114E, an  
60.5 affidavit required under section 116.48, subdivision 6, or similar notice of a release  
60.6 recorded with real property records.

60.7 Sec. 70. Minnesota Statutes 2012, section 115C.08, subdivision 4, is amended to read:

60.8 Subd. 4. **Expenditures.** (a) Money in the fund may only be spent:

60.9 (1) to administer the petroleum tank release cleanup program established in this  
60.10 chapter;

60.11 (2) for agency administrative costs under sections 116.46 to 116.50, sections  
60.12 115C.03 to 115C.06, and costs of corrective action taken by the agency under section  
60.13 115C.03, including investigations;

60.14 (3) for costs of recovering expenses of corrective actions under section 115C.04;

60.15 (4) for training, certification, and rulemaking under sections 116.46 to 116.50;

60.16 (5) for agency administrative costs of enforcing rules governing the construction,  
60.17 installation, operation, and closure of aboveground and underground petroleum storage  
60.18 tanks;

60.19 (6) for reimbursement of the environmental response, compensation, and compliance  
60.20 account under subdivision 5 and section 115B.26, subdivision 4;

60.21 (7) for administrative and staff costs as set by the board to administer the petroleum  
60.22 tank release program established in this chapter;

60.23 (8) for corrective action performance audits under section 115C.093;

60.24 (9) for contamination cleanup grants, as provided in paragraph (c);

60.25 (10) to assess and remove abandoned underground storage tanks under section  
60.26 115C.094 and, if a release is discovered, to pay for the specific consultant and contractor  
60.27 services costs necessary to complete the tank removal project, including, but not limited  
60.28 to, excavation soil sampling, groundwater sampling, soil disposal, and completion of  
60.29 an excavation report; and

60.30 ~~(11) for property acquisition by the agency when the agency has determined that~~  
60.31 ~~purchasing a property where a release has occurred is the most appropriate corrective~~  
60.32 ~~action. The~~ to acquire interests in real or personal property, including easements,  
60.33 environmental covenants under chapter 114E, and leases, that the agency determines are  
60.34 necessary for corrective actions or to ensure the protectiveness of corrective actions. A  
60.35 donation of an interest in real property to the agency is not effective until the agency

61.1 executes a certificate of acceptance. The state is not liable under this chapter solely as a  
61.2 result of acquiring an interest in real property under this clause. Agency approval of an  
61.3 environmental covenant under chapter 114E is sufficient evidence of acceptance of an  
61.4 interest in real property when the agency is expressly identified as a holder in the covenant.  
61.5 Acquisition of all properties real property under this clause, except environmental  
61.6 covenants under chapter 114E, is subject to approval by the board.

61.7 (b) Except as provided in paragraph (c), money in the fund is appropriated to the  
61.8 board to make reimbursements or payments under this section.

61.9 (c) In fiscal years 2010 and 2011, \$3,700,000 is annually appropriated from the fund  
61.10 to the commissioner of employment and economic development for contamination cleanup  
61.11 grants under section 116J.554. Beginning in fiscal year 2012 and each year thereafter,  
61.12 \$6,200,000 is annually appropriated from the fund to the commissioner of employment  
61.13 and economic development for contamination cleanup grants under section 116J.554. Of  
61.14 this amount, the commissioner may spend up to \$225,000 annually for administration  
61.15 of the contamination cleanup grant program. The appropriation does not cancel and is  
61.16 available until expended. The appropriation shall not be withdrawn from the fund nor the  
61.17 fund balance reduced until the funds are requested by the commissioner of employment  
61.18 and economic development. The commissioner shall schedule requests for withdrawals  
61.19 from the fund to minimize the necessity to impose the fee authorized by subdivision 2.  
61.20 Unless otherwise provided, the appropriation in this paragraph may be used for:

61.21 (1) project costs at a qualifying site if a portion of the cleanup costs are attributable  
61.22 to petroleum contamination or new and used tar and tar-like substances, including but not  
61.23 limited to bitumen and asphalt, but excluding bituminous or asphalt pavement, that consist  
61.24 primarily of hydrocarbons and are found in natural deposits in the earth or are distillates,  
61.25 fractions, or residues from the processing of petroleum crude or petroleum products as  
61.26 defined in section 296A.01; and

61.27 (2) the costs of performing contamination investigation if there is a reasonable basis  
61.28 to suspect the contamination is attributable to petroleum or new and used tar and tar-like  
61.29 substances, including but not limited to bitumen and asphalt, but excluding bituminous or  
61.30 asphalt pavement, that consist primarily of hydrocarbons and are found in natural deposits  
61.31 in the earth or are distillates, fractions, or residues from the processing of petroleum crude  
61.32 or petroleum products as defined in section 296A.01.

61.33 Sec. 71. Minnesota Statutes 2012, section 115C.08, is amended by adding a subdivision  
61.34 to read:

62.1 Subd. 6. Disposition of property acquired for corrective action. (a) If the  
 62.2 commissioner determines that real or personal property acquired by the agency for a  
 62.3 corrective action is no longer needed for corrective action purposes, the commissioner may:

62.4 (1) request the commissioner of administration to dispose of the property according  
 62.5 to sections 16B.281 to 16B.287, subject to conditions the commissioner of the Pollution  
 62.6 Control Agency determines necessary to protect the public health and welfare and the  
 62.7 environment or to comply with federal law;

62.8 (2) transfer the property to another state agency, a political subdivision, or a special  
 62.9 purpose district as provided in paragraph (b); or

62.10 (3) if required by federal law, take actions and dispose of the property according  
 62.11 to federal law.

62.12 (b) If the commissioner determines that real or personal property acquired by  
 62.13 the agency for a corrective action must be operated, maintained, or monitored after  
 62.14 completion of other phases of the corrective action, the commissioner may transfer  
 62.15 ownership of the property to another state agency, a political subdivision, or a special  
 62.16 purpose district that agrees to accept the property. A state agency, political subdivision,  
 62.17 or special purpose district may accept and implement terms and conditions of a transfer  
 62.18 under this paragraph. The commissioner may set terms and conditions for the transfer  
 62.19 that the commissioner considers reasonable and necessary to ensure proper operation,  
 62.20 maintenance, and monitoring of corrective actions; protect the public health and welfare  
 62.21 and the environment; and comply with applicable federal and state laws and regulations.  
 62.22 The state agency, political subdivision, or special purpose district to which the property is  
 62.23 transferred is not liable under this chapter solely as a result of acquiring the property or  
 62.24 acting in accordance with the terms and conditions of transfer.

62.25 (c) The commissioner of administration may charge the agency for actual staff and  
 62.26 other costs related to disposal of the property under paragraph (a), clause (1). The net  
 62.27 proceeds of a sale or other transfer of property under this subdivision by the commissioner  
 62.28 or by the commissioner of administration shall be deposited in the petroleum tank fund or  
 62.29 other appropriate fund. Any share of the proceeds that the agency is required by federal  
 62.30 law or regulation to reimburse to the federal government is appropriated from the fund  
 62.31 to the agency for the purpose. Section 16B.287, subdivision 1, does not apply to real  
 62.32 property that is sold by the commissioner of administration and that was acquired under  
 62.33 subdivision 4, clause (11).

62.34 Sec. 72. Minnesota Statutes 2012, section 115D.10, is amended to read:

62.35 **115D.10 TOXIC POLLUTION PREVENTION EVALUATION REPORT.**

63.1 The commissioner, in cooperation with the commission, shall report to  
 63.2 the Environment and Natural Resources Committees of the senate and house of  
 63.3 representatives, the Finance Division of the senate Committee on Environment and  
 63.4 Natural Resources, and the house of representatives Committee on Environment and  
 63.5 Natural Resources Finance on progress being made in achieving the objectives of sections  
 63.6 115D.01 to 115D.12. The report must be ~~submitted by February 1 of each even-numbered~~  
 63.7 year done in conjunction with the report required under section 115A.121.

63.8 Sec. 73. Minnesota Statutes 2012, section 116.48, subdivision 6, is amended to read:

63.9 Subd. 6. **Affidavit.** (a) Before transferring ownership of property that the owner  
 63.10 knows contains an underground or aboveground storage tank or contained an underground  
 63.11 or aboveground storage tank that had a release for which no corrective action was taken or  
 63.12 if required by the agency as a condition of a corrective action under chapter 115C, the  
 63.13 owner shall record with the county recorder or registrar of titles of the county in which the  
 63.14 property is located an affidavit containing:

63.15 (1) a legal description of the property where the tank is located;

63.16 (2) a description of the tank, of the location of the tank, and of any known release  
 63.17 from the tank of a regulated substance to the full extent known or reasonably ascertainable;

63.18 (3) a description of any restrictions currently in force on the use of the property  
 63.19 resulting from any release; and

63.20 (4) the name of the owner.

63.21 (b) The county recorder shall record the affidavits in a manner that will insure  
 63.22 their disclosure in the ordinary course of a title search of the subject property. Before  
 63.23 transferring ownership of property that the owner knows contains an underground or  
 63.24 aboveground storage tank, the owner shall deliver to the purchaser a copy of the affidavit  
 63.25 and any additional information necessary to make the facts in the affidavit accurate as of  
 63.26 the date of transfer of ownership.

63.27 (c) Failure to record an affidavit as provided in this subdivision does not affect or  
 63.28 prevent any transfer of ownership of the property.

63.29 Sec. 74. [116.68] SILICA SAND MINING MODEL STANDARDS AND  
 63.30 CRITERIA.

63.31 Subdivision 1. Definitions. The definitions in this subdivision apply to sections  
 63.32 116.68 and 116.69.

63.33 (a) "Local unit of government" means a county, statutory or home rule charter city,  
 63.34 or town.

64.1 (b) "Mining" means excavating silica sand by any process, including digging,  
 64.2 excavating, drilling, blasting, tunneling, dredging, stripping, or by shaft.

64.3 (c) "Processing" means washing, cleaning, screening, crushing, filtering, sorting,  
 64.4 processing, stockpiling, and storing silica sand, either at the mining site or at any other site.

64.5 (d) "Silica sand" means well-rounded, sand-sized grains of quartz (silicon dioxide),  
 64.6 with very little impurities in terms of other minerals. Specifically, the silica sand for the  
 64.7 purposes of this section is commercially valuable for use in the hydraulic fracturing of  
 64.8 shale to obtain oil and natural gas. Silica sand does not include common rock, stone,  
 64.9 aggregate, gravel, sand with a low quartz level, or silica compounds recovered as a  
 64.10 by-product of metallic mining.

64.11 (e) "Silica sand project" means the excavation and mining and processing of silica  
 64.12 sand; the washing, cleaning, screening, crushing, filtering, drying, sorting, stockpiling,  
 64.13 and storing of silica sand, either at the mining site or at any other site; the hauling and  
 64.14 transporting of silica sand; or a facility for transporting silica sand to destinations by rail,  
 64.15 barge, truck, or other means of transportation.

64.16 (f) "Temporary storage" means the storage of stock piles of silica sand that have  
 64.17 been transported and await further transport.

64.18 (g) "Transporting" means hauling and transporting silica sand, by any carrier:

64.19 (1) from the mining site to a processing or transfer site; or

64.20 (2) from a processing or storage site to a rail, barge, or transfer site for transporting  
 64.21 to destinations.

64.22 Subd. 2. **Standards and criteria.** (a) By October 1, 2013, the agency and the  
 64.23 commissioners of natural resources, health, and transportation, in consultation with local  
 64.24 units of government, shall develop model standards and criteria for mining, processing,  
 64.25 and transporting silica sand. These standards and criteria may be used by local units of  
 64.26 government in developing local ordinances. The standards and criteria shall be different  
 64.27 for different geographic areas of the state. The unique karst conditions and landforms of  
 64.28 southeastern Minnesota shall be considered unique when compared with the flat scoured  
 64.29 river terraces and uniform hydrology of the Minnesota Valley. The standards and criteria  
 64.30 developed shall reflect those differences in varying regions of the state. The standards  
 64.31 and criteria must include:

64.32 (1) recommendations for setbacks or buffers for mining operation and processing,  
 64.33 including:

64.34 (i) any residence or residential zoning district boundary;

64.35 (ii) any property line or right-of-way line of any existing or proposed street or  
 64.36 highway;

- 65.1 (iii) ordinary high water levels of public waters;
- 65.2 (iv) bluffs;
- 65.3 (v) designated trout streams, Class 2A water as designated in the rules of the
- 65.4 Pollution Control Agency, or any perennially flowing tributary of a designated trout
- 65.5 stream or Class 2A water;
- 65.6 (vi) calcareous fens;
- 65.7 (vii) wellhead protection areas as defined in section 103I.005;
- 65.8 (viii) critical natural habitat acquired by the commissioner of natural resources
- 65.9 under section 84.944; and
- 65.10 (ix) a natural resource easement paid wholly or in part by public funds;
- 65.11 (2) standards for hours of operation;
- 65.12 (3) groundwater and surface water quality and quantity monitoring and mitigation
- 65.13 plan requirements, including:
- 65.14 (i) applicable groundwater and surface water appropriation permit requirements;
- 65.15 (ii) well sealing requirements;
- 65.16 (iii) annual submission of monitoring well data; and
- 65.17 (iv) storm water runoff rate limits not to exceed two-, ten-, and 100-year storm events;
- 65.18 (4) air monitoring and data submission requirements;
- 65.19 (5) dust control requirements;
- 65.20 (6) noise testing and mitigation plan requirements;
- 65.21 (7) blast monitoring plan requirements;
- 65.22 (8) lighting requirements;
- 65.23 (9) inspection requirements;
- 65.24 (10) containment requirements for silica sand in temporary storage to protect air
- 65.25 and water quality;
- 65.26 (11) containment requirements for chemicals used in processing;
- 65.27 (12) financial assurance requirements;
- 65.28 (13) road and bridge impacts and requirements; and
- 65.29 (14) reclamation plan requirements as required under the rules adopted by the
- 65.30 commissioner of natural resources.
- 65.31 Subd. 3. **Silica sand technical assistance team.** By October 1, 2013, the agency
- 65.32 and the commissioners of natural resources, health, and transportation shall assemble
- 65.33 a silica sand technical assistance team to provide local units of government, at their
- 65.34 request, with assistance with ordinance development, zoning, environmental review and
- 65.35 permitting, monitoring, or other issues arising from silica sand mining and processing
- 65.36 operations. The technical assistance team must not impose any fee or charge for this

66.1 service. A majority of the members must be from a state agency and all of the members  
66.2 must have expertise in one or more of the following areas: silica sand mining, hydrology,  
66.3 air quality, water quality, land use, or other areas related to silica sand mining.

66.4 Subd. 4. **Consideration of technical assistance team recommendations.** (a) When  
66.5 the technical assistance team, at the request of the local unit of government, assembles  
66.6 findings or makes a recommendation related to a proposed silica sand project for the  
66.7 protection of human health and the environment, a local government unit must consider  
66.8 the findings or recommendations of the technical assistance team in its approval or denial  
66.9 of a silica sand project. If the local government unit does not agree with the technical  
66.10 assistance team's findings and recommendations, the detailed reasons for the disagreement  
66.11 must be part of the local government unit's record of decision.

66.12 (b) Silica sand project proposers must cooperate in providing local government unit  
66.13 staff, and members of the technical assistance team with information regarding the project.

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

66.15 Sec. 75. **[116.685] ENVIRONMENTAL REVIEW; SILICA SAND PROJECTS.**

66.16 (a) Until one year after the effective date of this section, an environmental  
66.17 assessment worksheet shall be prepared for any silica sand project that will excavate 20 or  
66.18 more acres of land to a mean depth of ten feet or more during its existence, unless the  
66.19 project meets or exceeds the thresholds for an environmental impact statement under rules  
66.20 of the Environmental Quality Board, and an environmental impact statement must be  
66.21 prepared. In addition to the contents required under statute and rule, an environmental  
66.22 assessment worksheet completed pursuant to this section must include the following:

66.23 (1) a hydrogeologic investigation assessing potential groundwater and surface water  
66.24 effects and geologic conditions that could create an increased risk of potentially significant  
66.25 effects on groundwater and surface water;

66.26 (2) for a project with the potential to require a groundwater appropriation permit  
66.27 from the commissioner of natural resources, an assessment of the water resources  
66.28 available for appropriation;

66.29 (3) an air quality impact assessment that includes an assessment of the potential  
66.30 effects from airborne particulates and dust;

66.31 (4) a traffic impact analysis, including documentation of existing transportation  
66.32 systems, analysis of the potential effects of the project on transportation, and mitigation  
66.33 measures to eliminate or minimize adverse impacts;

66.34 (5) an assessment of compatibility of the project with other existing uses; and

67.1 (6) mitigation measures that could eliminate or minimize any adverse environmental  
 67.2 effects for the project.

67.3 **EFFECTIVE DATE.** This section is effective July 1, 2013, and applies to projects  
 67.4 that commence after that date.

67.5 Sec. 76. **[116.69] TECHNICAL ASSISTANCE, ORDINANCE, AND PERMIT**  
 67.6 **LIBRARY.**

67.7 By October 1, 2013, the agency, in consultation with local units of government,  
 67.8 shall create and maintain an online library on local government ordinances and local  
 67.9 government permits that have been approved for regulation of silica sand projects for  
 67.10 reference by local governments.

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

67.12 Sec. 77. Minnesota Statutes 2012, section 116C.03, subdivision 2, is amended to read:

67.13 Subd. 2. **Membership.** The members of the board are the ~~director of the Office of~~  
 67.14 ~~Strategic and Long-Range Planning~~ commissioner of administration, the commissioner  
 67.15 of commerce, the commissioner of the Pollution Control Agency, the commissioner  
 67.16 of natural resources, the commissioner of agriculture, the commissioner of health,  
 67.17 the commissioner of employment and economic development, the commissioner of  
 67.18 transportation, the chair of the Board of Water and Soil Resources, and a representative of  
 67.19 the governor's office designated by the governor. The governor shall appoint five members  
 67.20 from the general public to the board, subject to the advice and consent of the senate.  
 67.21 At least two of the five public members must have knowledge of and be conversant in  
 67.22 water management issues in the state. Notwithstanding the provisions of section 15.06,  
 67.23 subdivision 6, members of the board may not delegate their powers and responsibilities as  
 67.24 board members to any other person.

67.25 Sec. 78. Minnesota Statutes 2012, section 116C.03, subdivision 4, is amended to read:

67.26 Subd. 4. **Support.** Staff and consultant support for board activities shall be provided  
 67.27 by the ~~Office of Strategic and Long-Range Planning~~ Pollution Control Agency. This  
 67.28 support shall be provided based upon an annual budget and work program developed by  
 67.29 the board and certified to the commissioner by the chair of the board. The board shall  
 67.30 have the authority to request and require staff support from all other agencies of state  
 67.31 government as needed for the execution of the responsibilities of the board.

68.1 Sec. 79. Minnesota Statutes 2012, section 116C.03, subdivision 5, is amended to read:

68.2 Subd. 5. **Administration.** The board shall contract with the ~~Office of Strategic and~~  
68.3 ~~Long-Range Planning~~ Pollution Control Agency for administrative services necessary to  
68.4 the board's activities. The services shall include personnel, budget, payroll and contract  
68.5 administration.

68.6 Sec. 80. Minnesota Statutes 2012, section 282.01, subdivision 1a, is amended to read:

68.7 Subd. 1a. **Conveyance to public entities.** (a) Upon written request from a state  
68.8 agency or a governmental subdivision of the state, a parcel of unsold tax-forfeited land  
68.9 must be withheld from sale or lease to others for a maximum of six months. The request  
68.10 must be submitted to the county auditor. Upon receipt, the county auditor must withhold  
68.11 the parcel from sale or lease to any other party for six months, and must confirm the  
68.12 starting date of the six-month withholding period to the requesting agency or subdivision.  
68.13 If the request is from a governmental subdivision of the state, the governmental  
68.14 subdivision must pay the maintenance costs incurred by the county during the period the  
68.15 parcel is withheld. The county board may approve a sale or conveyance to the requesting  
68.16 party during the withholding period. A conveyance of the property to the requesting  
68.17 party terminates the withholding period.

68.18 A governmental subdivision of the state must not make, and a county auditor must  
68.19 not act upon, a second request to withhold a parcel from sale or lease within 18 months  
68.20 of a previous request for that parcel. A county may reject a request made under this  
68.21 paragraph if the request is made more than 30 days after the county has given notice to the  
68.22 requesting state agency or governmental subdivision of the state that the county intends to  
68.23 sell or otherwise dispose of the property.

68.24 (b) Nonconservation tax-forfeited lands may be sold by the county board, for  
68.25 their market value as determined by the county board, to an organized or incorporated  
68.26 governmental subdivision of the state for any public purpose for which the subdivision is  
68.27 authorized to acquire property. When the term "market value" is used in this section, it  
68.28 means an estimate of the full and actual market value of the parcel as determined by the  
68.29 county board, but in making this determination, the board and the persons employed by or  
68.30 under contract with the board in order to perform, conduct, or assist in the determination,  
68.31 are exempt from the licensure requirements of chapter 82B.

68.32 (c) Nonconservation tax-forfeited lands may be released from the trust in favor of  
68.33 the taxing districts on application to the county board by a state agency for an authorized  
68.34 use at not less than their market value as determined by the county board.

69.1 (d) Nonconservation tax-forfeited lands may be sold by the county board to an  
69.2 organized or incorporated governmental subdivision of the state or state agency for less  
69.3 than their market value if:

69.4 (1) the county board determines that a sale at a reduced price is in the public interest  
69.5 because a reduced price is necessary to provide an incentive to correct the blighted  
69.6 conditions that make the lands undesirable in the open market, or the reduced price will  
69.7 lead to the development of affordable housing; and

69.8 (2) the governmental subdivision or state agency has documented its specific plans  
69.9 for correcting the blighted conditions or developing affordable housing, and the specific  
69.10 law or laws that empower it to acquire real property in furtherance of the plans.

69.11 If the sale under this paragraph is to a governmental subdivision of the state, the  
69.12 commissioner of revenue must convey the property on behalf of the state by quit claim  
69.13 deed. If the sale under this paragraph is to a state agency, the commissioner must issue a  
69.14 conveyance document that releases the property from the trust in favor of the taxing  
69.15 districts.

69.16 (e) Nonconservation tax-forfeited land held in trust in favor of the taxing districts  
69.17 may be conveyed by the commissioner of revenue in the name of the state to a  
69.18 governmental subdivision for an authorized public use, if an application is submitted to the  
69.19 commissioner which includes a statement of facts as to the use to be made of the tract and  
69.20 the favorable recommendation of the county board. For the purposes of this paragraph,  
69.21 "authorized public use" means a use that allows an indefinite segment of the public to  
69.22 physically use and enjoy the property in numbers appropriate to its size and use, or is for a  
69.23 public service facility. Authorized public uses as defined in this paragraph are limited to:

69.24 (1) a road, or right-of-way for a road;

69.25 (2) a park that is both available to, and accessible by, the public that contains  
69.26 improvements such as campgrounds, playgrounds, athletic fields, trails, or shelters;

69.27 (3) trails for walking, bicycling, snowmobiling, or other recreational purposes, along  
69.28 with a reasonable amount of surrounding land maintained in its natural state;

69.29 (4) transit facilities for buses, light rail transit, commuter rail or passenger rail,  
69.30 including transit ways, park-and-ride lots, transit stations, maintenance and garage  
69.31 facilities, and other facilities related to a public transit system;

69.32 (5) public beaches or boat launches;

69.33 (6) public parking;

69.34 (7) civic recreation or conference facilities; and

69.35 (8) public service facilities such as fire halls, police stations, lift stations, water  
69.36 towers, sanitation facilities, water treatment facilities, and administrative offices.

70.1 No monetary compensation or consideration is required for the conveyance, except as  
70.2 provided in subdivision 1g, but the conveyance is subject to the conditions provided in  
70.3 law, including, but not limited to, the reversion provisions of subdivisions 1c and 1d.

70.4 (f) The commissioner of revenue shall convey a parcel of nonconservation  
70.5 tax-forfeited land to a local governmental subdivision of the state by quit claim deed  
70.6 on behalf of the state upon the favorable recommendation of the county board if the  
70.7 governmental subdivision has certified to the board that prior to forfeiture the subdivision  
70.8 was entitled to the parcel under a written development agreement or instrument, but  
70.9 the conveyance failed to occur prior to forfeiture. No compensation or consideration is  
70.10 required for, and no conditions attach to, the conveyance.

70.11 (g) The commissioner of revenue shall convey a parcel of nonconservation  
70.12 tax-forfeited land to the association of a common interest community by quit claim deed  
70.13 upon the favorable recommendation of the county board if the association certifies to the  
70.14 board that prior to forfeiture the association was entitled to the parcel under a written  
70.15 agreement, but the conveyance failed to occur prior to forfeiture. No compensation or  
70.16 consideration is required for, and no conditions attach to, the conveyance.

70.17 (h) Conservation tax-forfeited land may be sold to a governmental subdivision of  
70.18 the state for less than its market value for either: (1) creation or preservation of wetlands;  
70.19 (2) drainage or storage of storm water under a storm water management plan; or (3)  
70.20 preservation, or restoration and preservation, of the land in its natural state. The deed must  
70.21 contain a restrictive covenant limiting the use of the land to one of these purposes for  
70.22 30 years or until the property is reconveyed back to the state in trust. At any time, the  
70.23 governmental subdivision may reconvey the property to the state in trust for the taxing  
70.24 districts. The deed of reconveyance is subject to approval by the commissioner of revenue.  
70.25 No part of a purchase price determined under this paragraph shall be refunded upon a  
70.26 reconveyance, but the amount paid for a conveyance under this paragraph may be taken  
70.27 into account by the county board when setting the terms of a future sale of the same  
70.28 property to the same governmental subdivision under paragraph (b) or (d). If the lands  
70.29 are unplatted and located outside of an incorporated municipality and the commissioner  
70.30 of natural resources determines there is a mineral use potential, the sale is subject to the  
70.31 approval of the commissioner of natural resources.

70.32 (i) A park and recreation board in a city of the first class is a governmental  
70.33 subdivision for the purposes of this section.

70.34 (j) Tax-forfeited land held in trust in favor of the taxing districts may be conveyed  
70.35 by the commissioner of revenue in the name of the state to a governmental subdivision for  
70.36 a school forest under section 89.41. An application that includes a statement of facts as

71.1 to the use to be made of the tract and the favorable recommendation of the county board  
 71.2 and the commissioner of natural resources must be submitted to the commissioner of  
 71.3 revenue. No monetary compensation or consideration is required for the conveyance, but  
 71.4 the conveyance is subject to the conditional use and reversion provisions of subdivisions  
 71.5 1c and 1d, paragraph (e). At any time, the governmental subdivision may reconvey the  
 71.6 property back to the state in trust for the taxing districts. The deed of reconveyance is  
 71.7 subject to approval by the commissioner of revenue.

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

71.9 Sec. 81. Minnesota Statutes 2012, section 282.01, subdivision 1d, is amended to read:

71.10 Subd. 1d. **Reverter for failure to use; conveyance to state.** (a) After three years  
 71.11 from the date of any conveyance of tax-forfeited land to a governmental subdivision for  
 71.12 an authorized public use as provided in this section, regardless of when the deed for the  
 71.13 authorized public use was executed, if the governmental subdivision has failed to put the  
 71.14 land to that use, or abandons that use, the governing body of the subdivision must: (1)  
 71.15 with the approval of the county board, purchase the property for an authorized public  
 71.16 purpose at the present market value as determined by the county board, or (2) authorize  
 71.17 the proper officers to convey the land, or the part of the land not required for an authorized  
 71.18 public use, to the state of Minnesota in trust for the taxing districts. If the governing body  
 71.19 purchases the property under clause (1), the commissioner of revenue shall, upon proper  
 71.20 application submitted by the county auditor, convey the property on behalf of the state by  
 71.21 quit claim deed to the subdivision free of a use restriction and the possibility of reversion  
 71.22 or defeasement. If the governing body decides to reconvey the property to the state under  
 71.23 this clause, the officers shall execute a deed of conveyance immediately. The conveyance  
 71.24 is subject to the approval of the commissioner and its form must be approved by the  
 71.25 attorney general. For 15 years from the date of the conveyance, there is no failure to put  
 71.26 the land to the authorized public use and no abandonment of that use if a formal plan of  
 71.27 the governmental subdivision, including, but not limited to, a comprehensive plan or land  
 71.28 use plan, shows an intended future use of the land for the authorized public use.

71.29 (b) Property held by a governmental subdivision of the state under a conditional use  
 71.30 deed executed under this section by the commissioner of revenue on or after January 1,  
 71.31 2007, may be acquired by that governmental subdivision after 15 years from the date  
 71.32 of the conveyance if the commissioner determines upon written application from the  
 71.33 subdivision that the subdivision has in fact put the property to the authorized public use for  
 71.34 which it was conveyed, and the subdivision has made a finding that it has no current plans  
 71.35 to change the use of the lands. Prior to conveying the property, the commissioner shall

72.1 inquire whether the county board where the land is located objects to a conveyance of the  
 72.2 property to the subdivision without conditions and without further act by or obligation of  
 72.3 the subdivision. If the county does not object within 60 days, and the commissioner makes  
 72.4 a favorable determination, the commissioner shall issue a quit claim deed on behalf of  
 72.5 the state unconditionally conveying the property to the governmental subdivision. For  
 72.6 purposes of this paragraph, demonstration of an intended future use for the authorized  
 72.7 public use in a formal plan of the governmental subdivision does not constitute use for  
 72.8 that authorized public use.

72.9 (c) Property held by a governmental subdivision of the state under a conditional use  
 72.10 deed executed under this section by the commissioner of revenue before January 1, 2007,  
 72.11 is released from the use restriction and possibility of reversion on January 1, 2022, if the  
 72.12 county board records a resolution describing the land and citing this paragraph. The  
 72.13 county board may authorize the county treasurer to deduct the amount of the recording  
 72.14 fees from future settlements of property taxes to the subdivision.

72.15 (d) Except for tax-forfeited land conveyed to establish a school forest under section  
 72.16 89.41, property conveyed under a conditional use deed executed under this section by  
 72.17 the commissioner of revenue, regardless of when the deed for the authorized public use  
 72.18 was executed, is released from the use restriction and reverter, and any use restriction or  
 72.19 reverter for which no declaration of reversion has been recorded with the county recorder  
 72.20 or registrar of titles, as appropriate, is nullified on the later of: (1) January 1, 2015; (2) 30  
 72.21 years from the date the deed was acknowledged; or (3) final resolution of an appeal to  
 72.22 district court under subdivision 1e, if a lis pendens related to the appeal is recorded in the  
 72.23 office of the county recorder or registrar of titles, as appropriate, prior to January 1, 2015.

72.24 (e) Notwithstanding paragraphs (a) to (d), tax-forfeited land conveyed to establish a  
 72.25 school forest under section 89.41 is subject to a perpetual conditional use deed and reverter.  
 72.26 The property reverts to the state in trust for the taxing districts by operation of law if the  
 72.27 commissioner of natural resources determines and reports to the commissioner of revenue  
 72.28 under section 89.41, subdivision 3, that the governmental subdivision has failed to use the  
 72.29 land for school forest purposes for three consecutive years. The commissioner of revenue  
 72.30 shall record a declaration of reversion for land that has reverted under this paragraph.

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

72.32 Sec. 82. Minnesota Statutes 2012, section 282.04, is amended by adding a subdivision  
 72.33 to read:

72.34 Subd. 1b. **Intermediate timber sales.** (a) The county auditor may sell the timber on  
 72.35 any tract of tax-forfeited land in lots not exceeding 3,000 cords in volume, in the same

73.1 manner as timber sold at public auction under subdivision 1 and related laws, subject to  
 73.2 the following special exceptions and limitations:

73.3 (1) the county auditor shall offer all tracts authorized for sale under this subdivision  
 73.4 separately from the sale of tracts of timber made pursuant to subdivision 1;

73.5 (2) no bidder may be awarded more than 25 percent of the total tracts offered at the  
 73.6 first round of bidding unless fewer than four tracts are offered, in which case not more  
 73.7 than one tract shall be awarded to one bidder; and

73.8 (3) no sale may be made to a person having more than 30 employees, unless  
 73.9 approved by the commissioner of natural resources.

73.10 Any tract not sold at public auction under this subdivision may be offered for  
 73.11 private sale as authorized by subdivision 1, to persons eligible under this subdivision at  
 73.12 the appraised value.

73.13 For the purposes of this subdivision, "employee" means an individual working in the  
 73.14 timber or wood products industry for salary or wages on a full-time or part-time basis.

73.15 (b) The auction sale procedure set forth in this subdivision constitutes an additional  
 73.16 alternative timber sale procedure available to the county auditor and is not intended to  
 73.17 replace other authority possessed by the county auditor to sell timber in lots of 3,000  
 73.18 acres or less.

73.19 (c) Another bidder or the county auditor may request that the number of employees a  
 73.20 bidder has pursuant to paragraph (a), clause (3), be confirmed if there is evidence that the  
 73.21 bidder may be ineligible due to exceeding the employee threshold. The county auditor  
 73.22 shall request information from the commissioners of labor and industry and employment  
 73.23 and economic development including the premiums paid by the bidder in question for  
 73.24 workers' compensation insurance coverage for all employees of the bidder. The county  
 73.25 auditor shall review the information submitted by the commissioners of labor and industry  
 73.26 and employment and economic development and make a determination based on that  
 73.27 information as to whether the bidder is eligible. A bidder is considered eligible and may  
 73.28 participate in intermediate auctions until determined ineligible under this paragraph.

73.29 (d) Notwithstanding paragraph (a), the county auditor may sell timber under this  
 73.30 subdivision in excess of 3,000 acres in volume if approved by the commissioner of natural  
 73.31 resources.

73.32 **Sec. 83. [383B.761] DISCONTINUANCE OF HENNEPIN COUNTY SOIL AND**  
 73.33 **WATER CONSERVATION DISTRICT; TRANSFER OF DUTIES.**

73.34 Subdivision 1. **Petition.** Notwithstanding section 103C.225, the Hennepin County  
 73.35 Board of Commissioners may petition the Minnesota Board of Water and Soil Resources

74.1 to discontinue the Hennepin Soil and Water Conservation District and transfer the duties  
74.2 and authorities of the district to the Hennepin County Board of Commissioners. The  
74.3 Minnesota Board of Water and Soil Resources has 60 days from the receipt of the petition  
74.4 to conduct its review. The Minnesota Board of Water and Soil Resources shall make  
74.5 its determination regarding the petition no later than its first regular meeting following  
74.6 the 60-day review period.

74.7 Subd. 2. **Discontinuance.** The Minnesota Board of Water and Soil Resources shall  
74.8 review the petition submitted under subdivision 1 to determine whether progress toward  
74.9 the goals identified in section 103C.005 can be achieved by discontinuing the Hennepin  
74.10 Soil and Water Conservation District and transferring the duties and authorities of the  
74.11 district to the Hennepin County Board of Commissioners. If the Board of Water and Soil  
74.12 Resources determines that progress toward the goals identified in section 103C.005 can  
74.13 be achieved by the discontinuance of the district and the transfer of district duties and  
74.14 authorities to the Hennepin County Board of Commissioners, the Board of Water and Soil  
74.15 Resources shall order the discontinuance of the Hennepin Soil and Water Conservation  
74.16 District. The order shall become effective within 60 days from the date of the order. The  
74.17 Minnesota Board of Water and Soil Resources may discontinue the Hennepin Soil and  
74.18 Water Conservation District without a referendum.

74.19 Subd. 3. **Transfer of duties and authorities.** Upon discontinuance of the  
74.20 Hennepin Soil and Water Conservation District by the Minnesota Board of Water and Soil  
74.21 Resources, the Hennepin County Board of Commissioners has the duties and authorities  
74.22 of a soil and water conservation district. The Hennepin County Board of Commissioners  
74.23 may assign these duties and responsibilities to the Hennepin County Department of  
74.24 Environmental Services or other county departments as deemed appropriate by the county  
74.25 board. All contracts in effect on the date of the discontinuance of the district, to which  
74.26 the Hennepin Soil and Water Conservation District is a party, remain in force and effect  
74.27 for the period provided in the contracts. Hennepin County shall be substituted for the  
74.28 Hennepin Soil and Water Conservation District as party to the contracts and succeed  
74.29 to the district's rights and duties.

74.30 Subd. 4. **Transfer of assets.** The Hennepin Conservation District Board of  
74.31 Supervisors shall transfer the assets of the district to the Hennepin County Board of  
74.32 Commissioners no later than 60 days from the date of the order. The Hennepin County  
74.33 Board of Commissioners shall use the transferred assets for purposes of implementing the  
74.34 transferred duties and authorities.

75.1 Subd. 5. **Grants.** Upon discontinuance of the Hennepin Soil and Water  
 75.2 Conservation District by the Minnesota Board of Water and Soil Resources, Hennepin  
 75.3 County has the eligibility of a soil and water conservation district for state grant funds.

75.4 Subd. 6. **Reestablishment.** The Hennepin County Board of Commissioners may  
 75.5 petition the Minnesota Board of Water and Soil Resources to reestablish the Hennepin  
 75.6 Soil and Water Conservation District. Alternatively, the Minnesota Board of Water  
 75.7 and Soil Resources under its authority in section 103C.201, and after giving notice  
 75.8 of corrective actions and time to implement the corrective actions, may reestablish the  
 75.9 Hennepin Soil and Water Conservation District if it determines the goals identified in  
 75.10 section 103C.005 are not being achieved. The Minnesota Board of Water and Soil  
 75.11 Resources may reestablish the Hennepin Soil and Water Conservation District under this  
 75.12 subdivision without a referendum.

75.13 **EFFECTIVE DATE; LOCAL APPROVAL.** This section is effective the day after  
 75.14 the governing body of Hennepin County and its chief clerical officer timely complete their  
 75.15 compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

75.16 Sec. 84. Minnesota Statutes 2012, section 473.846, is amended to read:

75.17 **473.846 REPORTS REPORT TO LEGISLATURE.**

75.18 The agency shall submit to the senate and house of representatives committees  
 75.19 having jurisdiction over environment and natural resources ~~separate reports~~ a report  
 75.20 describing the activities for which money for landfill abatement has been spent under  
 75.21 ~~sections~~ section 473.844 and 473.845. The report for ~~section 473.844~~ expenditures shall be  
 75.22 included in the report required by section 115A.411, and shall include recommendations  
 75.23 on the future management and use of the metropolitan landfill abatement account. ~~By~~  
 75.24 ~~December 31 of each year, the commissioner shall submit the report for section 473.845~~  
 75.25 ~~on contingency action trust fund activities.~~

75.26 Sec. 85. Laws 2010, chapter 361, article 3, section 7, is amended to read:

75.27 **Sec. 7. PARKS.**

75.28 The Minneapolis Park and Recreation Board may acquire all or part of the entire  
 75.29 property known as the Scherer Brothers Lumber Yard for a metropolitan area regional  
 75.30 park and may allocate any future appropriations to the board from the parks and trails fund  
 75.31 to acquire the property. Notwithstanding Minnesota Rules, part 6115.0190, subpart 3 or  
 75.32 5, item E, or 6115.0191, subpart 8, item A, the Minneapolis Park and Recreation Board  
 75.33 is authorized to recreate Hall's Island or such similar island located at approximately

76.1 river mile 855 on the Mississippi River, just north of the Plymouth Avenue bridge, at  
76.2 a project site in Section 15, Township 29 North, Range 24 West, Hennepin County,  
76.3 Minnesota, on or adjacent to the property known as the Scherer Brothers Lumber  
76.4 Yard. The commissioner of natural resources shall grant any authorizations, permits, or  
76.5 permissions necessary to effectuate the project, provided that the project is consistent with  
76.6 all other standards and guidelines in Minnesota Rules, chapter 6115. If the project is not  
76.7 constructed within six years of the effective date of this act, the authority provided in this  
76.8 section to reconstruct Hall's Island expires. Once recreated, Hall's Island shall remain in  
76.9 public ownership in perpetuity.

76.10 **EFFECTIVE DATE.** This section is effective the day after the Minneapolis Park  
76.11 and Recreation Board timely completes compliance with Minnesota Statutes, section  
76.12 645.021, subdivisions 2 and 3.

76.13 Sec. 86. **NORTH MISSISSIPPI REGIONAL PARK.**

76.14 (a) The boundaries of the North Mississippi Regional Park are extended to include  
76.15 the approximately 20.82 acres of land adjacent to the existing park known as Webber Park  
76.16 and that part of Shingle Creek that flows through Webber Park and continues through  
76.17 North Mississippi Regional Park into the Mississippi River.

76.18 (b) Funds appropriated for North Mississippi Regional Park may be expended to  
76.19 provide for visitor amenities, including construction of a natural lake pond and building  
76.20 for lake pond users.

76.21 **EFFECTIVE DATE.** This section is effective the day after the Minneapolis Park  
76.22 and Recreation Board timely completes compliance with Minnesota Statutes, section  
76.23 645.021, subdivisions 2 and 3.

76.24 Sec. 87. **PERMIT CANCELLATION.**

76.25 Upon written request submitted by a permit holder to the commissioner of natural  
76.26 resources on or before June 1, 2015, the commissioner shall cancel any provision in a  
76.27 timber sale permit sold prior to September 1, 2012, that requires the security payment for,  
76.28 or removal of all or part of the balsam fir when the permit contains at least 50 cords of  
76.29 balsam fir. The remaining provisions of the permit remain in effect. The permit holder  
76.30 may be required to fell or pile the balsam fir to meet management objectives.

76.31 Sec. 88. **RULEMAKING AUTHORITY.**

77.1 The commissioner of natural resources may use the good cause exemption under  
 77.2 Minnesota Statutes, section 14.388, subdivision 1, clause (3), to adopt rules to conform  
 77.3 with the changes in this article to Minnesota Statutes, section 97A.401, subdivision 3, and  
 77.4 Minnesota Statutes, section 14.386, does not apply except as provided under Minnesota  
 77.5 Statutes, section 14.388.

77.6 Sec. 89. **RULEMAKING; DISPLAY OF PADDLE BOARD LICENSE**  
 77.7 **NUMBERS.**

77.8 (a) The commissioner of natural resources shall amend Minnesota Rules, parts  
 77.9 6110.0200, 6110.0300, and 6110.0400, to exempt paddle boards from the requirement to  
 77.10 display license certificates and license numbers, in the same manner as other nonmotorized  
 77.11 watercraft such as canoes and kayaks.

77.12 (b) The commissioner may use the good cause exemption under Minnesota Statutes,  
 77.13 section 14.388, subdivision 1, clause (3), to adopt rules under this section, and Minnesota  
 77.14 Statutes, section 14.386, does not apply except as provided under Minnesota Statutes,  
 77.15 section 14.388.

77.16 Sec. 90. **RULES; SILICA SAND.**

77.17 (a) The commissioner of the Pollution Control Agency shall adopt rules pertaining  
 77.18 to the control of particulate emissions from silica sand mines.

77.19 (b) The commissioner of natural resources shall adopt rules pertaining to the  
 77.20 reclamation of silica sand mines.

77.21 (c) By January 1, 2014, the Department of Health shall adopt an air quality health  
 77.22 advisory for silica sand.

77.23 (d) By August 1, 2013, the Environmental Quality Board shall amend its rules for  
 77.24 environmental review, adopted under Minnesota Statutes, chapter 116D, for silica sand  
 77.25 mining and processing to take into account the increased activity in the state and concerns  
 77.26 over the size of specific operations. The board may use the good cause exemption under  
 77.27 Minnesota Statutes, section 14.388, subdivision 1, clause (1).

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

77.29 Sec. 91. **INTERIM ORDINANCE EXTENSION OR RENEWAL.**

77.30 Notwithstanding Minnesota Statutes, sections 394.34 and 462.355, subdivision  
 77.31 4, until March 1, 2015, a local unit of government may extend for one year an interim  
 77.32 ordinance or renew an expired ordinance prohibiting new or expanded silica sand projects,

78.1 as defined in Minnesota Statutes, section 116.68, subdivision 1, and extend the ordinance  
 78.2 an additional year by resolution of the local unit of government.

78.3 **EFFECTIVE DATE.** This section is effective retroactively to March 1, 2013.

78.4 Sec. 92. **REPEALER.**

78.5 (a) Minnesota Statutes 2012, sections 90.163; 90.173; and 90.41, subdivision 2, are  
 78.6 repealed.

78.7 (b) Laws 2011, First Special Session chapter 2, article 4, section 30, is repealed.

78.8 (c) Minnesota Rules, parts 6115.0190, subparts 3 and 5; 6115.0191, subpart 8, item  
 78.9 A; 7021.0010, subparts 1, 2, 4, and 5; 7021.0020; 7021.0030; 7021.0040; 7021.0050,  
 78.10 subpart 5; 9210.0300; 9210.0310; 9210.0320; 9210.0330; 9210.0340; 9210.0350;  
 78.11 9210.0360; 9210.0370; 9210.0380; and 9220.0530, subpart 6, are repealed.

### 78.12 **ARTICLE 3**

### 78.13 **AGRICULTURE**

78.14 Section 1. **SUMMARY OF APPROPRIATIONS.**

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

		<b><u>2014</u></b>		<b><u>2015</u></b>		<b><u>Total</u></b>
78.17						
78.18	<u>General</u>	\$	<u>38,780,000</u>	\$	<u>38,780,000</u>	\$ <u>77,560,000</u>
78.19	<u>Agricultural</u>	\$	<u>800,000</u>	\$	<u>800,000</u>	\$ <u>1,600,000</u>
78.20	<u>Remediation</u>	\$	<u>388,000</u>	\$	<u>388,000</u>	\$ <u>776,000</u>
78.21	<b><u>Total</u></b>	<b><u>\$</u></b>	<b><u>39,968,000</u></b>	<b><u>\$</u></b>	<b><u>39,968,000</u></b>	<b><u>\$ 79,936,000</u></b>

78.22 Sec. 2. **AGRICULTURE APPROPRIATIONS.**

78.23 The sums shown in the columns marked "Appropriations" are appropriated to the  
 78.24 agencies and for the purposes specified in this act. The appropriations are from the general  
 78.25 fund, or another named fund, and are available for the fiscal years indicated for each  
 78.26 purpose. The figures "2014" and "2015" used in this act mean that the appropriations  
 78.27 listed under them are available for the fiscal year ending June 30, 2014, or June 30, 2015,  
 78.28 respectively. "The first year" is fiscal year 2014. "The second year" is fiscal year 2015.  
 78.29 "The biennium" is fiscal years 2014 and 2015.

78.30		<b><u>APPROPRIATIONS</u></b>
78.31		<b><u>Available for the Year</u></b>
78.32		<b><u>Ending June 30</u></b>
78.33		<b><u>2014</u></b> <b><u>2015</u></b>

79.1 **Sec. 3. DEPARTMENT OF AGRICULTURE**79.2 **Subdivision 1. Total Appropriation** \$ **32,488,000** \$ **32,488,000**79.3 Appropriations by Fund

79.4	<u>2014</u>	<u>2015</u>
79.5 <u>General</u>	<u>31,300,000</u>	<u>31,300,000</u>
79.6 <u>Remediation</u>	<u>388,000</u>	<u>388,000</u>
79.7 <u>Agricultural</u>	<u>800,000</u>	<u>800,000</u>

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

79.11 **Subd. 2. Protection Services** 12,283,000 12,283,00079.12 Appropriations by Fund

79.13 <u>General</u>	<u>11,895,000</u>	<u>11,895,000</u>
79.14 <u>Remediation</u>	<u>388,000</u>	<u>388,000</u>

79.15 \$388,000 the first year and \$388,000 the  
 79.16 second year are from the remediation fund  
 79.17 for administrative funding for the voluntary  
 79.18 cleanup program.

79.19 \$75,000 the first year and \$75,000 the second  
 79.20 year are for compensation for destroyed or  
 79.21 crippled animals under Minnesota Statutes,  
 79.22 section 3.737. If the amount in the first year  
 79.23 is insufficient, the amount in the second year  
 79.24 is available in the first year.

79.25 \$75,000 the first year and \$75,000 the second  
 79.26 year are for compensation for crop damage  
 79.27 under Minnesota Statutes, section 3.7371. If  
 79.28 the amount in the first year is insufficient, the  
 79.29 amount in the second year is available in the  
 79.30 first year.

79.31 If the commissioner determines that claims  
 79.32 made under Minnesota Statutes, section  
 79.33 3.737 or 3.7371, are unusually high, amounts  
 79.34 appropriated for either program may be

80.1 transferred to the appropriation for the other  
 80.2 program.

80.3 \$335,000 the first year and \$335,000 the  
 80.4 second year are for an increase in the  
 80.5 operating budget for the laboratory services  
 80.6 division.

80.7 Subd. 3. **Agricultural Marketing and**  
 80.8 **Development**

3,062,000

3,062,000

80.9 \$186,000 the first year and \$186,000 the  
 80.10 second year are for transfer to the Minnesota  
 80.11 grown account and may be used as grants  
 80.12 for Minnesota grown promotion under  
 80.13 Minnesota Statutes, section 17.102. Grants  
 80.14 may be made for one year. Notwithstanding  
 80.15 Minnesota Statutes, section 16A.28, the  
 80.16 appropriations encumbered under contract  
 80.17 on or before June 30, 2015, for Minnesota  
 80.18 grown grants in this paragraph are available  
 80.19 until June 30, 2017.

80.20 \$100,000 each year is for a licensed  
 80.21 education professional for the agriculture  
 80.22 in the classroom program to develop and  
 80.23 disseminate curriculum, provide teacher  
 80.24 training opportunities, and work with  
 80.25 schools to enhance agricultural literacy by  
 80.26 incorporating agriculture into classroom  
 80.27 curriculum.

80.28 \$10,000 the first year and \$10,000 the second  
 80.29 year are for annual cost-share payments to  
 80.30 resident farmers or entities that sell, process,  
 80.31 or package agricultural products in this state  
 80.32 for the costs of organic certification. Annual  
 80.33 cost-share payments must be two-thirds of the  
 80.34 cost of the certification or \$350, whichever  
 80.35 is less. A certified organic operation

81.1 is eligible to receive annual cost-share  
 81.2 payments for up to five years. In any year  
 81.3 when federal organic cost-share program  
 81.4 funds are available or when there is any  
 81.5 excess appropriation in either fiscal year, the  
 81.6 commissioner may allocate these funds for  
 81.7 organic market and program development,  
 81.8 including organic producer education efforts,  
 81.9 assistance for persons transitioning from  
 81.10 conventional to organic agriculture, or  
 81.11 sustainable agriculture demonstration grants  
 81.12 authorized under Minnesota Statutes, section  
 81.13 17.116, and pertaining to organic research or  
 81.14 demonstration. Any unencumbered balance  
 81.15 does not cancel at the end of the first year  
 81.16 and is available for the second year.

81.17 Subd. 4. **Bioenergy and Value-Added**  
 81.18 **Agriculture**

9,400,000

9,400,000

81.19 \$6,500,000 the first year and \$7,700,000  
 81.20 the second year are for the agricultural  
 81.21 growth, research, and innovation program  
 81.22 in Minnesota Statutes, section 41A.12. The  
 81.23 commissioner may use up to 4.5 percent  
 81.24 of this appropriation for costs incurred to  
 81.25 administer the program. Any unencumbered  
 81.26 balance does not cancel at the end of the first  
 81.27 year and is available for the second year.  
 81.28 Notwithstanding Minnesota Statutes, section  
 81.29 16A.28, the appropriations encumbered  
 81.30 under contract on or before June 30, 2015, for  
 81.31 agricultural growth, research, and innovation  
 81.32 grants in this paragraph are available until  
 81.33 June 30, 2017.

81.34 Money in this appropriation may be used  
 81.35 to provide additional assistance to persons  
 81.36 eligible for the pilot agricultural microloan

82.1 program under Minnesota Statutes, section  
82.2 41B.056.

82.3 Money in this appropriation may be used  
82.4 for sustainable agriculture grants under  
82.5 Minnesota Statutes, section 17.116.

82.6 Money in this appropriation may be  
82.7 used for bioenergy grants. The NextGen  
82.8 Energy Board, established in Minnesota  
82.9 Statutes, section 41A.105, shall make  
82.10 recommendations to the commissioner on  
82.11 grants for owners of Minnesota facilities  
82.12 producing bioenergy, organizations that  
82.13 provide for on-station, on-farm field scale  
82.14 research and outreach to develop and test  
82.15 the agronomic and economic requirements  
82.16 of diverse stands of prairie plants and other  
82.17 perennials for bioenergy systems or grants  
82.18 for certain nongovernmental entities. For  
82.19 the purposes of this paragraph, "bioenergy"  
82.20 includes transportation fuels derived from  
82.21 cellulosic material, as well as the generation  
82.22 of energy for commercial heat, industrial  
82.23 process heat, or electrical power from  
82.24 cellulosic materials via gasification or  
82.25 other processes. Grants are limited to 50  
82.26 percent of the cost of research, technical  
82.27 assistance, or equipment related to bioenergy  
82.28 production or \$500,000, whichever is less.

82.29 Grants to nongovernmental entities for the  
82.30 development of business plans and structures  
82.31 related to community ownership of eligible  
82.32 bioenergy facilities together may not exceed  
82.33 \$150,000. The board shall make a good-faith  
82.34 effort to select projects that have merit, and,  
82.35 when taken together, represent a variety of  
82.36 bioenergy technologies, biomass feedstocks,

83.1 and geographic regions of the state. Projects  
83.2 must have a qualified engineer provide  
83.3 certification on the technology and fuel  
83.4 source. Grantees must provide reports at  
83.5 the request of the commissioner. No later  
83.6 than February 1, 2015, the commissioner  
83.7 shall report on the projects funded under this  
83.8 appropriation to the legislative committees  
83.9 with jurisdiction over agriculture finance.

83.10 Notwithstanding Minnesota Statutes, section  
83.11 41A.12, subdivision 3, of the amount  
83.12 appropriated in this subdivision, \$2,900,000  
83.13 the first year and \$1,700,000 the second year  
83.14 are for the following purposes:

83.15 (1) \$500,000 each year is for grants to the  
83.16 Agricultural Utilization Research Institute;

83.17 (2) \$500,000 each year is for transfer  
83.18 to the Minnesota Agriculture Education  
83.19 Leadership Council to contract with member  
83.20 organizations of the council to assist with  
83.21 the farm business management database  
83.22 and a statewide one-on-one farm business  
83.23 management delivery system;

83.24 (3) \$100,000 each year is for grants to the  
83.25 director of the Minnesota Extension Service  
83.26 of the University of Minnesota for 4-H;

83.27 (4) \$100,000 each year is for grants to the  
83.28 Minnesota FFA Association;

83.29 (5) \$200,000 the first year is for transfer to the  
83.30 Rural Finance Authority revolving account  
83.31 under Minnesota Statutes, section 41B.06,  
83.32 for the pilot agricultural microloan program  
83.33 under Minnesota Statutes, section 41B.056;

84.1 (6) \$500,000 each year is available for  
 84.2 distribution in equal amounts to each of the  
 84.3 state's county fairs to enhance arts access  
 84.4 and education and to preserve and promote  
 84.5 Minnesota's history and cultural heritage; and

84.6 (7) \$1,000,000 the first year is for a grant  
 84.7 to the city of Morris for loans or grants to  
 84.8 agricultural processing facilities for energy  
 84.9 efficiency improvements.

84.10 Funds available under clause (7) shall be  
 84.11 used to increase conservation and promote  
 84.12 energy efficiency through retrofitting existing  
 84.13 systems and installing new systems to  
 84.14 recover waste heat from industrial processes  
 84.15 and reuse energy. The appropriation for  
 84.16 a grant in clause (7) is not available until  
 84.17 the commissioner determines that at least  
 84.18 \$1,000,000 is committed to the project from  
 84.19 nonpublic sources.

84.20 The base budget for the agricultural growth,  
 84.21 research, and innovation program for fiscal  
 84.22 year 2016 and later is \$9,400,000.

84.23 **Subd. 5. Administration and Financial**  
 84.24 **Assistance**

7,743,000

7,743,000

84.25 Appropriations by Fund

84.26 General 6,943,000 6,943,000

84.27 Agricultural 800,000 800,000

84.28 \$634,000 the first year and \$634,000 the  
 84.29 second year are for continuation of the dairy  
 84.30 development and profitability enhancement  
 84.31 and dairy business planning grant programs  
 84.32 established under Laws 1997, chapter  
 84.33 216, section 7, subdivision 2, and Laws  
 84.34 2001, First Special Session chapter 2,  
 84.35 section 9, subdivision 2. The commissioner

85.1 may allocate the available sums among  
85.2 permissible activities, including efforts to  
85.3 improve the quality of milk produced in the  
85.4 state in the proportions that the commissioner  
85.5 deems most beneficial to Minnesota's  
85.6 dairy farmers. The commissioner must  
85.7 submit a detailed accomplishment report  
85.8 and a work plan detailing future plans for,  
85.9 and anticipated accomplishments from,  
85.10 expenditures under this program to the  
85.11 chairs and ranking minority members of the  
85.12 legislative committees with jurisdiction over  
85.13 agricultural policy and finance on or before  
85.14 the start of each fiscal year. If significant  
85.15 changes are made to the plans in the course  
85.16 of the year, the commissioner must notify the  
85.17 chairs and ranking minority members.

85.18 \$47,000 the first year and \$47,000 the second  
85.19 year are for the Northern Crops Institute.

85.20 These appropriations may be spent to  
85.21 purchase equipment.

85.22 \$18,000 the first year and \$18,000 the  
85.23 second year are for a grant to the Minnesota  
85.24 Livestock Breeders Association.

85.25 \$235,000 the first year and \$235,000 the  
85.26 second year are for grants to the Minnesota  
85.27 Agricultural Education and Leadership  
85.28 Council for programs of the council under  
85.29 Minnesota Statutes, chapter 41D.

85.30 \$474,000 the first year and \$474,000 the  
85.31 second year are for payments to county and  
85.32 district agricultural societies and associations  
85.33 under Minnesota Statutes, section 38.02,  
85.34 subdivision 1. Aid payments to county and  
85.35 district agricultural societies and associations

86.1 shall be disbursed no later than July 15 of  
86.2 each year. These payments are the amount of  
86.3 aid from the state for an annual fair held in  
86.4 the previous calendar year.

86.5 \$1,000 the first year and \$1,000 the second  
86.6 year are for grants to the Minnesota State  
86.7 Poultry Association.

86.8 \$108,000 the first year and \$108,000 the  
86.9 second year are for annual grants to the  
86.10 Minnesota Turf Seed Council for basic  
86.11 and applied research on: (1) the improved  
86.12 production of forage and turf seed related to  
86.13 new and improved varieties; and (2) native  
86.14 plants, including plant breeding, nutrient  
86.15 management, pest management, disease  
86.16 management, yield, and viability. The grant  
86.17 recipient may subcontract with a qualified  
86.18 third party for some or all of the basic or  
86.19 applied research.

86.20 \$1,000,000 the first year and \$1,000,000 the  
86.21 second year are for grants to Second Harvest  
86.22 Heartland on behalf of Minnesota's six  
86.23 Second Harvest food banks for the purchase  
86.24 of milk for distribution to Minnesota's food  
86.25 shelves and other charitable organizations  
86.26 that are eligible to receive food from the food  
86.27 banks. Milk purchased under the grants must  
86.28 be acquired from Minnesota milk processors  
86.29 and based on low-cost bids. The milk must be  
86.30 allocated to each Second Harvest food bank  
86.31 serving Minnesota according to the formula  
86.32 used in the distribution of United States  
86.33 Department of Agriculture commodities  
86.34 under The Emergency Food Assistance  
86.35 Program (TEFAP). Second Harvest

87.1 Heartland must submit quarterly reports  
87.2 to the commissioner on forms prescribed  
87.3 by the commissioner. The reports must  
87.4 include, but are not limited to, information  
87.5 on the expenditure of funds, the amount  
87.6 of milk purchased, and the organizations  
87.7 to which the milk was distributed. Second  
87.8 Harvest Heartland may enter into contracts  
87.9 or agreements with food banks for shared  
87.10 funding or reimbursement of the direct  
87.11 purchase of milk. Each food bank receiving  
87.12 money from this appropriation may use up to  
87.13 two percent of the grant for administrative  
87.14 expenses.

87.15 \$94,000 the first year and \$94,000 the  
87.16 second year are for transfer to the Board of  
87.17 Trustees of the Minnesota State Colleges  
87.18 and Universities for statewide mental health  
87.19 counseling support to farm families and  
87.20 business operators through farm business  
87.21 management programs at Central Lakes  
87.22 College and Ridgewater College.

87.23 \$17,000 the first year and \$17,000 the  
87.24 second year are for grants to the Minnesota  
87.25 Horticultural Society.

87.26 Notwithstanding Minnesota Statutes,  
87.27 section 18C.131, \$800,000 the first year  
87.28 and \$800,000 the second year are from the  
87.29 fertilizer account in the agricultural fund  
87.30 for grants for fertilizer research as awarded  
87.31 by the Minnesota Agricultural Fertilizer  
87.32 Research and Education Council under  
87.33 Minnesota Statutes, section 18C.71. The  
87.34 amount appropriated in either fiscal year  
87.35 must not exceed 57 percent of the inspection

88.1 fee revenue collected under Minnesota  
 88.2 Statutes, section 18C.425, subdivision 6,  
 88.3 during the previous fiscal year. No later  
 88.4 than February 1, 2015, the commissioner  
 88.5 shall report to the legislative committees  
 88.6 with jurisdiction over agriculture finance.  
 88.7 The report must include the progress and  
 88.8 outcome of funded projects as well as the  
 88.9 sentiment of the council concerning the need  
 88.10 for additional research funds.

88.11 Sec. 4. **BOARD OF ANIMAL HEALTH**                    \$            **4,837,000** \$            **4,837,000**

88.12 Sec. 5. **AGRICULTURAL UTILIZATION**  
 88.13 **RESEARCH INSTITUTE**                                    \$            **2,643,000** \$            **2,643,000**

88.14 Sec. 6. Minnesota Statutes 2012, section 17.03, subdivision 3, is amended to read:

88.15 Subd. 3. **Cooperation with federal agencies.** (a) The commissioner shall cooperate  
 88.16 with the government of the United States, with financial agencies created to assist in the  
 88.17 development of the agricultural resources of this state, and so far as practicable may use  
 88.18 the facilities provided by the existing state departments and the various state and local  
 88.19 organizations. This subdivision is intended to relate to every function and duty which  
 88.20 devolves upon the commissioner.

88.21 (b) The commissioner may apply for, receive, and disburse federal funds made  
 88.22 available to the state by federal law or regulation for any purpose related to the powers and  
 88.23 duties of the commissioner. All money received by the commissioner under this paragraph  
 88.24 shall be deposited in the state treasury and is appropriated to the commissioner for the  
 88.25 purposes for which it was received. Money made available under this paragraph may  
 88.26 be paid pursuant to applicable federal regulations and rate structures. Money received  
 88.27 under this paragraph does not cancel and is available for expenditure according to federal  
 88.28 law. The commissioner may contract with and enter into grant agreements with persons,  
 88.29 organizations, educational institutions, firms, corporations, other state agencies, and any  
 88.30 agency or instrumentality of the federal government to carry out agreements made with  
 88.31 the federal government relating to the expenditure of money under this paragraph. Bid  
 88.32 requirements under chapter 16C do not apply to contracts under this paragraph.

89.1 Sec. 7. Minnesota Statutes 2012, section 17.1015, is amended to read:

89.2 **17.1015 PROMOTIONAL EXPENDITURES.**

89.3 In order to accomplish the purposes of section 17.101, the commissioner may  
89.4 participate jointly with private persons in appropriate programs and projects and may enter  
89.5 into contracts to carry out those programs and projects. The contracts may not include  
89.6 the acquisition of land or buildings and are not subject to the provisions of chapter 16C  
89.7 relating to competitive bidding.

89.8 The commissioner may spend money appropriated for the purposes of section  
89.9 17.101 in the same manner that private persons, firms, corporations, and associations  
89.10 make expenditures for these purposes, and expenditures made pursuant to section 17.101  
89.11 for food, lodging, or travel are not governed by the travel rules of the commissioner of  
89.12 management and budget.

89.13 Sec. 8. Minnesota Statutes 2012, section 18B.305, is amended to read:

89.14 **18B.305 PESTICIDE EDUCATION AND TRAINING.**

89.15 Subdivision 1. **Education and training.** (a) The commissioner, as the lead agency,  
89.16 shall develop, implement or approve, and evaluate, in ~~conjunction~~ consultation with the  
89.17 University of Minnesota Extension Service, the Minnesota State Colleges and Universities  
89.18 system, and other educational institutions, innovative educational and training programs  
89.19 addressing pesticide concerns including:

89.20 (1) water quality protection;

89.21 (2) endangered species protection;

89.22 (3) minimizing pesticide residues in food and water;

89.23 (4) worker protection and applicator safety;

89.24 (5) chronic toxicity;

89.25 (6) integrated pest management and pest resistance; ~~and~~

89.26 (7) pesticide disposal;

89.27 (8) pesticide drift;

89.28 (9) relevant laws including pesticide labels and labeling and state and federal rules  
89.29 and regulations; and

89.30 (10) current science and technology updates.

89.31 (b) The commissioner shall appoint educational planning committees which must  
89.32 include representatives of industry and applicators.

89.33 (c) Specific current regulatory concerns must be discussed and, if appropriate,  
89.34 incorporated into each training session. Relevant changes to pesticide product labels or  
89.35 labeling or state and federal rules and regulations may be included.

90.1 (d) The commissioner may approve programs from private industry, higher  
 90.2 education institutions, and nonprofit organizations that meet minimum requirements for  
 90.3 education, training, and certification.

90.4 Subd. 2. **Training manual and examination development.** The commissioner, in  
 90.5 ~~conjunction~~ consultation with the University of Minnesota Extension Service and other  
 90.6 higher education institutions, shall continually revise and update pesticide applicator  
 90.7 training manuals and examinations. The manuals and examinations must be written to meet  
 90.8 or exceed the minimum standards required by the United States Environmental Protection  
 90.9 Agency and pertinent state specific information. Questions in the examinations must be  
 90.10 determined by the commissioner in consultation with other responsible agencies. Manuals  
 90.11 and examinations must include pesticide management practices that discuss prevention of  
 90.12 pesticide occurrence in ~~groundwaters~~ groundwater and surface water of the state.

90.13 Sec. 9. Minnesota Statutes 2012, section 18C.430, is amended to read:

90.14 **18C.430 COMMERCIAL ANIMAL WASTE TECHNICIAN.**

90.15 Subdivision 1. **Requirement.** (a) ~~Except as provided in paragraph (c), after March~~  
 90.16 ~~1, 2000, A person may not manage or apply animal wastes to the land for hire ~~without a~~~~  
 90.17 ~~valid commercial animal waste technician license. This section does not apply to a person~~  
 90.18 ~~managing or applying animal waste on land managed by the person's employer.:~~

90.19 (1) without a valid commercial animal waste technician applicator license;

90.20 (2) without a valid commercial animal waste technician site manager license; or

90.21 (3) as a sole proprietorship, company, partnership, or corporation unless a  
 90.22 commercial animal waste technician company license is held and a commercial animal  
 90.23 waste technical site manager is employed by the entity.

90.24 (b) A person managing or applying animal wastes for hire must have a valid  
 90.25 license identification card when managing or applying animal wastes for hire and must  
 90.26 display it upon demand by an authorized representative of the commissioner or a law  
 90.27 enforcement officer. The commissioner shall prescribe the information required on the  
 90.28 license identification card.

90.29 (c) ~~A person who is not a licensed commercial animal waste technician who has had~~  
 90.30 ~~at least two hours of training or experience in animal waste management may manage~~  
 90.31 ~~or apply animal waste for hire under the supervision of a commercial animal waste~~  
 90.32 ~~technician. A commercial animal waste technician applicator must have a minimum of~~  
 90.33 ~~two hours of certification training in animal waste management and may only manage or~~  
 90.34 ~~apply animal waste for hire under the supervision of a commercial animal waste technician~~

91.1 site manager. The commissioner shall prescribe the conditions of the supervision and the  
91.2 form and format required on the certification training.

91.3 (d) This section does not apply to a person managing or applying animal waste on  
91.4 land managed by the person's employer.

91.5 Subd. 2. **Responsibility.** A person required to be licensed under this section who  
91.6 performs animal waste management or application for hire or who employs a person to  
91.7 perform animal waste management or application for compensation is responsible for  
91.8 proper management or application of the animal wastes.

91.9 Subd. 3. **License.** (a) A commercial animal waste technician license, including  
91.10 applicator, site manager, and company:

91.11 (1) is valid for ~~three years~~ one year and expires on December 31 of the ~~third~~ year for  
91.12 which it is issued, unless suspended or revoked before that date;

91.13 (2) is not transferable to another person; and

91.14 (3) must be prominently displayed to the public in the commercial animal waste  
91.15 technician's place of business.

91.16 (b) The commercial animal waste technician company license number assigned by  
91.17 the commissioner must appear on the application equipment when a person manages  
91.18 or applies animal waste for hire.

91.19 Subd. 4. **Application.** (a) A person must apply to the commissioner for a commercial  
91.20 animal waste technician license on forms and in the manner required by the commissioner  
91.21 and must include the application fee. The commissioner shall prescribe and administer  
91.22 an examination or equivalent measure to determine if the applicant is eligible for the  
91.23 commercial animal waste technician license, site manager license or applicator license.

91.24 (b) The commissioner of agriculture, in cooperation with the University of  
91.25 Minnesota Extension Service and appropriate educational institutions, shall establish and  
91.26 implement a program for training and licensing commercial animal waste technicians.

91.27 Subd. 5. **Renewal application.** (a) A person must apply to the commissioner of  
91.28 agriculture to renew a commercial animal waste technician license and must include the  
91.29 application fee. The commissioner may renew a commercial animal waste technician  
91.30 applicator or site manager license, subject to reexamination, attendance at workshops  
91.31 approved by the commissioner, or other requirements imposed by the commissioner to  
91.32 provide the animal waste technician with information regarding changing technology and  
91.33 to help ensure a continuing level of competence and ability to manage and apply animal  
91.34 wastes properly. The applicant may renew a commercial animal waste technician license  
91.35 within 12 months after expiration of the license without having to meet initial testing  
91.36 requirements. The commissioner may require additional demonstration of animal waste

92.1 technician qualification if a person has had a license suspended or revoked or has had a  
 92.2 history of violations of this section.

92.3 (b) An applicant who meets renewal requirements by reexamination instead  
 92.4 of attending workshops must pay a fee for the reexamination as determined by the  
 92.5 commissioner.

92.6 Subd. 6. **Financial responsibility.** (a) A commercial animal waste technician  
 92.7 license may not be issued unless the applicant furnishes proof of financial responsibility.  
 92.8 The financial responsibility may be demonstrated by (1) proof of net assets equal to or  
 92.9 greater than \$50,000, or (2) a performance bond or insurance of the kind and in an amount  
 92.10 determined by the commissioner of agriculture.

92.11 (b) The bond or insurance must cover a period of time at least equal to the term of  
 92.12 the applicant's license. The commissioner shall immediately suspend the license of a  
 92.13 person who fails to maintain the required bond or insurance.

92.14 (c) An employee of a licensed person is not required to maintain an insurance policy  
 92.15 or bond during the time the employer is maintaining the required insurance or bond.

92.16 (d) Applications for reinstatement of a license suspended under paragraph (b) must  
 92.17 be accompanied by proof of satisfaction of judgments previously rendered.

92.18 Subd. 7. **Application fee.** (a) A person initially applying for or renewing  
 92.19 a commercial animal waste technician applicator license must pay a nonrefundable  
 92.20 ~~application~~ fee of \$50 and a fee of \$10 for each additional identification card requested.  
 92.21 \$25. A person initially applying for or renewing a commercial animal waste technician  
 92.22 site manager license must pay a nonrefundable application fee of \$50. A person initially  
 92.23 applying for or renewing a commercial animal waste technician company license must  
 92.24 pay a nonrefundable application fee of \$100.

92.25 (b) A license renewal application received after March 1 in the year for which the  
 92.26 license is to be issued is subject to a penalty fee of 50 percent of the application fee. The  
 92.27 penalty fee must be paid before the renewal license may be issued.

92.28 (c) An application for a duplicate commercial animal waste technician license must  
 92.29 be accompanied by a nonrefundable fee of \$10.

92.30 Sec. 10. Minnesota Statutes 2012, section 18C.433, subdivision 1, is amended to read:

92.31 Subdivision 1. **Requirement.** Beginning January 1, 2006, only a commercial  
 92.32 animal waste technician; site manager or commercial animal waste technician applicator  
 92.33 may apply animal waste from a feedlot that:

92.34 (1) has a capacity of 300 animal units or more; and

93.1 (2) does not have an updated manure management plan that meets the requirements  
93.2 of Pollution Control Agency rules.

93.3 Sec. 11. **UPDATE REQUIRED; REPORT.**

93.4 No later than December 31, 2017, the commissioner of agriculture must use  
93.5 existing pesticide regulatory account resources to update and modify applicator education  
93.6 and training materials as required in section 8. No later than January 15, 2015, the  
93.7 commissioner must report to the legislative committees and divisions with jurisdiction over  
93.8 agriculture policy and finance regarding the agency's progress and a schedule of additional  
93.9 activities the commissioner will accomplish to meet the December 31, 2017, deadline.

93.10 **ARTICLE 4**

93.11 **COMMERCE AND ENERGY**

93.12 Section 1. **SUMMARY OF APPROPRIATIONS.**

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

		<b><u>2014</u></b>		<b><u>2015</u></b>		<b><u>Total</u></b>
93.15						
93.16	<u>General</u>	<u>\$ 31,276,000</u>	\$	<u>29,276,000</u>	\$	<u>60,552,000</u>
93.17	<u>Petroleum Tank</u>	<u>1,052,000</u>		<u>1,052,000</u>		<u>2,104,000</u>
93.18	<u>Workers' Compensation</u>	<u>751,000</u>		<u>751,000</u>		<u>1,502,000</u>
93.19	<b><u>Total</u></b>	<b><u>\$ 33,079,000</u></b>	<b><u>\$</u></b>	<b><u>31,079,000</u></b>	<b><u>\$</u></b>	<b><u>64,158,000</u></b>

93.20 Sec. 2. **COMMERCE AND ENERGY APPROPRIATIONS.**

93.21 The sums shown in the columns marked "Appropriations" are appropriated to the  
93.22 agencies and for the purposes specified in this article. The appropriations are from the  
93.23 general fund, or another named fund, and are available for the fiscal years indicated  
93.24 for each purpose. The figures "2014" and "2015" used in this article mean that the  
93.25 appropriations listed under them are available for the fiscal year ending June 30, 2014, or  
93.26 June 30, 2015, respectively. "The first year" is fiscal year 2014. "The second year" is fiscal  
93.27 year 2015. "The biennium" is fiscal years 2014 and 2015. Appropriations for the fiscal  
93.28 year ending June 30, 2013, are effective the day following final enactment.

	<b><u>APPROPRIATIONS</u></b>
	<b><u>Available for the Year</u></b>
	<b><u>Ending June 30</u></b>
	<b><u>2014</u></b>
	<b><u>2015</u></b>
93.29	
93.30	
93.31	
93.32	

93.33 Sec. 3. **DEPARTMENT OF COMMERCE**

94.1	<u>Subdivision 1. <b>Total Appropriation</b></u>	<u>\$</u>	<u><b>26,901,000</b></u>	<u>\$</u>	<u><b>24,901,000</b></u>
94.2	<u>Appropriations by Fund</u>				
94.3		<u>2014</u>		<u>2015</u>	
94.4	<u>General</u>	<u>25,098,000</u>		<u>23,098,000</u>	
94.5	<u>Petroleum Tank</u>	<u>1,052,000</u>		<u>1,052,000</u>	
94.6	<u>Workers'</u>				
94.7	<u>Compensation</u>	<u>751,000</u>		<u>751,000</u>	
94.8	<u>The amounts that may be spent for each</u>				
94.9	<u>purpose are specified in the following</u>				
94.10	<u>subdivisions.</u>				
94.11	<u>Subd. 2. <b>Financial Institutions</b></u>		<u>4,885,000</u>		<u>4,885,000</u>
94.12	<u>\$142,000 each year is for the regulation of</u>				
94.13	<u>mortgage originators and servicers under</u>				
94.14	<u>Minnesota Statutes, chapters 58 and 58A.</u>				
94.15	<u>Subd. 3. <b>Petroleum Tank Release</b></u>				
94.16	<u>Compensation Board</u>		<u>1,052,000</u>		<u>1,052,000</u>
94.17	<u>This appropriation is from the petroleum</u>				
94.18	<u>tank fund.</u>				
94.19	<u>Subd. 4. <b>Administrative Services</b></u>		<u>6,490,000</u>		<u>6,490,000</u>
94.20	<u>\$375,000 each year is for additional</u>				
94.21	<u>compliance efforts with unclaimed property.</u>				
94.22	<u>The commissioner may issue contracts for</u>				
94.23	<u>these services.</u>				
94.24	<u>Subd. 5. <b>Telecommunications</b></u>		<u>1,259,000</u>		<u>1,259,000</u>
94.25	<u>\$250,000 each year is for the Broadband</u>				
94.26	<u>Development Office.</u>				
94.27	<u>The following transfers are from the</u>				
94.28	<u>telecommunications access Minnesota</u>				
94.29	<u>fund. \$500,000 the first year and \$800,000</u>				
94.30	<u>the second year and each year thereafter</u>				
94.31	<u>are for transfer to the commissioner of</u>				
94.32	<u>human services to supplement the ongoing</u>				
94.33	<u>operational expenses of the Commission</u>				

95.1 of Deaf, DeafBlind, and Hard of Hearing

95.2 Minnesotans.

95.3 \$290,000 each year is for transfer to the

95.4 chief information officer for the purpose of

95.5 coordinating technology accessibility and

95.6 usability.

95.7 Subd. 6. **Enforcement**

4,048,000

4,048,000

95.8 Appropriations by Fund

95.9 General 3,850,000 3,850,000

95.10 Workers'

95.11 Compensation 198,000 198,000

95.12 Subd. 7. **Energy Resources**

5,252,000

3,252,000

95.13 \$2,000,000 the first year is for the

95.14 weatherization assistance program. This is a

95.15 onetime appropriation and is available until

95.16 June 30, 2015.

95.17 Subd. 8. **Insurance**

3,915,000

3,915,000

95.18 Appropriations by Fund

95.19 General 3,362,000 3,362,000

95.20 Workers'

95.21 Compensation 553,000 553,000

95.22 Sec. 4. **PUBLIC UTILITIES COMMISSION** \$

6,178,000 \$

6,178,000

95.23 Sec. 5. Minnesota Statutes 2012, section 45.0135, subdivision 6, is amended to read:

95.24 Subd. 6. **Insurance fraud prevention account.** The insurance fraud prevention

95.25 account is created in the state treasury. Money received from assessments under

95.26 subdivision 7 and transferred from the automobile theft prevention account in section

95.27 65B.84, subdivision 1, is deposited in the account. Money in this fund is appropriated

95.28 to the commissioner of commerce for the purposes specified in this section and sections

95.29 60A.951 to 60A.956.

95.30 Sec. 6. Minnesota Statutes 2012, section 60A.14, subdivision 1, is amended to read:

95.31 Subdivision 1. **Fees other than examination fees.** In addition to the fees and

95.32 charges provided for examinations, the following fees must be paid to the commissioner

95.33 for deposit in the general fund:

- 96.1 (a) by township mutual fire insurance companies;
- 96.2 (1) for filing certificate of incorporation \$25 and amendments thereto, \$10;
- 96.3 (2) for filing annual statements, \$15;
- 96.4 (3) for each annual certificate of authority, \$15;
- 96.5 (4) for filing bylaws \$25 and amendments thereto, \$10;
- 96.6 (b) by other domestic and foreign companies including fraternal and reciprocal
- 96.7 exchanges;
- 96.8 (1) for filing an application for an initial certification of authority to be admitted
- 96.9 to transact business in this state, \$1,500;
- 96.10 (2) for filing certified copy of certificate of articles of incorporation, \$100;
- 96.11 (3) for filing annual statement, \$225;
- 96.12 (4) for filing certified copy of amendment to certificate or articles of incorporation,
- 96.13 \$100;
- 96.14 (5) for filing bylaws, \$75 or amendments thereto, \$75;
- 96.15 (6) for each company's certificate of authority, \$575, annually;
- 96.16 (c) the following general fees apply:
- 96.17 (1) for each certificate, including certified copy of certificate of authority, renewal,
- 96.18 valuation of life policies, corporate condition or qualification, \$25;
- 96.19 (2) for each copy of paper on file in the commissioner's office 50 cents per page,
- 96.20 and \$2.50 for certifying the same;
- 96.21 (3) for license to procure insurance in unadmitted foreign companies, \$575;
- 96.22 (4) for valuing the policies of life insurance companies, one cent per \$1,000 of
- 96.23 insurance so valued, provided that the fee shall not exceed \$13,000 per year for any
- 96.24 company. The commissioner may, in lieu of a valuation of the policies of any foreign life
- 96.25 insurance company admitted, or applying for admission, to do business in this state, accept
- 96.26 a certificate of valuation from the company's own actuary or from the commissioner of
- 96.27 insurance of the state or territory in which the company is domiciled;
- 96.28 (5) for receiving and filing certificates of policies by the company's actuary, or by
- 96.29 the commissioner of insurance of any other state or territory, \$50;
- 96.30 (6) for each appointment of an agent filed with the commissioner, ~~\$10~~ \$30;
- 96.31 (7) for filing forms, rates, and compliance certifications under section 60A.315, \$140
- 96.32 per filing, or \$125 per filing when submitted via electronic filing system. Filing fees
- 96.33 may be paid on a quarterly basis in response to an invoice. Billing and payment may
- 96.34 be made electronically;
- 96.35 (8) for annual renewal of surplus lines insurer license, \$300.
- 96.36 The commissioner shall adopt rules to define filings that are subject to a fee.

97.1 Sec. 7. Minnesota Statutes 2012, section 65B.84, subdivision 1, is amended to read:

97.2 Subdivision 1. **Program described; commissioner's duties; appropriation.** (a)

97.3 The commissioner of commerce shall:

97.4 (1) develop and sponsor the implementation of statewide plans, programs, and  
97.5 strategies to combat automobile theft, improve the administration of the automobile theft  
97.6 laws, and provide a forum for identification of critical problems for those persons dealing  
97.7 with automobile theft;

97.8 (2) coordinate the development, adoption, and implementation of plans, programs,  
97.9 and strategies relating to interagency and intergovernmental cooperation with respect  
97.10 to automobile theft enforcement;

97.11 (3) annually audit the plans and programs that have been funded in whole or in part  
97.12 to evaluate the effectiveness of the plans and programs and withdraw funding should the  
97.13 commissioner determine that a plan or program is ineffective or is no longer in need  
97.14 of further financial support from the fund;

97.15 (4) develop a plan of operation including:

97.16 (i) an assessment of the scope of the problem of automobile theft, including areas  
97.17 of the state where the problem is greatest;

97.18 (ii) an analysis of various methods of combating the problem of automobile theft;

97.19 (iii) a plan for providing financial support to combat automobile theft;

97.20 (iv) a plan for eliminating car hijacking; and

97.21 (v) an estimate of the funds required to implement the plan; and

97.22 (5) distribute money, in consultation with the commissioner of public safety,  
97.23 pursuant to subdivision 3 from the automobile theft prevention special revenue account  
97.24 for automobile theft prevention activities, including:

97.25 (i) paying the administrative costs of the program;

97.26 (ii) providing financial support to the State Patrol and local law enforcement  
97.27 agencies for automobile theft enforcement teams;

97.28 (iii) providing financial support to state or local law enforcement agencies for  
97.29 programs designed to reduce the incidence of automobile theft and for improved  
97.30 equipment and techniques for responding to automobile thefts;

97.31 (iv) providing financial support to local prosecutors for programs designed to reduce  
97.32 the incidence of automobile theft;

97.33 (v) providing financial support to judicial agencies for programs designed to reduce  
97.34 the incidence of automobile theft;

97.35 (vi) providing financial support for neighborhood or community organizations or  
97.36 business organizations for programs designed to reduce the incidence of automobile

98.1 theft and to educate people about the common methods of automobile theft, the models  
98.2 of automobiles most likely to be stolen, and the times and places automobile theft is  
98.3 most likely to occur; and

98.4 (vii) providing financial support for automobile theft educational and training  
98.5 programs for state and local law enforcement officials, driver and vehicle services exam  
98.6 and inspections staff, and members of the judiciary.

98.7 (b) The commissioner may not spend in any fiscal year more than ten percent of the  
98.8 money in the fund for the program's administrative and operating costs. The commissioner  
98.9 is annually appropriated and must distribute the amount of the proceeds credited to  
98.10 the automobile theft prevention special revenue account each year, less the transfer of  
98.11 \$1,300,000 each year to the general fund described in section 168A.40, subdivision 4.

98.12 (c) At the end of each fiscal year, the commissioner may transfer any unobligated  
98.13 balances in the auto theft prevention account to the insurance fraud prevention account  
98.14 under section 45.0135, subdivision 6.

98.15 Sec. 8. Minnesota Statutes 2012, section 216B.16, is amended by adding a subdivision  
98.16 to read:

98.17 Subd. 6e. **Revenue allocation among consumer classes.** (a) This subdivision  
98.18 applies only to investor-owned electric utilities who have at least 50,000 customers, but  
98.19 no more than 200,000 customers.

98.20 (b) For all filings made prior to January 1, 2018, cost of service shall be the primary  
98.21 consideration in the commission's determination of revenue allocation among customer  
98.22 classes. The commission's discretion to deviate from cost of service and consider noncost  
98.23 factors when it determines revenue allocation among customer classes is limited to the  
98.24 following parameters:

98.25 (1) no deviations of more than four percent for all filings made after January 1,  
98.26 2014; and

98.27 (2) no deviations of more than two percent for all filings made after January 1, 2016.

98.28 Revenue allocation among customer classes that deviates from the cost of service must be  
98.29 supported by a preponderance of the evidence.

98.30 (c) For all filings made on or after January 1, 2018, cost of service shall be the only  
98.31 consideration in the commission's determination of revenue allocation among customer  
98.32 classes.

98.33 (d) At least 60 days prior to its next general rate proceeding, a utility subject to  
98.34 this subdivision shall be required to meet with interested stakeholders to explore the

99.1 possibility of expanding or increasing access to electric affordability programs for  
 99.2 low-income consumers.

99.3 (e) Upon the filing of a general rate case by a utility subject to this subdivision in  
 99.4 which the filing utility seeks to impose rates based on cost of service, the filing utility  
 99.5 must deposit \$10,000 into an account devoted to funding a program approved by the  
 99.6 commission under section 216B.16, subdivision 15. The funds shall be used to expand the  
 99.7 outreach of the commission-approved affordability program.

99.8 **EFFECTIVE DATE.** The section is effective the day following final enactment and  
 99.9 applies to general rate changes filed on or after that date.

99.10 Sec. 9. **[216C.411] DEFINITIONS.**

99.11 For the purposes of sections 216C.411 to 216C.415, the following terms have the  
 99.12 meanings given.

99.13 (a) "Made in Minnesota" means the manufacture in this state of solar photovoltaic  
 99.14 modules:

99.15 (1) at a manufacturing facility located in Minnesota that is registered and authorized  
 99.16 to manufacture and apply the UL 1703 certification mark to solar photovoltaic modules by  
 99.17 Underwriters Laboratory (UL), CSA International, Intertek, or an equivalent UL-approved  
 99.18 independent certification agency;

99.19 (2) that bear UL 1703 certification marks from UL, CSA International, Intertek, or  
 99.20 an equivalent UL-approved independent certification agency, which must be physically  
 99.21 applied to the modules at a manufacturing facility described in clause (1); and

99.22 (3) that are manufactured in Minnesota:

99.23 (i) by manufacturing processes that must include tabbing, stringing, and lamination;

99.24 or

99.25 (ii) by interconnecting low-voltage direct current photovoltaic elements that produce  
 99.26 the final useful photovoltaic output of the modules.

99.27 A solar photovoltaic module that is manufactured by attaching microinverters, direct  
 99.28 current optimizers, or other power electronics to a laminate or solar photovoltaic  
 99.29 module that has received UL 1703 certification marks outside Minnesota from UL, CSA  
 99.30 International, Intertek, or an equivalent UL-approved independent certification agency is  
 99.31 not "Made in Minnesota" under this paragraph.

99.32 (b) "Solar photovoltaic module" has the meaning given in section 116C.7791,  
 99.33 subdivision 1, paragraph (e).

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

100.1 Sec. 10. [216C.412] "MADE IN MINNESOTA" SOLAR ENERGY  
100.2 PRODUCTION INCENTIVE ACCOUNT.

100.3 Subdivision 1. Account established; account management. A "Made in  
100.4 Minnesota" solar energy production incentive account is established as a separate account  
100.5 in the special revenue fund in the state treasury. Earnings, such as interest, dividends,  
100.6 and any other earnings arising from account assets, must be credited to the account.  
100.7 Funds remaining in the account at the end of a fiscal year do not cancel to the general  
100.8 fund but remain in the account. There is annually appropriated from the account to the  
100.9 commissioner of commerce money sufficient to make the incentive payments under  
100.10 section 216C.415 and to administer sections 216C.412 to 216C.415.

100.11 Subd. 2. Payments from utilities and associations. (a) Beginning January 1, 2014,  
100.12 and each January 1 thereafter, through 2023, for a total of ten years, each electric public  
100.13 utility, cooperative electric association, and municipal electric utility subject to section  
100.14 216B.241 must annually pay to the commissioner of commerce five percent of the amount  
100.15 it was required to spend in the previous year, based on its sale of electricity, on energy  
100.16 conservation improvements under section 216B.241, subdivisions 1a and 1b. Payments  
100.17 made under this paragraph count towards satisfying expenditure obligations of a public  
100.18 utility, cooperative electric association, or municipal utility under section 216B.241,  
100.19 subdivision 1b. The commissioner shall, upon receipt of the funds, deposit them in the  
100.20 account established in subdivision 1. A public utility, municipal utility, or cooperative  
100.21 electric association subject to this paragraph must be credited energy-savings for the  
100.22 purpose of satisfying its energy savings requirement under section 216B.241, subdivision  
100.23 1c, based on its payment to the commissioner. For a cooperative electric association or  
100.24 municipal utility, the kilowatt hours of energy-savings credit equals the total dollar amount  
100.25 transferred by the utility to the commissioner under this paragraph divided by the utility's  
100.26 or association's average cost per kilowatt hour saved for the previous calendar year under  
100.27 its conservation improvement program under section 216B.241.

100.28 (b) Notwithstanding section 116C.779, subdivision 1, paragraph (g), beginning  
100.29 January 1, 2014, and continuing through January 1, 2023, for a total of ten years, the utility  
100.30 that manages the account under section 116C.779 must annually pay from that account to  
100.31 the commissioner an amount that, when added to the total amount paid to the commissioner  
100.32 of commerce under paragraph (a), totals \$15,000,000 annually. The commissioner shall,  
100.33 upon receipt of the payment, deposit it in the account established in subdivision 1.

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

101.1 Sec. 11. **[216C.413] "MADE IN MINNESOTA" SOLAR ENERGY**  
101.2 **PRODUCTION INCENTIVE; QUALIFICATION.**

101.3 Subdivision 1. **Application.** A manufacturer of solar photovoltaic modules seeking  
101.4 to qualify those modules as eligible to receive the "Made in Minnesota" solar energy  
101.5 production incentive must submit an application to the commissioner of commerce on a  
101.6 form prescribed by the commissioner. The application must contain:

101.7 (1) a technical description of the solar photovoltaic module and the processes used  
101.8 to manufacture it, excluding proprietary details;

101.9 (2) documentation that the solar photovoltaic module meets all the required  
101.10 applicable parts of the "Made in Minnesota" definition in section 216C.411, including  
101.11 evidence of the UL 1703 right to mark for all solar photovoltaic modules seeking to  
101.12 qualify as "Made in Minnesota";

101.13 (3) any additional nonproprietary information requested by the commissioner  
101.14 of commerce; and

101.15 (4) certification signed by the chief executive officer of the manufacturing company  
101.16 attesting to the truthfulness of the contents of the application and supporting materials  
101.17 under penalty of perjury.

101.18 Subd. 2. **Certification.** If the commissioner determines that a manufacturer's solar  
101.19 photovoltaic module meets the definition of "Made in Minnesota" in section 216C.411, the  
101.20 commissioner shall issue the manufacturer a "Made in Minnesota" certificate containing  
101.21 the name and model numbers of the certified solar photovoltaic modules and the date of  
101.22 certification. The commissioner must issue or deny the issuance of a certificate within 90  
101.23 days of receipt of a completed application. A copy of the certificate must be provided to  
101.24 each purchaser of the solar photovoltaic module.

101.25 Subd. 3. **Revocation of certification.** The commissioner may revoke a certification  
101.26 of a module as "Made in Minnesota" if the commissioner finds that the module no longer  
101.27 meets the requirements to be certified. The revocation does not affect incentive payments  
101.28 awarded prior to the revocation.

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

101.30 Sec. 12. **[216C.414] "MADE IN MINNESOTA" SOLAR ENERGY**  
101.31 **PRODUCTION INCENTIVE.**

101.32 Subdivision 1. **Setting incentive.** Within 90 days of a module being certified as  
101.33 "Made in Minnesota," the commissioner of commerce shall set a solar energy production  
101.34 incentive amount for that solar photovoltaic module for the purpose of the incentive  
101.35 payment under section 216C.415. The incentive is a performance-based financial

102.1 incentive expressed as a per kilowatt-hour amount. The amount shall be used for incentive  
102.2 applications approved in the year to which the incentive amount is applicable for the  
102.3 ten-year duration of the incentive payments. An incentive amount must be calculated for  
102.4 each module for each calendar year, through 2023.

102.5 Subd. 2. **Criteria for determining incentive amount.** (a) The commissioner shall  
102.6 set the incentive payment amount by determining the average amount of incentive payment  
102.7 required to allow an average owner of installed solar photovoltaic modules a reasonable  
102.8 return on their investment. In setting the incentive amount the commissioner shall consider:

102.9 (1) an estimate of the installed cost per kilowatt-direct current, based on the cost data  
102.10 supplied by the manufacturer in the application submitted under section 216C.413, and an  
102.11 estimate of the average installation cost based on a representative sample of Minnesota  
102.12 solar photovoltaic installed projects;

102.13 (2) the average insolation rate in Minnesota;

102.14 (3) an estimate of the decline in the generation efficiency of the solar photovoltaic  
102.15 modules over time;

102.16 (4) the rate paid by utilities to owners of solar photovoltaic modules under section  
102.17 216B.164 or other law;

102.18 (5) applicable federal tax incentives for installing solar photovoltaic modules; and

102.19 (6) the estimated levelized cost per kilowatt-hour generated.

102.20 (b) The commissioner shall annually, for incentive applications received in a year,  
102.21 revise each incentive amount based on the factors in paragraph (a), clauses (1) to (6),  
102.22 general market conditions, and the availability of other incentives. In no case shall the  
102.23 "Made in Minnesota" incentive amount result in the "Made in Minnesota" incentives paid  
102.24 exceeding 40 percent, net of average applicable taxes on the ten-year incentive payments,  
102.25 of the average historic installation cost per kilowatt. The commissioner may exceed the 40  
102.26 percent cap if the commissioner determines it is necessary to fully expend funds available  
102.27 for incentive payments in a particular year.

102.28 Subd. 3. **Metering of production.** A utility or association must, at the expense of a  
102.29 customer, provide a meter to measure the production of a solar photovoltaic module  
102.30 system that is approved to receive incentive payments. The utility or association must  
102.31 furnish the commissioner with information sufficient for the commissioner to determine  
102.32 the incentive payment. The information must be provided on a calendar year basis by no  
102.33 later than March 1. The commissioner shall provide an association or utility with forms to  
102.34 use to provide the production information. A customer must attest to the accuracy of the  
102.35 production information.

103.1 Subd. 4. **Payment due date.** Payments must be made no later than July 1 following  
103.2 the year of production.

103.3 Subd. 5. **Renewable energy credits.** Renewable energy credits associated with  
103.4 energy provided to a utility or association for which an incentive payment is made belong  
103.5 to the utility or association.

103.6 Sec. 13. **[216C.415] "MADE IN MINNESOTA" SOLAR ENERGY**  
103.7 **PRODUCTION INCENTIVE; PAYMENT.**

103.8 Subdivision 1. **Incentive payment.** Incentive payments may be made under this  
103.9 section only to an owner of grid-connected solar photovoltaic modules with a total  
103.10 nameplate capacity below 40-kilowatts direct current who:

103.11 (1) has submitted to the commissioner, on a form established by the commissioner,  
103.12 an application to receive the incentive that has been approved by the commissioner;

103.13 (2) has received a "Made in Minnesota" certificate under section 216C.413 for  
103.14 the module; and

103.15 (3) has installed on residential or commercial property solar photovoltaic modules  
103.16 that are generating electricity and has received a "Made in Minnesota" certificate under  
103.17 section 216C.413.

103.18 Subd. 2. **Application process.** Applications for an incentive payment must be  
103.19 received by the commissioner between January 1 and February 28. The commissioner  
103.20 shall by a random method approve the number of applications the commissioner  
103.21 reasonably determines will exhaust the funds available for payment for the ten-year period  
103.22 of incentive payments. Applications for residential and commercial installations shall be  
103.23 separately randomly approved. The random method adopted by the commissioner must  
103.24 allow for the commissioner to achieve statewide geographic distribution of the kilowatt  
103.25 hours of payment if there are sufficient applications to achieve that distribution.

103.26 Subd. 3. **Commissioner approval of incentive application.** The commissioner  
103.27 must approve an application for an incentive for an owner to be eligible for incentive  
103.28 payments. The commissioner must not approve an application in a calendar year if the  
103.29 commissioner determines there will not be sufficient funding available to pay an incentive  
103.30 to the applicant for any portion of the ten-year duration of payment. The commissioner  
103.31 shall annually establish a cap on the cumulative capacity for a program year based on  
103.32 funds available and historic average installation costs. Receipt of an incentive is not  
103.33 an entitlement and payment need only be made from available funds in the "Made in  
103.34 Minnesota" solar production incentive account.

104.1 Subd. 4. **Eligibility window; payment duration.** (a) Payments may be made under  
 104.2 this section only for electricity generated from new solar photovoltaic module installations  
 104.3 that are commissioned between January 1, 2014, and December 31, 2023.

104.4 (b) The payment eligibility window of the incentive begins and runs consecutively  
 104.5 from the date the solar system is commissioned.

104.6 (c) An owner of solar photovoltaic modules may receive payments under this  
 104.7 section for a particular module for a period of ten years provided that sufficient funds are  
 104.8 available in the account.

104.9 (d) No payment may be made under this section for electricity generated after  
 104.10 December 31, 2033.

104.11 (e) An owner of solar photovoltaic modules may not first begin to receive payments  
 104.12 under this section after December 31, 2024.

104.13 Subd. 5. **Allocation of payments.** (a) If there are sufficient applications,  
 104.14 approximately 50 percent of the incentive payment shall be for owners of eligible solar  
 104.15 photovoltaic modules installed on residential property, and approximately 50 percent shall  
 104.16 be for owners of eligible solar photovoltaic modules installed on commercial property.

104.17 (b) The commissioner shall endeavor to geographically distribute incentives paid  
 104.18 under this section to owners of solar photovoltaic modules installed throughout the state.

104.19 (c) For purposes of this subdivision:

104.20 (1) "residential property" means residential real estate that is occupied and used as a  
 104.21 homestead by its owner or by a renter and includes "multifamily housing development"  
 104.22 as defined in section 462C.02, subdivision 5, except that residential property on which  
 104.23 solar photovoltaic modules (i) whose capacity exceeds 10 kilowatts is installed; or (ii)  
 104.24 connected to a utility's distribution system and whose electricity is purchased by several  
 104.25 residents, each of whom own a share of the electricity generated, shall be deemed  
 104.26 commercial property; and

104.27 (2) "commercial property" means real property on which is located a business,  
 104.28 government, or nonprofit establishment.

104.29 Subd. 6. **Limitation.** An owner receiving an incentive payment under this section  
 104.30 may not receive a rebate under section 116C.7791 for the same solar photovoltaic modules.

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

104.32 Sec. 14. Minnesota Statutes 2012, section 237.012, subdivision 3, is amended to read:

104.33 Subd. 3. **Annual reports.** The commissioner of commerce Office of Broadband  
 104.34 Development must annually by February 10 report on the achievement of the goals  
 104.35 under subdivisions 1 and 2 to the chairs and ranking minority members of the legislative

105.1 committees with primary jurisdiction over telecommunication issues. The report must  
105.2 also suggest policies, incentives, and legislation designed to accelerate the achievement of  
105.3 the goals. The report on goals under subdivision 1 must be made through 2015.

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

105.5 Sec. 15. Minnesota Statutes 2012, section 237.52, subdivision 4, is amended to read:

105.6 Subd. 4. **Appropriation.** Money in the fund is appropriated to the commissioner of  
105.7 commerce to implement sections 237.51 to 237.56, to the commissioner of employment  
105.8 and economic development to implement section 248.062, ~~and~~ to the commissioner of  
105.9 human services to implement section 256C.30, and to the Legislative Coordinating  
105.10 Commission to provide captioning of legislative activity on the commission's Web site  
105.11 and for a consolidated access fund for other state agencies.

105.12 Sec. 16. Minnesota Statutes 2012, section 237.52, subdivision 5, is amended to read:

105.13 Subd. 5. **Expenditures.** (a) Money in the fund may only be used for:

105.14 (1) expenses of the Department of Commerce, including personnel cost, public  
105.15 relations, advisory board members' expenses, preparation of reports, and other reasonable  
105.16 expenses not to exceed ten percent of total program expenditures;

105.17 (2) reimbursing the commissioner of human services for purchases made or services  
105.18 provided pursuant to section 237.53; ~~and~~

105.19 (3) contracting for the provision of TRS required by section 237.54; and

105.20 (4) expenses of the Legislative Coordinating Commission for providing captioning  
105.21 of legislative activity on the commission's Web site as required under the Americans  
105.22 with Disabilities Act and section 363A.42 and for a consolidated access fund for other  
105.23 state agencies.

105.24 (b) All costs directly associated with the establishment of the program, the purchase  
105.25 and distribution of telecommunications devices, and the provision of TRS are either  
105.26 reimbursable or directly payable from the fund after authorization by the commissioner  
105.27 of commerce. The commissioner of commerce shall contract with one or more TRS  
105.28 providers to indemnify the telecommunications service providers for any fines imposed  
105.29 by the Federal Communications Commission related to the failure of the relay service to  
105.30 comply with federal service standards. Notwithstanding section 16A.41, the commissioner  
105.31 may advance money to the TRS providers if the providers establish to the commissioner's  
105.32 satisfaction that the advance payment is necessary for the provision of the service. The  
105.33 advance payment may be used only for working capital reserve for the operation of the

106.1 service. The advance payment must be offset or repaid by the end of the contract fiscal  
106.2 year together with interest accrued from the date of payment.

106.3 **Sec. 17. [237.90] OFFICE OF BROADBAND DEVELOPMENT.**

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

106.6 (b) "Broadband" or "broadband service" means any service providing advanced  
106.7 telecommunications capability and Internet access with transmission speeds that, at a  
106.8 minimum, meet the Federal Communications Commission definition for broadband.

106.9 (c) "Local unit of government" means any political subdivision of the state including,  
106.10 without limitation, counties, statutory and home rule charter cities, and towns.

106.11 (d) "Office" means the Office of Broadband Development established in subdivision  
106.12 2.

106.13 **Subd. 2. Office established.** An Office of Broadband Development is established  
106.14 within the Department of Commerce. The director serves in the unclassified service and  
106.15 must be qualified by experience and training in broadband. The office may employ staff  
106.16 necessary to carry out the office's duties under subdivision 4.

106.17 **Subd. 3. Purpose.** The purpose of the office is to encourage, foster, develop, and  
106.18 improve broadband within the state in order to:

106.19 (1) drive job creation, promote innovation, and expand markets for Minnesota  
106.20 businesses;

106.21 (2) serve the ongoing and growing needs of Minnesota's education systems, health  
106.22 care system, public safety system, industries and businesses, governmental operations,  
106.23 and citizens; and

106.24 (3) improve accessibility for underserved communities and populations.

106.25 **Subd. 4. Duties.** The office shall have the power and duty to:

106.26 (1) coordinate with state, regional, local, and private entities to develop, to the  
106.27 maximum extent practicable, a uniform statewide broadband access and usage policy;

106.28 (2) develop, recommend, and implement a statewide plan to encourage cost-effective  
106.29 broadband access, and to make recommendations for increased usage, particularly in  
106.30 rural and other underserved areas;

106.31 (3) coordinate efforts, in consultation and cooperation with appropriate state  
106.32 agencies, local units of government, and private entities, to meet the state's broadband  
106.33 goals in section 237.012;

106.34 (4) develop, coordinate, and implement the state's broadband infrastructure  
106.35 development program, including a "dig once" policy with the Department of Transportation;

107.1 (5) provide consultation services to local units of government or other project  
107.2 sponsors in connection with the planning, acquisition, improvement, construction, or  
107.3 development of any broadband deployment project;

107.4 (6) encourage public-private partnerships to increase deployment and adoption  
107.5 of broadband services and applications, including recommending funding options and  
107.6 possible incentives to encourage investment in broadband expansion;

107.7 (7) monitor the broadband development efforts of other states and nations in areas  
107.8 such as business, education, public safety, and health;

107.9 (8) monitor broadband-related activities at the federal level, including regulatory and  
107.10 policy changes and the potential impact on broadband deployment and sustainability in  
107.11 the state;

107.12 (9) serve as an information clearinghouse for federal programs providing financial  
107.13 assistance to institutions located in rural areas seeking to obtain access to high speed  
107.14 broadband service, and use this information as an outreach tool to make institutions  
107.15 located in rural areas that are unserved or underserved with respect to broadband service  
107.16 aware of the existence of federal assistance;

107.17 (10) evaluate security, vulnerability, and redundancy actions necessary to ensure  
107.18 reliability;

107.19 (11) coordinate with the Governor's Broadband Task Force;

107.20 (12) provide an annual report, as required by subdivision 5; and

107.21 (13) perform any other activities consistent with the office's purpose.

107.22 Subd. 5. **Reporting.** (a) Beginning on January 15, 2014, and each year thereafter,  
107.23 the Office of Broadband Development shall report to the legislative committees with  
107.24 jurisdiction over telecommunications policy and finance on the office's activities during  
107.25 the previous year.

107.26 (b) The report shall contain, at a minimum:

107.27 (1) an analysis of the current availability and use of broadband, including average  
107.28 broadband speeds, within the state;

107.29 (2) information gathered from schools, libraries, hospitals, and public safety facilities  
107.30 across the state, determining the actual speed and capacity of broadband currently in use  
107.31 and the need, if any, for increases in speed and capacity to meet current or anticipated needs;

107.32 (3) an analysis of incumbent broadband infrastructure within the state and its ability  
107.33 to spur economic development;

107.34 (4) an analysis of the degree to which new, additional, or improved broadband  
107.35 infrastructure would spur economic development in the state;

108.1 (5) a summary of the office's activities in coordinating broadband infrastructure  
 108.2 development;  
 108.3 (6) any proposed legislative and policy initiatives; and  
 108.4 (7) any other information requested by the legislative committees having jurisdiction  
 108.5 over telecommunications policy and finance, or that the office deems necessary.  
 108.6 (c) The report may be submitted electronically and is subject to section 3.195,  
 108.7 subdivision 1.

108.8 Sec. 18. Minnesota Statutes 2012, section 239.101, subdivision 3, is amended to read:

108.9 Subd. 3. **Petroleum inspection fee; appropriation, uses.** (a) An inspection fee  
 108.10 is imposed (1) on petroleum products when received by the first licensed distributor,  
 108.11 and (2) on petroleum products received and held for sale or use by any person when the  
 108.12 petroleum products have not previously been received by a licensed distributor. The  
 108.13 petroleum inspection fee is \$1 for every 1,000 gallons received. The commissioner of  
 108.14 revenue shall collect the fee. The revenue from ~~84~~ 93 cents of the fee is appropriated to  
 108.15 the commissioner of commerce for the cost of operations of the Division of Weights and  
 108.16 Measures, petroleum supply monitoring, and to make grants to providers of low-income  
 108.17 weatherization services to install renewable energy equipment in households that are  
 108.18 eligible for weatherization assistance under Minnesota's weatherization assistance  
 108.19 program state plan. The remainder of the fee must be deposited in the general fund.

108.20 (b) The commissioner of revenue shall credit a person for inspection fees previously  
 108.21 paid in error or for any material exported or sold for export from the state upon filing of a  
 108.22 report as prescribed by the commissioner of revenue.

108.23 (c) The commissioner of revenue may collect the inspection fee along with any  
 108.24 taxes due under chapter 296A.

108.25 (d) Of the 93 cents appropriated in paragraph (a), at least five percent shall be used  
 108.26 to make grants to providers of low-income weatherization services to install renewable  
 108.27 energy equipment in households that are eligible for weatherization assistance under  
 108.28 Minnesota's weatherization assistance program state plan.

108.29 Sec. 19. **STATE BROADBAND STRATEGY; REPORT.**

108.30 The Office of Broadband Development shall conduct research and produce a  
 108.31 report recommending a set of programs and strategies the state can pursue to promote  
 108.32 improvement, more efficient and effective use, and expansion of broadband services in  
 108.33 ways that will have the greatest impact on the state's economic development, by which is  
 108.34 meant enhancing the ability of Minnesota citizens and businesses to develop their skills,

109.1 expand businesses to new markets, develop new products, reach more customers, and  
 109.2 lower costs. While the state's broadband goals in Minnesota Statutes, section 237.012,  
 109.3 address the universal provision of greater broadband access and speed statewide, this report  
 109.4 must consider broadband as an economic development tool and must examine and analyze:

109.5 (1) how the state can best use its limited resources to adopt strategies and make  
 109.6 investments to improve the use of broadband services by subgroups of broadband users,  
 109.7 including mobile broadband users, that promise to deliver the greatest economic impact  
 109.8 per dollar of state investment;

109.9 (2) roles the state can play in addition to financial assistance for broadband  
 109.10 infrastructure, including supporting education and training for Minnesotans to enable  
 109.11 them to use broadband more effectively; and

109.12 (3) strategies and opportunities for state investment to leverage additional amounts  
 109.13 of private capital and financial assistance from the federal government in order to achieve  
 109.14 these goals.

109.15 By January 15, 2014, the office shall submit the report to the chairs and ranking minority  
 109.16 members of the senate and house of representatives committees with jurisdiction over  
 109.17 telecommunications issues.

109.18 **Sec. 20. SOLAR PHOTOVOLTAIC MODULES.**

109.19 No solar photovoltaic module may be installed that is financed directly or indirectly,  
 109.20 wholly or in part, with money appropriated in this act, unless the solar photovoltaic  
 109.21 module is made in Minnesota as defined in Minnesota Statutes, section 16B.323,  
 109.22 subdivision 1, paragraph (b).

109.23 **Sec. 21. VALUE OF ON-SITE ENERGY STORAGE STUDY.**

109.24 (a) The commissioner of commerce shall contract with an independent consultant  
 109.25 selected through a request for proposal process to produce a report analyzing the potential  
 109.26 costs and benefits of installing utility-managed energy storage modules in residential and  
 109.27 commercial buildings in this state. The study must:

109.28 (1) estimate the potential value of on-site energy storage modules as a  
 109.29 load-management tool to reduce costs for individual customers and for the utility,  
 109.30 including, but not limited to, reductions in energy, particularly peaking and capacity costs;

109.31 (2) examine the interaction of energy storage modules with on-site solar photovoltaic  
 109.32 modules; and

109.33 (3) analyze existing barriers to the installation of on-site energy storage modules  
 109.34 by utilities, and examine strategies and design potential economic incentives, including

110.1 using utility funds expended under Minnesota Statutes, section 216B.241, to overcome  
 110.2 those barriers.

110.3 By January 1, 2014, the commissioner of commerce shall submit the study to the chairs  
 110.4 and ranking minority members of the legislative committees with jurisdiction over energy  
 110.5 policy and finance.

110.6 (b) The commissioner of commerce shall assess an amount, not to exceed \$100,000,  
 110.7 under Minnesota Statutes, section 216B.241, subdivision 1e, for the purpose of completing  
 110.8 the study described in this section.

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

110.10 Sec. 22. **VALUE OF SOLAR THERMAL STUDY.**

110.11 (a) The commissioner of commerce shall contract with an independent consultant  
 110.12 selected through a request for proposal process to produce a report analyzing the potential  
 110.13 costs and benefits of expanding the installation of solar thermal projects, as defined in  
 110.14 Minnesota Statutes, section 216B.2411, subdivision 2, in residential and commercial  
 110.15 buildings in this state. The study must examine the potential for solar thermal projects to  
 110.16 reduce heating and cooling costs for individual customers and to reduce utilities' costs.  
 110.17 The study must also analyze existing barriers to the installation of solar thermal projects  
 110.18 by utilities, and examine strategies and design potential economic incentives, including  
 110.19 using utility funds expended under Minnesota Statutes, section 216B.241, to overcome  
 110.20 those barriers. By January 1, 2014, the commissioner of commerce shall submit the study  
 110.21 to the chairs and ranking minority members of the legislative committees with jurisdiction  
 110.22 over energy policy and finance.

110.23 (b) The commissioner of commerce shall assess an amount, not to exceed \$100,000,  
 110.24 under Minnesota Statutes, section 216B.241, subdivision 1e, for the purpose of completing  
 110.25 the study described in this section.

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

## 110.27 **ARTICLE 5**

### 110.28 **JOBS AND ECONOMIC DEVELOPMENT APPROPRIATIONS**

#### 110.29 Section 1. **JOBS AND ECONOMIC DEVELOPMENT APPROPRIATIONS.**

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



112.1 (a)(1) \$15,000,000 each year is for  
112.2 the Minnesota investment fund under  
112.3 Minnesota Statutes, section 116J.8731. This  
112.4 appropriation is available until spent.

112.5 (2) Of the amount available under clause  
112.6 (1), up to \$3,000,000 in fiscal year 2014  
112.7 is for a loan to facilitate initial investment  
112.8 in the purchase and operation of a  
112.9 biopharmaceutical manufacturing facility.  
112.10 This loan is not subject to the loan limitations  
112.11 under Minnesota Statutes, section 116J.8731,  
112.12 and shall be forgiven by the commissioner  
112.13 of employment and economic development  
112.14 upon verification of meeting performance  
112.15 goals. Purchases related to and for the  
112.16 purposes of this loan award must be made  
112.17 between January 1, 2013, and June 30, 2015.  
112.18 The amount under this clause is available  
112.19 until expended.

112.20 (3) Of the amount available under clause  
112.21 (1), up to \$2,000,000 is available for a  
112.22 loan for subsequent investment in the  
112.23 biopharmaceutical facility project in clause  
112.24 (2). The amount under this clause is available  
112.25 until expended. Loan thresholds under clause  
112.26 (2) must be achieved and maintained to  
112.27 receive funding. Loans are not subject to the  
112.28 loan limitations under Minnesota Statutes,  
112.29 section 116J.8731, and shall be forgiven  
112.30 by the commissioner of employment and  
112.31 economic development upon verification  
112.32 of meeting performance goals. Purchases  
112.33 related to and for the purposes of loan awards  
112.34 must be made during the biennium the loan  
112.35 was received.

- 113.1 (4) Notwithstanding any law to the contrary,  
113.2 the biopharmaceutical manufacturing facility  
113.3 in this paragraph shall be deemed eligible  
113.4 for the Minnesota job creation fund under  
113.5 new Minnesota Statutes, section 116J.8748,  
113.6 by having at least \$25,000,000 in capital  
113.7 investment and 190 retained employees.
- 113.8 (5) For purposes of clauses (1) to (4),  
113.9 "biopharmaceutical" and "biologics" are  
113.10 interchangeable and mean medical drugs  
113.11 or medicinal preparations produced using  
113.12 technology that uses biological systems,  
113.13 living organisms, or derivatives of living  
113.14 organisms, to make or modify products or  
113.15 processes for specific use. The medical drugs  
113.16 or medicinal preparations include but are not  
113.17 limited to proteins, antibodies, nucleic acids,  
113.18 and vaccines.
- 113.19 (b) \$12,500,000 each year is for the  
113.20 Minnesota job creation fund under Minnesota  
113.21 Statutes, section 116J.8748. Of this amount,  
113.22 the commissioner of employment and  
113.23 economic development may use up to three  
113.24 percent for administrative expenses. This  
113.25 appropriation is available until spent.
- 113.26 (c) \$1,000,000 each year is from the general  
113.27 fund for grants under Minnesota Statutes,  
113.28 section 116J.571, for the redevelopment  
113.29 program. This appropriation is available  
113.30 until spent.
- 113.31 (d) \$12,000 each year is from the general  
113.32 fund for a grant to the Upper Minnesota Film  
113.33 Office.
- 113.34 (e) \$325,000 each year is from the general  
113.35 fund for the Minnesota Film and TV Board.

114.1 The appropriation in each year is available  
114.2 only upon receipt by the board of \$1 in  
114.3 matching contributions of money or in-kind  
114.4 contributions from nonstate sources for every  
114.5 \$3 provided by this appropriation, except that  
114.6 each year up to \$50,000 is available on July  
114.7 1 even if the required matching contribution  
114.8 has not been received by that date.

114.9 (f) \$1,272,000 each year is from the  
114.10 general fund for contaminated site cleanup  
114.11 and development grants under Minnesota  
114.12 Statutes, sections 116J.551 to 116J.558. This  
114.13 appropriation is available until expended.

114.14 (g) \$700,000 each year is from the  
114.15 remediation fund for contaminated site  
114.16 cleanup and development grants under  
114.17 Minnesota Statutes, sections 116J.551 to  
114.18 116J.558. This appropriation is available  
114.19 until expended.

114.20 (h) \$4,195,000 each year is from the general  
114.21 fund for the Minnesota job skills partnership  
114.22 program under Minnesota Statutes, sections  
114.23 116L.01 to 116L.17. If the appropriation for  
114.24 either year is insufficient, the appropriation  
114.25 for the other year is available. This  
114.26 appropriation is available until spent.

114.27 (i) \$5,000,000 each year is from the general  
114.28 fund for a grant to the Minnesota Film  
114.29 and TV Board for the film production jobs  
114.30 program under Minnesota Statutes, section  
114.31 116U.26. This appropriation is available  
114.32 until expended.

114.33 (j) \$200,000 each year is from the general  
114.34 fund for a grant to Enterprise Minnesota, Inc.,  
114.35 for the small business growth acceleration

115.1 program under Minnesota Statutes, section  
115.2 116O.115. This appropriation is available  
115.3 until expended.

115.4 (k) \$169,000 each year is from the general  
115.5 fund for a grant to WomenVenture for  
115.6 women's business development programs.

115.7 (l) \$170,000 each year is from the general  
115.8 fund and \$50,000 each year is from the  
115.9 workforce development fund for a grant to  
115.10 the Metropolitan Economic Development  
115.11 Association for continuing minority business  
115.12 development programs in the metropolitan  
115.13 area. This appropriation must be used for  
115.14 providing free or reduced fee business  
115.15 consulting services to minority entrepreneurs  
115.16 and contractors.

115.17 (m)(1) \$350,000 each year is from the  
115.18 workforce development fund for a grant  
115.19 to BioBusiness Alliance of Minnesota for  
115.20 bioscience business development programs  
115.21 to promote and position the state as a global  
115.22 leader in bioscience business activities.

115.23 These funds may be used to create, recruit,  
115.24 retain, and expand biobusiness activity  
115.25 in Minnesota; implement the destination  
115.26 2025 statewide plan; update a statewide  
115.27 assessment of the bioscience industry and  
115.28 the competitive position of Minnesota-based  
115.29 bioscience businesses relative to other  
115.30 states and other nations; and develop and  
115.31 implement business and scenario-planning  
115.32 models to create, recruit, retain, and expand  
115.33 biobusiness activity in Minnesota.

115.34 (2) The BioBusiness Alliance must report  
115.35 each year by February 15 to the committees

116.1 of the house of representatives and the senate  
116.2 having jurisdiction over bioscience industry  
116.3 activity in Minnesota on the use of funds;  
116.4 the number of bioscience businesses and  
116.5 jobs created, recruited, retained, or expanded  
116.6 in the state since the last reporting period;  
116.7 the competitive position of the biobusiness  
116.8 industry; and utilization rates and results of  
116.9 the business and scenario-planning models  
116.10 and outcomes resulting from utilization of  
116.11 the business and scenario-planning models.

116.12 (n) \$35,000 each year is from the general  
116.13 fund for a grant to the Minnesota Inventors  
116.14 Congress, of which at least \$3,500 must be  
116.15 used for youth inventors.

116.16 (o) \$100,000 each year is from the  
116.17 workforce development fund for a grant  
116.18 under Minnesota Statutes, section 116J.421,  
116.19 to the Rural Policy and Development  
116.20 Center at St. Peter, Minnesota. The grant  
116.21 shall be used for research and policy  
116.22 analysis on emerging economic and social  
116.23 issues in rural Minnesota, to serve as a  
116.24 policy resource center for rural Minnesota  
116.25 communities, to encourage collaboration  
116.26 across higher education institutions, to  
116.27 provide interdisciplinary team approaches  
116.28 to research and problem-solving in rural  
116.29 communities, and to administer overall  
116.30 operations of the center.

116.31 (p) \$50,000 each year is from the general  
116.32 fund for a grant to the North Central Small  
116.33 Business Development Center at Central  
116.34 Lakes College. This appropriation is  
116.35 available until spent.

- 117.1 (q) \$125,000 each year is from the general  
 117.2 fund for a grant to the South Central  
 117.3 Small Business Development Center at  
 117.4 Minnesota State University, Mankato. This  
 117.5 appropriation is available until spent.
- 117.6 (r) \$144,000 each year is from the general  
 117.7 fund for a grant to the Neighborhood  
 117.8 Development Center. This appropriation is  
 117.9 available until spent.
- 117.10 (s) \$135,000 each year is from the general  
 117.11 fund for a grant to the Arrowhead Economic  
 117.12 Opportunity Agency. This appropriation is  
 117.13 available until spent.
- 117.14 (t) \$100,000 the first year is from the general  
 117.15 fund for a grant to the St. Paul East Side  
 117.16 Area Business Association (ESABA) for  
 117.17 development and support of a business  
 117.18 assessment plan for business growth in  
 117.19 St. Paul's east side. This is a onetime  
 117.20 appropriation and is available until spent.
- 117.21 (u) \$135,000 each year is from the general  
 117.22 fund for a grant to Advocating Change  
 117.23 Together for training, technical assistance,  
 117.24 and resource materials for persons with  
 117.25 developmental and mental illness disabilities.
- 117.26 (v) \$189,000 each year is from the general  
 117.27 fund for grants of \$63,000 to eligible  
 117.28 organizations each year to assist in the  
 117.29 development of entrepreneurs and small  
 117.30 businesses. Each state grant dollar must be  
 117.31 matched with \$1 of nonstate funds. Three  
 117.32 grants must be awarded to continue or  
 117.33 develop a program. This appropriation is  
 117.34 available until spent.
- 117.35 **Subd. 3. Workforce Development** 13,745,000 13,605,000

118.1	<u>Appropriations by Fund</u>		
118.2	<u>General</u>	<u>2,060,000</u>	<u>1,920,000</u>
118.3	<u>Workforce</u>		
118.4	<u>Development</u>	<u>11,685,000</u>	<u>11,685,000</u>

118.5 (a) \$3,500,000 each year is from the  
 118.6 workforce development fund for the  
 118.7 Minnesota youth program under Minnesota  
 118.8 Statutes, sections 116L.56 and 116L.561.

118.9 (b) \$1,000,000 each year is from the  
 118.10 workforce development fund for the  
 118.11 youthbuild program under Minnesota  
 118.12 Statutes, sections 116L.361 to 116L.366.

118.13 (c) \$150,000 each year is from the general  
 118.14 fund and \$300,000 each year is from the  
 118.15 workforce development fund for a grant  
 118.16 under Minnesota Statutes, section 116J.8747,  
 118.17 to Twin Cities RISE! to provide training to  
 118.18 hard-to-train individuals. Funds unexpended  
 118.19 in the first year are available for expenditure  
 118.20 in the second year.

118.21 (d) \$200,000 each year is from the general  
 118.22 fund for a grant to Minnesota Diversified  
 118.23 Industries, Inc., to provide progressive  
 118.24 development and employment opportunities  
 118.25 for people with disabilities.

118.26 (e) \$300,000 each year is from the general  
 118.27 fund and \$175,000 each year is from the  
 118.28 workforce development fund for a grant  
 118.29 under Minnesota Statutes, section 268A.03,  
 118.30 to Rise, Inc. for the Minnesota Employment  
 118.31 Center for People Who are Deaf or Hard of  
 118.32 Hearing. Money not expended the first year  
 118.33 is available the second year.

118.34 (f) \$300,000 each year is from the workforce  
 118.35 development fund for a grant to Lifetrack

119.1 Resources for its immigrant and refugee  
119.2 collaborative program, including those  
119.3 related to job-seeking skills and workplace  
119.4 orientation, intensive job development,  
119.5 functional work English, and on-site job  
119.6 coaching.

119.7 (g) \$1,475,000 each year is from the  
119.8 workforce development fund for the  
119.9 Opportunities Industrialization Center  
119.10 programs.

119.11 (h) \$1,150,000 each year is from the  
119.12 workforce development fund for grants for  
119.13 the Minneapolis summer youth employment  
119.14 program. The grants shall be used to fund  
119.15 up to 500 jobs for youth each summer. Of  
119.16 this appropriation, \$300,000 each year is for  
119.17 a grant to the learn-to-earn summer youth  
119.18 employment program. The commissioner  
119.19 shall establish criteria for awarding the  
119.20 grants. This appropriation is available in  
119.21 either year of the biennium and is available  
119.22 until spent.

119.23 (i) \$750,000 each year is from the workforce  
119.24 development fund for a grant to the  
119.25 Minnesota Alliance of Boys and Girls  
119.26 Clubs to administer a statewide project  
119.27 of youth jobs skills development. This  
119.28 project, which may have career guidance  
119.29 components, including health and life skills,  
119.30 is to encourage, train, and assist youth in  
119.31 job-seeking skills, workplace orientation,  
119.32 and job-site knowledge through coaching.  
119.33 This grant requires a 25 percent match from  
119.34 nonstate resources.

- 120.1 (j) \$561,000 each year is from the workforce  
120.2 development fund for grants to fund summer  
120.3 youth employment in St. Paul. The grants  
120.4 shall be used to fund up to 500 jobs for  
120.5 youth each summer. The commissioner shall  
120.6 establish criteria for awarding the grants.  
120.7 This appropriation is available in either year  
120.8 of the biennium and is available until spent.
- 120.9 (k) \$350,000 each year is from the workforce  
120.10 development fund for grants to provide  
120.11 communication access and employment  
120.12 support for a regional transition program  
120.13 that specializes in providing culturally  
120.14 appropriate transition services leading to  
120.15 employment for deaf, hard-of-hearing, and  
120.16 deaf-blind students.
- 120.17 (l) \$263,000 each year is from the workforce  
120.18 development fund for a grant to Central  
120.19 Minnesota Jobs and Training Service. This  
120.20 appropriation is available until spent.
- 120.21 (m) \$200,000 each year is from the  
120.22 workforce development fund for a grant to  
120.23 Goodwill/Easter Seals for the business career  
120.24 pathways program. This appropriation is  
120.25 available until spent.
- 120.26 (n) \$155,000 each year is from the workforce  
120.27 development fund for a grant to the  
120.28 International Institute of Minnesota for the  
120.29 medical career pathway program. This  
120.30 appropriation is available until spent.
- 120.31 (o) \$160,000 each year is from the workforce  
120.32 development fund for a grant to Project for  
120.33 Pride in Living, Inc. This appropriation is  
120.34 available until spent.

- 121.1 (p) \$300,000 each year is from the  
121.2 workforce development fund for a grant  
121.3 to RESOURCE-Pathway to Advancement.  
121.4 This appropriation is available until spent.
- 121.5 (q) \$100,000 each year is from the workforce  
121.6 development fund for a grant to SOAR  
121.7 Careers-Duluth Manufacturing Pathways.  
121.8 This appropriation is available until spent.
- 121.9 (r) \$300,000 each year is from the workforce  
121.10 development fund for a grant to Southwest  
121.11 Minnesota Private Industry Council for  
121.12 adult transitions to employment. This  
121.13 appropriation is available until spent.
- 121.14 (s) \$250,000 each year is from the  
121.15 workforce development fund for a grant to  
121.16 the African Development Center for job,  
121.17 entrepreneur, and financial training programs  
121.18 in Minneapolis, St. Cloud, Willmar,  
121.19 Mankato, and Rochester. This is a onetime  
121.20 appropriation and is available until spent.
- 121.21 (t) \$135,000 each year is from the workforce  
121.22 development fund for a grant to the  
121.23 Northeast Minnesota Office of Job Training  
121.24 for the Career EdVenture program. This  
121.25 appropriation is available until spent.
- 121.26 (u) \$135,000 each year is from the workforce  
121.27 development fund for a grant to the South  
121.28 Central Workforce Council/Minnesota  
121.29 Valley Action Council. This appropriation is  
121.30 available until spent.
- 121.31 (v) \$135,000 each year is from the general  
121.32 fund and \$50,000 each year is from the  
121.33 workforce development fund for a grant to  
121.34 Northern Connections in Perham to operate  
121.35 a workforce program that provides one-stop

- 122.1 supportive services to individuals as they  
 122.2 transition into the workforce.
- 122.3 (w) \$1,070,000 the first year and \$930,000  
 122.4 the second year are appropriated from  
 122.5 the general fund for the publication,  
 122.6 dissemination, and use of labor market  
 122.7 information under Minnesota Statutes,  
 122.8 section 116J.4011, and for pilot programs  
 122.9 in the workforce service areas specified in  
 122.10 article 7, section 20, to combine career and  
 122.11 higher education advising.
- 122.12 Subd. 4. **General Support Services** 1,018,000 1,018,000
- 122.13 Subd. 5. **Minnesota Trade Office** 2,142,000 2,142,000
- 122.14 (a) \$300,000 each year is for the STEP grants  
 122.15 in Minnesota Statutes, section 116J.979.
- 122.16 (b) \$180,000 each year is for the Invest  
 122.17 Minnesota marketing initiative in Minnesota  
 122.18 Statutes, section 116J.9801. Notwithstanding  
 122.19 any other law, this provision does not expire.
- 122.20 Subd. 6. **Vocational Rehabilitation** 27,191,000 27,191,000
- 122.21 Appropriations by Fund
- |                           |                   |                   |
|---------------------------|-------------------|-------------------|
| 122.22 <u>General</u>     | <u>20,361,000</u> | <u>20,361,000</u> |
| 122.23 <u>Workforce</u>   |                   |                   |
| 122.24 <u>Development</u> | <u>6,830,000</u>  | <u>6,830,000</u>  |
- 122.25 (a) \$10,800,000 each year is from the general  
 122.26 fund for the state's vocational rehabilitation  
 122.27 program under Minnesota Statutes, chapter  
 122.28 268A.
- 122.29 (b) \$2,261,000 each year is from the general  
 122.30 fund for grants to centers for independent  
 122.31 living under Minnesota Statutes, section  
 122.32 268A.11.
- 122.33 (c) \$5,120,000 each year from the general  
 122.34 fund and \$6,830,000 each year from the

123.1 workforce development fund is for extended  
 123.2 employment services for persons with severe  
 123.3 disabilities under Minnesota Statutes, section  
 123.4 268A.16.

123.5 (d) \$2,055,000 each year is from the general  
 123.6 fund for grants to programs that provide  
 123.7 employment support services to persons with  
 123.8 mental illness under Minnesota Statutes,  
 123.9 sections 268A.13 and 268A.14.

123.10	<u>Subd. 7. <b>Services for the Blind</b></u>	<u>5,925,000</u>	<u>5,925,000</u>
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123.11 Sec. 4. **HOUSING FINANCE AGENCY**

123.12	<u>Subdivision 1. <b>Total Appropriation</b></u>	<u>\$ 63,048,000</u>	<u>\$ 43,048,000</u>
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123.13 The amounts that may be spent for each  
 123.14 purpose are specified in the following  
 123.15 subdivisions.

123.16 This appropriation is for transfer to the  
 123.17 housing development fund for the programs  
 123.18 specified in this section. Except as otherwise  
 123.19 indicated, this transfer is part of the agency's  
 123.20 permanent budget base.

123.21	<u>Subd. 2. <b>Challenge Program</b></u>	<u>21,955,000</u>	<u>6,955,000</u>
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123.22 (a) This appropriation is for the economic  
 123.23 development and housing challenge program  
 123.24 under Minnesota Statutes, section 462A.33.  
 123.25 Of this amount, \$1,208,000 each year shall  
 123.26 be made available during the first 11 months  
 123.27 of the fiscal year exclusively for housing  
 123.28 projects for American Indians. Any funds not  
 123.29 committed to housing projects for American  
 123.30 Indians in the first 11 months of the fiscal year  
 123.31 shall be available for any eligible activity  
 123.32 under Minnesota Statutes, section 462A.33.

124.1 (b) Of this amount, \$15,000,000 is a onetime  
 124.2 appropriation and is targeted for housing in  
 124.3 communities and regions that have:

124.4 (1)(i) low housing vacancy rates; and

124.5 (ii) cooperatively developed a plan that  
 124.6 identifies current and future housing needs;  
 124.7 and

124.8 (2)(i) experienced job growth since 2005 and  
 124.9 have at least 2,000 jobs within the commuter  
 124.10 shed;

124.11 (ii) evidence of anticipated job expansion; or

124.12 (iii) a significant portion of area employees  
 124.13 who commute more than 30 miles between  
 124.14 their residence and their employment.

124.15 (c) Preference must be given among  
 124.16 comparable housing proposals to proposals  
 124.17 that include a meaningful contribution from  
 124.18 area employers that reduces the need for  
 124.19 deferred loan or grant funds from state  
 124.20 resources.

124.21 (d) The base funding for this program in the  
 124.22 2016-2017 biennium is \$6,955,000 each year.

124.23 Subd. 3. **Housing Trust Fund**

15,555,000

10,555,000

124.24 (a) This appropriation is for deposit in the  
 124.25 housing trust fund account created under  
 124.26 Minnesota Statutes, section 462A.201, and  
 124.27 may be used for the purposes provided in  
 124.28 that section.

124.29 (b) Of this amount, \$3,000,000 is a onetime  
 124.30 appropriation for temporary rental assistance  
 124.31 for families with school-age children who  
 124.32 have changed school or home at least  
 124.33 once in the last school year. The agency,  
 124.34 in consultation with the Department of

125.1 Education, may establish additional targeting  
 125.2 criteria.

125.3 (c) Of this amount, \$2,000,000 is a onetime  
 125.4 appropriation for temporary rental assistance  
 125.5 for adults who are in the process of being  
 125.6 released from state correctional facilities  
 125.7 or on supervised release in the community  
 125.8 who are homeless or at risk of becoming  
 125.9 homeless. The agency, in consultation with  
 125.10 the Department of Corrections, may establish  
 125.11 additional targeting criteria to identify  
 125.12 those adults most at risk of reentering state  
 125.13 correctional facilities.

125.14 (d) Of this amount, \$500,000 is a onetime  
 125.15 appropriation for a grant to the nonprofit  
 125.16 organization selected to administer the state  
 125.17 demonstration project for high-risk adults  
 125.18 established under Laws 2007, chapter 54,  
 125.19 article 1, section 19.

125.20 (e) The base funding for this program in fiscal  
 125.21 years 2016 and 2017 is \$9,555,000 each year.

125.22 Subd. 4. **Rental Assistance for Mentally Ill** 3,638,000 3,638,000

125.23 This appropriation is for the rental housing  
 125.24 assistance program under Minnesota Statutes,  
 125.25 section 462A.2097. The base funding for  
 125.26 this program in the 2016-2017 biennium is  
 125.27 \$2,638,000 each year.

125.28 Subd. 5. **Family Homeless Prevention** 9,465,000 9,465,000

125.29 This appropriation is for the family homeless  
 125.30 prevention and assistance programs under  
 125.31 Minnesota Statutes, section 462A.204.  
 125.32 The base funding for this program in the  
 125.33 2016-2017 biennium is \$7,465,000 each year.

125.34 Subd. 6. **Home Ownership Assistance Fund** 797,000 797,000



127.1	<u>debt restructuring of existing supportive</u>		
127.2	<u>housing properties. For purposes of this</u>		
127.3	<u>subdivision, "supportive housing" means</u>		
127.4	<u>affordable rental housing with links to</u>		
127.5	<u>services necessary for individuals, youth, and</u>		
127.6	<u>families with children to maintain housing</u>		
127.7	<u>stability.</u>		
127.8	<u>(d) Of this amount, \$250,000 each year is</u>		
127.9	<u>for transfer to the capacity-building grants</u>		
127.10	<u>in subdivision 10.</u>		
127.11	<u>(e) The base funding for the affordable rental</u>		
127.12	<u>investment fund program under Minnesota</u>		
127.13	<u>Statutes, section 462A.21, subdivision 8b,</u>		
127.14	<u>in fiscal years 2016 and 2017, is \$4,218,000</u>		
127.15	<u>each year.</u>		
127.16	<b><u>Subd. 8. Housing Rehabilitation</u></b>	<u>2,772,000</u>	<u>2,772,000</u>
127.17	<u>This appropriation is for housing assistance</u>		
127.18	<u>for the rehabilitation of single-family homes</u>		
127.19	<u>under the housing rehabilitation program</u>		
127.20	<u>under Minnesota Statutes, section 462A.05,</u>		
127.21	<u>subdivision 14.</u>		
127.22	<b><u>Subd. 9. Homeownership Education,</u></b>		
127.23	<b><u>Counseling, and Training</u></b>	<u>751,000</u>	<u>751,000</u>
127.24	<u>This appropriation is for the homeownership</u>		
127.25	<u>education, counseling, and training program</u>		
127.26	<u>under Minnesota Statutes, section 462A.209.</u>		
127.27	<b><u>Subd. 10. Capacity-Building Grants</u></b>	<u>125,000</u>	<u>125,000</u>
127.28	<u>This appropriation is for nonprofit</u>		
127.29	<u>capacity-building grants under Minnesota</u>		
127.30	<u>Statutes, section 462A.21, subdivision 3b.</u>		
127.31	<b><u>Subd. 11. Rental Rehabilitation</u></b>	<u>2,772,000</u>	<u>2,772,000</u>
127.32	<u>This appropriation is for the rental housing</u>		
127.33	<u>rehabilitation loan program under Minnesota</u>		
127.34	<u>Statutes, section 462A.05, subdivision 14.</u>		



129.1	<u>Workers'</u>		
129.2	<u>Compensation</u>	<u>20,871,000</u>	<u>20,871,000</u>
129.3	<u>Workforce</u>		
129.4	<u>Development</u>	<u>1,029,000</u>	<u>1,029,000</u>
129.5	<u>The amounts that may be spent for each</u>		
129.6	<u>purpose are specified in the following</u>		
129.7	<u>subdivisions.</u>		
129.8	<b><u>Subd. 2. Workers' Compensation</u></b>	<u>10,678,000</u>	<u>10,678,000</u>
129.9	<u>This appropriation is from the workers'</u>		
129.10	<u>compensation fund.</u>		
129.11	<u>\$200,000 each year is for grants to the</u>		
129.12	<u>Vinland Center for rehabilitation services.</u>		
129.13	<u>Grants shall be distributed as the department</u>		
129.14	<u>refers injured workers to the Vinland Center</u>		
129.15	<u>for rehabilitation services.</u>		
129.16	<b><u>Subd. 3. Labor Standards and Apprenticeship</u></b>	<u>1,995,000</u>	<u>1,995,000</u>
129.17	<u>Appropriations by Fund</u>		
129.18	<u>General</u>	<u>966,000</u>	<u>966,000</u>
129.19	<u>Workforce</u>		
129.20	<u>Development</u>	<u>1,029,000</u>	<u>1,029,000</u>
129.21	<u>(a) \$816,000 each year is from the</u>		
129.22	<u>general fund for the labor standards and</u>		
129.23	<u>apprenticeship program.</u>		
129.24	<u>(b) \$150,000 each year is from the general</u>		
129.25	<u>fund for a child labor initiative for expanding</u>		
129.26	<u>education and outreach to high schools and</u>		
129.27	<u>targeted industries to ensure minors entering</u>		
129.28	<u>the workforce are safe.</u>		
129.29	<u>(c) \$879,000 each year is appropriated from</u>		
129.30	<u>the workforce development fund for the</u>		
129.31	<u>apprenticeship program under Minnesota</u>		
129.32	<u>Statutes, chapter 178, and includes</u>		
129.33	<u>\$100,000 each year for labor education and</u>		
129.34	<u>advancement program grants and to expand</u>		

- 130.1 and promote registered apprenticeship  
 130.2 training in nonconstruction trade programs.
- 130.3 (d) \$150,000 each year is appropriated  
 130.4 from the workforce development fund for  
 130.5 prevailing wage enforcement.
- 130.6 Subd. 4. **Workplace Safety** 4,154,000 4,154,000
- 130.7 This appropriation is from the workers'  
 130.8 compensation fund.
- 130.9 Subd. 5. **General Support** 6,039,000 6,039,000
- 130.10 This appropriation is from the workers'  
 130.11 compensation fund.
- 130.12 Sec. 6. **EXPLORE MINNESOTA TOURISM** \$ 15,888,000 \$ 15,888,000
- 130.13 To develop maximum private sector  
 130.14 involvement in tourism, \$1,000,000 in fiscal  
 130.15 year 2014 and \$1,000,000 in fiscal year 2015  
 130.16 must be matched by Explore Minnesota  
 130.17 Tourism from nonstate sources. Each \$1 of  
 130.18 state incentive must be matched with \$6 of  
 130.19 private sector funding. Cash match is defined  
 130.20 as revenue to the state or documented cash  
 130.21 expenditures directly expended to support  
 130.22 Explore Minnesota Tourism programs. Up  
 130.23 to one-half of the private sector contribution  
 130.24 may be in-kind or soft match. The incentive  
 130.25 in fiscal year 2014 shall be based on fiscal  
 130.26 year 2013 private sector contributions. The  
 130.27 incentive in fiscal year 2015 shall be based on  
 130.28 fiscal year 2014 private sector contributions.  
 130.29 This incentive is ongoing:
- 130.30 (1) funding for the marketing grants is  
 130.31 available either year of the biennium.  
 130.32 Unexpended grant funds from the first year  
 130.33 are available in the second year; and

131.1 (2) unexpended money from the general  
 131.2 fund appropriations made under this section  
 131.3 does not cancel but must be placed in a  
 131.4 special marketing account for use by Explore  
 131.5 Minnesota Tourism for additional marketing  
 131.6 activities.

131.7 Base funding for Explore Minnesota Tourism  
 131.8 shall be \$15,968,000 each year in the fiscal  
 131.9 year 2016-2017 biennium.

131.10 \$100,000 each year is for a grant to the  
 131.11 Northern Lights International Music Festival.

131.12 **Sec. 7. BUREAU OF MEDIATION**  
 131.13 **SERVICES**

**\$ 1,873,000 \$ 1,777,000**

131.14 (a) \$68,000 each year is for grants to area  
 131.15 labor management committees. Grants may  
 131.16 be awarded for a 12-month period beginning  
 131.17 July 1 each year. Any unencumbered balance  
 131.18 remaining at the end of the first year does not  
 131.19 cancel but is available for the second year.

131.20 (b) \$100,000 in fiscal year 2014 is  
 131.21 appropriated from the general fund to the  
 131.22 Bureau of Mediation Services for transfer  
 131.23 to the Office of Enterprise Technology to  
 131.24 develop a new business management system  
 131.25 for case and document management. This is  
 131.26 a onetime appropriation and is available for  
 131.27 spending until June 30, 2015. Any ongoing  
 131.28 information technology support or costs for  
 131.29 this application will be incorporated into the  
 131.30 service level agreement and will be paid to  
 131.31 the Office of Enterprise Technology by the  
 131.32 Bureau of Mediation Services under the rates  
 131.33 and mechanism specified in that agreement.  
 131.34 Of this amount, \$25,000 each year is added  
 131.35 to the Bureau of Mediation Services base

132.1 budget to cover the information technology  
 132.2 support costs for this application.

132.3 **Sec. 8. WORKERS' COMPENSATION**  
 132.4 **COURT OF APPEALS**

**\$ 1,913,000 \$ 1,703,000**

132.5 This appropriation is from the workers'  
 132.6 compensation fund.

132.7 Of this appropriation, \$210,000 is a  
 132.8 onetime appropriation and is available for  
 132.9 spending until June 30, 2015. \$100,000 in  
 132.10 fiscal year 2014 is appropriated from the  
 132.11 workers' compensation fund to the Workers'  
 132.12 Compensation Court of Appeals for transfer  
 132.13 to the Office of Enterprise Technology to  
 132.14 develop a paperless case management system  
 132.15 and to ensure that services and hardware  
 132.16 are accessible and compatible with systems  
 132.17 with which the Workers' Compensation  
 132.18 Court of Appeals must interact. This is a  
 132.19 onetime appropriation and is available for  
 132.20 spending until June 30, 2015. Any ongoing  
 132.21 information technology support or costs for  
 132.22 this application will be incorporated into the  
 132.23 service level agreement and will be paid to  
 132.24 the Office of Enterprise Technology by the  
 132.25 Workers' Compensation Court of Appeals  
 132.26 under the rates and mechanism specified in  
 132.27 that agreement.

132.28 **ARTICLE 6**

132.29 **LABOR AND INDUSTRY**

132.30 Section 1. Minnesota Statutes 2012, section 299F.011, is amended by adding a  
 132.31 subdivision to read:

132.32 Subd. 4d. **Single-family dwelling; fire sprinklers.** (a) The State Building Code,  
 132.33 the State Fire Code, or a political subdivision of the state by code, by ordinance, as a  
 132.34 condition of receiving public funding, or in any other way, must not require the installation

133.1 of fire sprinklers, any fire sprinkler system components, or automatic fire-extinguishing  
133.2 equipment or devices in any new or existing single-family detached dwelling unit.

133.3 (b) This subdivision does not affect or limit a requirement for smoke or fire  
133.4 detectors, alarms, or their components.

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

133.6 Sec. 2. Minnesota Statutes 2012, section 326.02, subdivision 5, is amended to read:

133.7 Subd. 5. **Limitation.** The provisions of sections 326.02 to 326.15 shall not apply  
133.8 to the preparation of plans and specifications for the erection, enlargement, or alteration  
133.9 of any building or other structure by any person, for that person's exclusive occupancy  
133.10 or use, unless such occupancy or use involves the public health or safety or the health  
133.11 or safety of the employees of said person, or of the buildings listed in section 326.03,  
133.12 subdivision 2, nor to any detailed or shop plans required to be furnished by a contractor  
133.13 to a registered engineer, landscape architect, architect, or certified interior designer,  
133.14 nor to any standardized manufactured product, nor to any construction superintendent  
133.15 supervising the execution of work designed by an architect, landscape architect, engineer,  
133.16 or certified interior designer licensed or certified in accordance with section 326.03, nor  
133.17 to the planning for and supervision of the construction and installation of work by an  
133.18 electrical or elevator contractor or master plumber as defined in and licensed pursuant to  
133.19 chapter 326B, where such work is within the scope of such licensed activity and not  
133.20 within the practice of professional engineering, or architecture, or where the person does  
133.21 not claim to be a certified interior designer as defined in subdivision 2, 3, or 4b.

133.22 Sec. 3. Minnesota Statutes 2012, section 326B.163, is amended by adding a  
133.23 subdivision to read:

133.24 Subd. 9. **Direct supervision.** "Direct supervision" means:

133.25 (1) an unlicensed individual is being directly supervised by an individual licensed  
133.26 to perform the elevator work being supervised during the entire time the unlicensed  
133.27 individual is performing elevator work;

133.28 (2) the licensed individual is physically present at the location where the unlicensed  
133.29 individual is performing elevator work and immediately available to the unlicensed  
133.30 individual at all times for assistance and direction;

133.31 (3) the licensed individual shall review the elevator work performed by the  
133.32 unlicensed individual before the elevator work is operated; and

133.33 (4) the licensed individual is able to and does determine that all elevator work  
133.34 performed by the unlicensed individual is performed in compliance with the elevator code.

134.1 Sec. 4. Minnesota Statutes 2012, section 326B.163, is amended by adding a  
134.2 subdivision to read:

134.3 Subd. 10. **Elevator contractor.** "Elevator contractor" means a licensed contractor  
134.4 whose responsible licensed individual is a master elevator constructor. An elevator  
134.5 contractor license does not itself qualify its holder to perform or supervise elevator work  
134.6 authorized by holding a personal license issued by the commissioner.

134.7 Sec. 5. Minnesota Statutes 2012, section 326B.163, is amended by adding a  
134.8 subdivision to read:

134.9 Subd. 11. **Limited elevator contractor.** "Limited elevator contractor" means a  
134.10 licensed contractor whose responsible licensed individual is a limited master elevator  
134.11 constructor. A limited elevator contractor or its employees may only install, test, or alter  
134.12 residential elevators, platform lifts, stairway chairlifts, dumbwaiters, material lifts, limited  
134.13 use or limited application elevator equipment, conveyors, and special purpose personnel  
134.14 elevators.

134.15 Sec. 6. Minnesota Statutes 2012, section 326B.163, is amended by adding a  
134.16 subdivision to read:

134.17 Subd. 11a. **Limited elevator work.** "Limited elevator work" means the installing,  
134.18 maintaining, altering, repairing, testing, planning, or laying out of residential elevators,  
134.19 platform lifts, stairway chairlifts, dumbwaiters, material lifts, limited use or limited  
134.20 application elevator equipment, conveyors, and special purpose personnel elevators  
134.21 as covered by Minnesota Rules, chapters 1307 and 1315. Limited elevator work also  
134.22 includes electrical wiring on the load side of the elevator equipment disconnect and the  
134.23 decommissioning of elevator equipment to enable safe removal.

134.24 Sec. 7. Minnesota Statutes 2012, section 326B.163, is amended by adding a  
134.25 subdivision to read:

134.26 Subd. 12. **Elevator work.** "Elevator work" means the installing, maintaining,  
134.27 altering, repairing, testing, planning, or laying out of elevator apparatus or equipment as  
134.28 covered by Minnesota Rules, chapters 1307 and 1315. Elevator work also includes the  
134.29 disconnection of electrical wiring on the load side of the elevator disconnect and the  
134.30 decommissioning of elevator equipment to enable safe removal.

134.31 Sec. 8. Minnesota Statutes 2012, section 326B.163, is amended by adding a  
134.32 subdivision to read:

135.1        Subd. 13. **Master elevator constructor.** "Master elevator constructor" means  
135.2 an individual having the necessary qualifications, training, experience, and technical  
135.3 knowledge to properly plan, lay out, supervise, and perform the installation, maintenance,  
135.4 altering, testing, wiring, and repair of apparatus and equipment for elevators, including  
135.5 electrical wiring on the load side of the elevator equipment disconnect and who is licensed  
135.6 as a master elevator constructor by the commissioner.

135.7        Sec. 9. Minnesota Statutes 2012, section 326B.163, is amended by adding a  
135.8 subdivision to read:

135.9        Subd. 14. **Limited master elevator constructor.** "Limited master elevator  
135.10 constructor" means an individual having the necessary qualifications, training, experience,  
135.11 and technical knowledge to properly plan, lay out, supervise, and perform the testing,  
135.12 altering, installation, maintenance, and repair of wiring, apparatus, and equipment for  
135.13 residential elevators, platform lifts, stairway chairlifts, dumbwaiters, material lifts, limited  
135.14 use or limited application elevator equipment, conveyors, and special purpose personnel  
135.15 elevators, including wiring on the load side of the elevator equipment disconnect and who  
135.16 is licensed as a limited master elevator constructor by the commissioner.

135.17        Sec. 10. Minnesota Statutes 2012, section 326B.163, is amended by adding a  
135.18 subdivision to read:

135.19        Subd. 14a. **Limited journeyman elevator constructor.** "Limited journeyman  
135.20 elevator constructor" means an individual having the necessary qualifications, training,  
135.21 experience, and technical knowledge to install, maintain, alter, test, and repair apparatus  
135.22 and equipment for residential elevators, platform lifts, stairway chairlifts, dumbwaiters,  
135.23 material lifts, limited use or limited application elevator equipment, conveyors and special  
135.24 purpose personnel elevators, including electrical wiring on the load side of the elevator  
135.25 equipment disconnect and who is licensed as a limited journeyman elevator constructor by  
135.26 the commissioner.

135.27        Sec. 11. Minnesota Statutes 2012, section 326B.163, is amended by adding a  
135.28 subdivision to read:

135.29        Subd. 15. **Journeyman elevator constructor.** "Journeyman elevator constructor"  
135.30 means an individual having the necessary qualifications, training, experience, and  
135.31 technical knowledge to install, maintain, alter, test, and repair apparatus and equipment for  
135.32 elevators, including electrical wiring on the load side of the elevator equipment disconnect  
135.33 and who is licensed as a journeyman elevator constructor by the commissioner.

136.1 Sec. 12. Minnesota Statutes 2012, section 326B.163, is amended by adding a  
136.2 subdivision to read:

136.3 Subd. 16. **Registered unlicensed elevator constructor.** "Registered unlicensed  
136.4 elevator constructor" means an individual who has registered with the department but is  
136.5 not licensed by the commissioner to perform elevator work.

136.6 Sec. 13. Minnesota Statutes 2012, section 326B.163, is amended by adding a  
136.7 subdivision to read:

136.8 Subd. 17. **Residential dwelling.** "Residential dwelling" is a single dwelling unit  
136.9 that is contained in a one-family, two-family, or multifamily dwelling. A residential  
136.10 dwelling also includes outdoor space at a one-family dwelling.

136.11 Sec. 14. Minnesota Statutes 2012, section 326B.163, is amended by adding a  
136.12 subdivision to read:

136.13 Subd. 18. **Responsible licensed individual.** "Responsible licensed individual"  
136.14 means an individual licensed as a master elevator constructor or limited master elevator  
136.15 constructor who is identified as the responsible licensed individual on an elevator  
136.16 contractor license application.

136.17 Sec. 15. **[326B.164] LICENSES.**

136.18 Subdivision 1. **Master elevator constructor.** (a) Except as otherwise provided by  
136.19 law, no individual shall perform or supervise elevator work, unless:

136.20 (1) the individual is licensed by the commissioner as a master elevator constructor;

136.21 and

136.22 (2) the elevator work is for a licensed elevator contractor and the individual is an  
136.23 employee, partner, or officer of, or is the licensed contractor.

136.24 (b) An applicant for a master elevator constructor license shall:

136.25 (1) have at least one year of experience, acceptable to the commissioner, as a  
136.26 licensed journeyman elevator constructor; or

136.27 (2) have at least six years' experience, acceptable to the commissioner, in planning  
136.28 for, laying out, supervising, and installing apparatus, equipment, and wiring for elevators.

136.29 (c) Individuals licensed as master elevator constructors under section 326B.33,  
136.30 subdivision 11, as of December 31, 2013, shall not be required to pass an examination

136.31 under this section but, effective January 1, 2014, shall be subject to the requirements of  
136.32 sections 326B.163 to 326B.191.

137.1 (d) Except for the initial license term, as a condition of license renewal, master  
137.2 elevator constructors must attain a minimum of 16 hours of continuing education credit  
137.3 approved by the commissioner every renewal period. Not less than 12 hours shall be based  
137.4 on the Minnesota Elevator Code or elevator technology, and not less than four hours shall  
137.5 be based on the National Electrical Code.

137.6 Subd. 2. **Limited master elevator constructor.** (a) Except as otherwise provided  
137.7 by law, no individual shall perform or supervise elevator work on residential elevators,  
137.8 platform lifts, stairway chairlifts, dumbwaiters, material lifts, limited use or limited  
137.9 application elevator equipment, conveyors, and special purpose personnel elevators, unless:

137.10 (1) the individual is licensed by the commissioner as a limited master elevator  
137.11 constructor; and

137.12 (2) the elevator work is for a limited elevator contractor and the individual is an  
137.13 employee, partner, or officer of, or is the licensed contractor.

137.14 (b) An applicant for a limited master elevator constructor license shall have at  
137.15 least three years of experience, acceptable to the commissioner, in installing apparatus,  
137.16 equipment, and wiring for elevators.

137.17 (c) Except for the initial license term, as a condition of license renewal, limited  
137.18 master elevator constructors must attain a minimum of eight hours of continuing education  
137.19 credit approved by the commissioner every renewal period. Not less than six hours shall  
137.20 be based on the Minnesota Elevator Code or elevator technology, and not less than two  
137.21 hours on the National Electrical Code.

137.22 Subd. 3. **Journeyman elevator constructor.** (a) Except as otherwise provided  
137.23 by law, no individual shall perform and supervise elevator work except for planning or  
137.24 laying out of elevator work, unless:

137.25 (1) the individual is licensed by the commissioner as a journeyman elevator  
137.26 constructor; and

137.27 (2) the elevator work is for an elevator contractor, and the individual is an employee,  
137.28 partner, or officer of the licensed elevator contractor.

137.29 (b) An applicant for a journeyman elevator constructor license shall have completed  
137.30 a four-year elevator mechanics apprenticeship registered with the United States  
137.31 Department of Labor or worked at least 9,000 hours in five consecutive years for a  
137.32 licensed elevator contractor, acceptable to the commissioner, installing, maintaining,  
137.33 modernizing, testing, wiring, and repairing elevators.

137.34 (c) Individuals licensed as journeyman elevator constructors under section 326B.33,  
137.35 subdivision 8, as of December 31, 2013, shall not be required to pass an examination

138.1 under this section but, effective January 1, 2014, shall be subject to the requirements of  
138.2 sections 326B.163 to 326B.191.

138.3 (d) As a condition of license renewal, journeyman elevator constructors must attain  
138.4 a minimum of 16 hours of continuing education credit approved by the commissioner  
138.5 every renewal period. Not less than 12 hours shall be based on the Minnesota Elevator  
138.6 Code or elevator technology, and not less than four hours shall be based on the National  
138.7 Electrical Code.

138.8 Subd. 3a. **Limited journeyman elevator constructor.** (a) Except as otherwise  
138.9 provided by law, no individual shall perform or supervise elevator work on residential  
138.10 elevators, platform lifts, stairway chairlifts, dumbwaiters, material lifts, limited use  
138.11 or limited application elevator equipment, conveyors, and special purpose personnel  
138.12 elevators, except for planning or laying out of elevator work, unless:

138.13 (1) the individual is licensed by the commissioner as a limited journeyman elevator  
138.14 constructor; and

138.15 (2) the elevator work is for a limited elevator contractor or an elevator contractor,  
138.16 and the individual is an employee, partner, or officer of the licensed limited elevator  
138.17 contractor or licensed elevator contractor.

138.18 (b) An applicant for a limited journeyman elevator constructor license shall have  
138.19 at least two years of experience, acceptable to the commissioner, in installing apparatus,  
138.20 equipment, and wiring for elevators.

138.21 (c) Except for the initial license term, as a condition of license renewal, limited  
138.22 journeyman elevator constructors must attain a minimum of eight hours of continuing  
138.23 education credit approved by the commissioner every renewal period. Not less than six  
138.24 hours shall be based on the Minnesota Elevator Code or elevator technology, and not less  
138.25 than two hours on the National Electrical Code.

138.26 Subd. 4. **Registered unlicensed elevator constructor.** (a) An unlicensed individual  
138.27 shall not perform elevator work, unless the individual has first registered with the  
138.28 department as an unlicensed elevator constructor. Except as allowed by subdivision 12, a  
138.29 registered unlicensed elevator constructor shall not perform elevator work unless the work  
138.30 is performed under the direct supervision of an individual actually licensed to perform  
138.31 such work. The licensed elevator constructor and the registered unlicensed elevator  
138.32 constructor must be employed by the same employer. Unlicensed individuals shall not  
138.33 supervise the performance of elevator work or make assignments of elevator work to  
138.34 unlicensed individuals. Licensed elevator constructors shall provide direct supervision for  
138.35 no more than two registered unlicensed elevator constructors.

139.1 (b) Notwithstanding any other provision of this section, no individual other than a  
139.2 master elevator constructor or limited master elevator constructor shall plan or lay out  
139.3 elevator wiring, apparatus, or equipment.

139.4 (c) Contractors employing registered unlicensed elevator constructors performing  
139.5 elevator work shall maintain records establishing compliance with this subdivision that  
139.6 shall identify all unlicensed individuals performing elevator work and shall permit the  
139.7 department to examine and copy all such records.

139.8 (d) When a licensed elevator constructor supervises the elevator work of an  
139.9 unlicensed individual, the licensed elevator constructor is responsible for ensuring that the  
139.10 elevator work complies with this section and the Minnesota Elevator Code.

139.11 (e) A registered unlicensed elevator constructor with a minimum of one year  
139.12 experience may perform the following maintenance tasks for elevator equipment without  
139.13 being provided with direct supervision: oiling, cleaning, greasing, painting, relamping,  
139.14 and replacing of escalator and moving walk comb teeth.

139.15 **Subd. 5. Registration of unlicensed individuals.** (a) Unlicensed individuals  
139.16 performing elevator work for a contractor shall register with the department in the manner  
139.17 prescribed by the commissioner. Experience credit for elevator work performed in  
139.18 Minnesota after January 1, 2009, by an applicant for a license identified in this section  
139.19 shall not be granted where the applicant has not registered with the department or is  
139.20 not licensed by the department.

139.21 (b) As a condition of renewal of registration, unlicensed individuals shall attain a  
139.22 minimum of two hours of continuing education credit, approved by the commissioner,  
139.23 every renewal period. The continuing education course shall be based on the Minnesota  
139.24 Elevator Code or elevator technology.

139.25 (c) Individuals registered under section 326B.33, subdivision 13, whose registration  
139.26 expires after July 31, 2013, shall be subject to the registration requirements of this  
139.27 subdivision and the requirements of sections 326B.163 to 326B.191.

139.28 **Subd. 6. Contractor's license required.** (a) No individual, other than an employee,  
139.29 partner, or officer of a licensed contractor, as defined by section 326B.163, subdivision  
139.30 10, shall perform or offer to perform elevator work with or without compensation, unless  
139.31 the individual obtains a contractor's license. A contractor's license does not of itself  
139.32 qualify its holder to perform or supervise the elevator work authorized by holding any  
139.33 class of personal license.

139.34 (b) Companies licensed under section 326B.33, subdivision 14, as of July 31, 2013,  
139.35 shall not be required to comply with this subdivision.

140.1 Subd. 7. **Bond required.** As a condition of licensing, each contractor shall give  
140.2 and maintain bond to the state in the sum of \$25,000, conditioned upon the faithful and  
140.3 lawful performance of all work contracted for or performed by the contractor within the  
140.4 state of Minnesota, and such bond shall be for the benefit of persons injured or suffering  
140.5 financial loss by reason of failure of such performance. The bond shall be filed with  
140.6 the commissioner and shall be in lieu of all other license bonds to any other political  
140.7 subdivision. The bond shall be written by a corporate surety licensed to do business  
140.8 in the state of Minnesota.

140.9 Subd. 8. **Insurance required.** Each elevator contractor shall have and maintain  
140.10 in effect general liability insurance, which includes premises and operations insurance  
140.11 and products and completed operations insurance, with limits of at least \$100,000 per  
140.12 occurrence, \$300,000 aggregate limit for bodily injury, and property damage insurance  
140.13 with limits of at least \$50,000, or a policy with a single limit for bodily injury and property  
140.14 damage of \$300,000 per occurrence and \$300,000 aggregate limits. The insurance shall be  
140.15 written by an insurer licensed to do business in the state of Minnesota, and each contractor  
140.16 shall maintain on file with the commissioner a certificate evidencing such insurance. In the  
140.17 event of a policy cancellation, the insurer shall send written notice to the commissioner at  
140.18 the same time that a cancellation request is received from or a notice is sent to the insured.

140.19 Subd. 9. **Employment of responsible individual.** (a) Each elevator contractor  
140.20 must designate a responsible master elevator constructor or limited master elevator  
140.21 constructor who shall be the responsible individual for the performance of all elevator  
140.22 work in accordance with the requirements of sections 326B.163 to 326B.191, all rules  
140.23 adopted under these sections, and all orders issued under section 326B.082. The classes of  
140.24 work that a licensed contractor is authorized to perform shall be limited to the classes of  
140.25 work that the responsible individual is allowed to perform.

140.26 (b) When a contractor's license is held by an individual, sole proprietorship,  
140.27 partnership, limited liability company, or corporation, and the individual, proprietor, one  
140.28 of the partners, one of the members, or an officer of the corporation, respectively, is not the  
140.29 responsible master elevator constructor or limited master elevator constructor, all elevator  
140.30 permits shall be submitted by the responsible master elevator constructor or limited  
140.31 master elevator constructor. If the contractor is an individual or a sole proprietorship,  
140.32 the responsible master or limited master elevator constructor must be the individual,  
140.33 proprietor, or managing employee. If the contractor is a partnership, the responsible  
140.34 master or limited master elevator constructor must be a general partner or managing  
140.35 employee. If the licensed contractor is a limited liability company, the responsible master  
140.36 or limited master elevator constructor must be a chief manager or managing employee.

141.1 If the contractor is a corporation, the responsible master or limited master elevator  
141.2 constructor must be an officer or managing employee. If the responsible master or limited  
141.3 master elevator constructor is a managing employee, the responsible individual must be  
141.4 actively engaged in performing elevator work on behalf of the contractor and cannot be  
141.5 employed in any capacity performing elevator work for any other elevator contractor or  
141.6 employer. An individual may be the responsible individual for only one contractor.

141.7 (c) All applications and renewals for contractor licenses shall include a verified  
141.8 statement that the applicant and responsible individual are in compliance with this  
141.9 subdivision.

141.10 Subd. 10. **Examination.** In addition to the other requirements described in this  
141.11 section and sections 326B.091 to 326B.098, as a precondition to issuance of a personal  
141.12 license, each applicant must pass a written or oral examination developed and administered  
141.13 by the commissioner to ensure the competence of each applicant for license. An oral  
141.14 examination shall be administered only to an applicant who furnishes a written statement  
141.15 from a certified teacher or other professional, trained in the area of reading disabilities,  
141.16 stating that the applicant has a specific reading disability that would prevent the applicant  
141.17 from performing satisfactorily on a written test. The oral examination shall be structured  
141.18 so that an applicant who passes the examination will not impair the applicant's own safety  
141.19 or that of others while acting as a licensed individual.

141.20 Subd. 11. **License, registration, and renewal fees; expiration.** (a) Unless revoked  
141.21 or suspended under this chapter, all licenses issued or renewed under this section expire on  
141.22 the following schedule:

141.23 (1) master licenses expire March 1 of each odd-numbered year after issuance or  
141.24 renewal;

141.25 (2) elevator contractor licenses expire March 1 of each even-numbered year after  
141.26 issuance or renewal;

141.27 (3) journeyman elevator constructor licenses expire two years from the date of  
141.28 original issuance and every two years thereafter; and

141.29 (4) registrations of unlicensed individuals expire one year from the date of original  
141.30 issuance and every year thereafter.

141.31 (b) For purposes of calculating license fees and renewal license fees required under  
141.32 section 326B.092:

141.33 (1) the registration of an unlicensed individual under subdivision 5 shall be  
141.34 considered an entry-level license;

141.35 (2) the journeyman elevator constructor and the limited journeyman elevator  
141.36 constructor shall be considered a journeyman license;

142.1 (3) the master elevator constructor and limited master elevator constructor licenses  
 142.2 shall be considered master licenses; and

142.3 (4) an elevator contractor license shall be considered a business license.

142.4 Subd. 12. **Exemption from licensing.** Employees of a licensed elevator contractor  
 142.5 or licensed limited elevator contractor are not required to hold or obtain a license  
 142.6 under this section or be provided with direct supervision by a licensed master elevator  
 142.7 constructor, licensed limited master elevator constructor, licensed elevator constructor,  
 142.8 or licensed limited elevator constructor to install, maintain, or repair platform lifts and  
 142.9 stairway chairlifts. Unlicensed employees performing elevator work under this exemption  
 142.10 must comply with subdivision 5. This exemption does not include the installation,  
 142.11 maintenance, repair, or replacement of electrical wiring for elevator equipment.

142.12 Subd. 13. **Reciprocity.** (a) The commissioner may enter into reciprocity agreements  
 142.13 for personal licenses with another state and issue a personal license without requiring the  
 142.14 applicant to pass an examination provided the applicant:

142.15 (1) submits an application under this section;

142.16 (2) pays the application and examination fee and license fee required under section  
 142.17 326B.092; and

142.18 (3) holds a valid comparable license in the state participating in the agreement.

142.19 (b) Reciprocity agreements are subject to the following:

142.20 (1) the parties to the agreement must administer a statewide licensing program that  
 142.21 includes examination and qualifying experience or training comparable to Minnesota's;

142.22 (2) the experience and training requirements under which an individual applicant  
 142.23 qualified for examination in the qualifying state must be deemed equal to or greater than  
 142.24 required for an applicant making application in Minnesota at the time the applicant  
 142.25 acquired the license in the qualifying state;

142.26 (3) the applicant must have acquired the license in the qualifying state through an  
 142.27 examination deemed equivalent to the same class of license examination in Minnesota.

142.28 A lesser class of license may be granted where the applicant has acquired a greater  
 142.29 class of license in the qualifying state, and the applicant otherwise meets the conditions  
 142.30 of this subdivision;

142.31 (4) at the time of application, the applicant must hold a valid license in the qualifying  
 142.32 state and have held the license continuously for at least one year before making application  
 142.33 in Minnesota;

142.34 (5) an applicant is not eligible for a license under this subdivision if the applicant has  
 142.35 failed the same or greater class of license examination in Minnesota, or if the applicant's  
 142.36 license of the same or greater class has been revoked or suspended; and

143.1 (6) an applicant who has failed to renew a personal license for two years or more  
143.2 after its expiration is not eligible for a license under this subdivision.

143.3 Sec. 16. Minnesota Statutes 2012, section 326B.184, subdivision 1, is amended to read:

143.4 Subdivision 1. **Permits.** No person may construct, install, alter, repair, or remove  
143.5 an elevator without first filing an application for a permit with the department or a  
143.6 municipality authorized by subdivision 4 to inspect elevators. A permit issued by the  
143.7 department is valid for work commenced within 12 months of application and completed  
143.8 within two years of application. Where no work is commenced within 12 months of  
143.9 application, an applicant may cancel the permit and request a refund of inspection fees.

143.10 Sec. 17. Minnesota Statutes 2012, section 326B.184, is amended by adding a  
143.11 subdivision to read:

143.12 Subd. 1a. **Department permit and inspection fees.** (a) The department permit and  
143.13 inspection fees to construct, install, alter, repair, or remove an elevator are as follows:

143.14 (1) the permit fee is \$100;

143.15 (2) the inspection fee is 0.015 of the total cost of the permitted work for labor and  
143.16 materials, including related electrical and mechanical equipment. The inspection fee  
143.17 covers two inspections. The inspection fee for additional inspections is \$80 per hour;

143.18 (3) when inspections scheduled by the permit submitter are not able to be completed  
143.19 because the work is not complete, a fee equal to two hours at the hourly rate of \$80 must  
143.20 be paid by the permit submitter; and

143.21 (4) when the owner or permit holder requests inspections be performed outside of  
143.22 normal work hours or on weekends or holidays, an hourly rate of \$120 in addition to  
143.23 the inspection fee must be paid.

143.24 (b) The department fees for inspection of existing elevators when requested by the  
143.25 elevator owner or as a result of an accident resulting in personal injury are at an hourly rate  
143.26 of \$80 during normal work hours or \$120 outside of normal work hours or on weekends or  
143.27 holidays, with a one-hour minimum.

143.28 **EFFECTIVE DATE.** This section is effective January 1, 2014.

143.29 Sec. 18. Minnesota Statutes 2012, section 326B.184, subdivision 2, is amended to read:

143.30 Subd. 2. **Operating permits and fees; periodic inspections.** (a) No person may  
143.31 operate an elevator without first obtaining an annual operating permit from the department  
143.32 or a municipality authorized by subdivision 4 to issue annual operating permits. A \$100  
143.33 annual operating permit fee must be paid to the department for each annual operating

144.1 permit issued by the department, except that the original annual operating permit must  
 144.2 be included in the permit fee for the initial installation of the elevator. Annual operating  
 144.3 permits must be issued at 12-month intervals from the date of the initial annual operating  
 144.4 permit. For each subsequent year, an owner must be granted an annual operating permit  
 144.5 for the elevator upon the owner's or owner's agent's submission of a form prescribed by  
 144.6 the commissioner and payment of the \$100 fee. Each form must include the location of  
 144.7 the elevator, the results of any periodic test required by the code, and any other criteria  
 144.8 established by rule. An annual operating permit may be revoked by the commissioner upon  
 144.9 an audit of the periodic testing results submitted with the application or a failure to comply  
 144.10 with elevator code requirements, inspections, or any other law related to elevators. Except  
 144.11 for an initial operating permit fee, hand-powered manlifts and electric endless belt manlifts,  
 144.12 and vertical reciprocating conveyors are not subject to a subsequent operating permit fee.

144.13 (b) All elevators are subject to periodic inspections by the department or a  
 144.14 municipality authorized by subdivision 4 to perform periodic inspections, except that  
 144.15 hand-powered manlifts and electric endless belt manlifts are exempt from periodic  
 144.16 inspections. Periodic inspections by the department shall be performed at the following  
 144.17 intervals:

144.18 (1) a special purpose personnel elevator is subject to inspection not more than once  
 144.19 every five years;

144.20 (2) an elevator located within a house of worship that does not have attached school  
 144.21 facilities is subject to inspection not more than once every three years; and

144.22 (3) all other elevators are subject to inspection not more than once each year.

144.23 Sec. 19. Minnesota Statutes 2012, section 326B.187, is amended to read:

144.24 **326B.187 RULES.**

144.25 The commissioner may adopt rules for the following purposes:

144.26 (1) to establish minimum qualifications for elevator inspectors that must include  
 144.27 possession of a current elevator constructor electrician's license issued by the department  
 144.28 and proof of successful completion of the national elevator industry education program  
 144.29 examination or equivalent experience;

144.30 (2) to establish minimum qualifications for limited elevator inspectors;

144.31 (3) to establish criteria for the qualifications of elevator contractors;

144.32 (4) to establish elevator standards under sections 326B.106, subdivisions 1 and 3,  
 144.33 and 326B.13;

144.34 (5) to establish procedures for appeals of decisions of the commissioner under  
 144.35 chapter 14 and procedures allowing the commissioner, before issuing a decision, to seek

145.1 advice from the elevator trade, building owners or managers, and others knowledgeable in  
145.2 the installation, construction, and repair of elevators; and  
145.3 (6) to establish requirements for the registration of all elevators.

145.4 Sec. 20. Minnesota Statutes 2012, section 326B.33, subdivision 19, is amended to read:

145.5 Subd. 19. **License, registration, and renewal fees; expiration.** (a) Unless  
145.6 revoked or suspended under this chapter, all licenses issued or renewed under this section  
145.7 expire on the date specified in this subdivision. Master licenses expire March 1 of each  
145.8 odd-numbered year after issuance or renewal. Electrical contractor licenses expire March  
145.9 1 of each even-numbered year after issuance or renewal. Technology system contractor  
145.10 and satellite system contractor licenses expire August 1 of each even-numbered year after  
145.11 issuance or renewal. All other personal licenses expire two years from the date of original  
145.12 issuance and every two years thereafter. Registrations of unlicensed individuals expire  
145.13 one year from the date of original issuance and every year thereafter.

145.14 (b) For purposes of calculating license fees and renewal license fees required under  
145.15 section 326B.092:

145.16 (1) the registration of an unlicensed individual under subdivision 12 shall be  
145.17 considered an entry level license;

145.18 (2) the following licenses shall be considered journeyman licenses: Class A  
145.19 journeyman electrician, Class B journeyman electrician, Class A installer, Class B  
145.20 installer, ~~elevator constructor~~, lineman, maintenance electrician, satellite system installer,  
145.21 and power limited technician;

145.22 (3) the following licenses shall be considered master licenses: Class A master  
145.23 electrician, and Class B master electrician, ~~and master elevator constructor~~; and

145.24 (4) the following licenses shall be considered business licenses: Class A electrical  
145.25 contractor, Class B electrical contractor, ~~elevator contractor~~, satellite system contractor,  
145.26 and technology systems contractor.

145.27 (c) For each filing of a certificate of responsible person by an employer, the fee is  
145.28 \$100.

145.29 Sec. 21. Minnesota Statutes 2012, section 326B.33, subdivision 21, is amended to read:

145.30 Subd. 21. **Exemptions from licensing.** (a) An individual who is a maintenance  
145.31 electrician is not required to hold or obtain a license under sections 326B.31 to 326B.399 if:

145.32 (1) the individual is engaged in the maintenance and repair of electrical equipment,  
145.33 apparatus, and facilities that are owned or leased by the individual's employer and that are

146.1 located within the limits of property operated, maintained, and either owned or leased by  
146.2 the individual's employer;

146.3 (2) the individual is supervised by:

146.4 (i) the responsible master electrician for a contractor who has contracted with the  
146.5 individual's employer to provide services for which a contractor's license is required; or

146.6 (ii) a licensed master electrician, a licensed maintenance electrician, an electrical  
146.7 engineer, or, if the maintenance and repair work is limited to technology circuits or  
146.8 systems work, a licensed power limited technician; and

146.9 (3) the individual's employer has on file with the commissioner a current certificate  
146.10 of responsible person, signed by the responsible master electrician of the contractor, the  
146.11 licensed master electrician, the licensed maintenance electrician, the electrical engineer, or  
146.12 the licensed power limited technician, and stating that the person signing the certificate  
146.13 is responsible for ensuring that the maintenance and repair work performed by the  
146.14 employer's employees complies with the Minnesota Electrical Act and the rules adopted  
146.15 under that act. The employer must pay a filing fee to file a certificate of responsible person  
146.16 with the commissioner. The certificate shall expire two years from the date of filing. In  
146.17 order to maintain a current certificate of responsible person, the employer must resubmit a  
146.18 certificate of responsible person, with a filing fee, no later than two years from the date  
146.19 of the previous submittal.

146.20 (b) Employees of a licensed electrical or technology systems contractor or other  
146.21 employer where provided with supervision by a master electrician in accordance with  
146.22 subdivision 1, or power limited technician in accordance with subdivision 7, paragraph  
146.23 (a), clause (1), are not required to hold a license under sections 326B.31 to 326B.399  
146.24 for the planning, laying out, installing, altering, and repairing of technology circuits or  
146.25 systems except planning, laying out, or installing:

146.26 (1) in other than residential dwellings, class 2 or class 3 remote control circuits that  
146.27 control circuits or systems other than class 2 or class 3, except circuits that interconnect  
146.28 these systems through communication, alarm, and security systems are exempted from  
146.29 this paragraph;

146.30 (2) class 2 or class 3 circuits in electrical cabinets, enclosures, or devices containing  
146.31 physically unprotected circuits other than class 2 or class 3; or

146.32 (3) technology circuits or systems in hazardous classified locations as covered by  
146.33 chapter 5 of the National Electrical Code.

146.34 (c) Companies and their employees that plan, lay out, install, alter, or repair class  
146.35 2 and class 3 remote control wiring associated with plug or cord and plug connected

147.1 appliances other than security or fire alarm systems installed in a residential dwelling are  
147.2 not required to hold a license under sections 326B.31 to 326B.399.

147.3 (d) Heating, ventilating, air conditioning, and refrigeration contractors and their  
147.4 employees are not required to hold or obtain a license under sections 326B.31 to 326B.399  
147.5 when performing heating, ventilating, air conditioning, or refrigeration work as described  
147.6 in section 326B.38.

147.7 (e) Employees of any electrical, communications, or railway utility, cable  
147.8 communications company as defined in section 238.02, or a telephone company as defined  
147.9 under section 237.01 or its employees, or of any independent contractor performing work  
147.10 on behalf of any such utility, cable communications company, or telephone company, shall  
147.11 not be required to hold a license under sections 326B.31 to 326B.399:

147.12 (1) while performing work on installations, materials, or equipment which are owned  
147.13 or leased, and operated and maintained by such utility, cable communications company, or  
147.14 telephone company in the exercise of its utility, antenna, or telephone function, and which

147.15 (i) are used exclusively for the generation, transformation, distribution, transmission,  
147.16 or metering of electric current, or the operation of railway signals, or the transmission  
147.17 of intelligence and do not have as a principal function the consumption or use of electric  
147.18 current or provided service by or for the benefit of any person other than such utility, cable  
147.19 communications company, or telephone company, and

147.20 (ii) are generally accessible only to employees of such utility, cable communications  
147.21 company, or telephone company or persons acting under its control or direction, and

147.22 (iii) are not on the load side of the service point or point of entrance for  
147.23 communication systems;

147.24 (2) while performing work on installations, materials, or equipment which are a part  
147.25 of the street lighting operations of such utility; or

147.26 (3) while installing or performing work on outdoor area lights which are directly  
147.27 connected to a utility's distribution system and located upon the utility's distribution poles,  
147.28 and which are generally accessible only to employees of such utility or persons acting  
147.29 under its control or direction.

147.30 (f) An owner shall not be required to hold or obtain a license under sections 326B.31  
147.31 to 326B.399.

147.32 (g) Companies and their employees licensed under section 326B.164 shall not be  
147.33 required to hold or obtain a license under sections 326B.31 to 326B.399, while performing  
147.34 elevator work.

147.35 Sec. 22. Minnesota Statutes 2012, section 326B.36, subdivision 7, is amended to read:

148.1 Subd. 7. **Exemptions from inspections.** Installations, materials, or equipment shall  
148.2 not be subject to inspection under sections 326B.31 to 326B.399:

148.3 (1) when owned or leased, operated and maintained by any employer whose  
148.4 maintenance electricians are exempt from licensing under sections 326B.31 to 326B.399,  
148.5 while performing electrical maintenance work only as defined by rule;

148.6 (2) when owned or leased, and operated and maintained by any electrical,  
148.7 communications, or railway utility, cable communications company as defined in section  
148.8 238.02, or telephone company as defined under section 237.01, in the exercise of its  
148.9 utility, antenna, or telephone function; and

148.10 (i) are used exclusively for the generations, transformation, distribution,  
148.11 transmission, or metering of electric current, or the operation of railway signals, or the  
148.12 transmission of intelligence, and do not have as a principal function the consumption or  
148.13 use of electric current by or for the benefit of any person other than such utility, cable  
148.14 communications company, or telephone company; and

148.15 (ii) are generally accessible only to employees of such utility, cable communications  
148.16 company, or telephone company or persons acting under its control or direction; and

148.17 (iii) are not on the load side of the service point or point of entrance for  
148.18 communication systems;

148.19 (3) when used in the street lighting operations of an electrical utility;

148.20 (4) when used as outdoor area lights which are owned and operated by an electrical  
148.21 utility and which are connected directly to its distribution system and located upon the  
148.22 utility's distribution poles, and which are generally accessible only to employees of such  
148.23 utility or persons acting under its control or direction;

148.24 (5) when the installation, material, and equipment are in facilities subject to the  
148.25 jurisdiction of the federal Mine Safety and Health Act; or

148.26 (6) when the installation, material, and equipment is part of an elevator installation  
148.27 for which the elevator contractor, licensed under section ~~326B.33~~ 326B.164, is required to  
148.28 obtain a permit from the authority having jurisdiction as provided by section 326B.184,  
148.29 and the inspection has been or will be performed by an elevator inspector certified and  
148.30 licensed by the department. This exemption shall apply only to installations, material, and  
148.31 equipment permitted or required to be connected on the load side of the disconnecting  
148.32 means required for elevator equipment under National Electrical Code Article 620, and  
148.33 elevator communications and alarm systems within the machine room, car, hoistway, or  
148.34 elevator lobby.

149.1 Sec. 23. Minnesota Statutes 2012, section 326B.37, is amended by adding a  
149.2 subdivision to read:

149.3 Subd. 15. Utility interconnected wind generation installations. (a) Fees  
149.4 associated with utility interconnected generation installations consisting of one or more  
149.5 generator sources interconnected with a utility power system and not supplying other  
149.6 premises loads are calculated according to paragraph (b) or (c).

149.7 (b) The inspection fee is calculated according to subdivisions 2, 3, 4, and 6,  
149.8 paragraphs (d), (f), (j), and (k). A fee must be included for the generators and utility  
149.9 interconnect feeders, but not for a utility service.

149.10 (c) There is a plan review fee and inspection fee for the entire electrical installation.  
149.11 The plan review fee is based on the valuation of the electrical installation related to one of  
149.12 the generator systems that is part of the overall installation, not to include the supporting  
149.13 tower or other nonelectrical equipment or structures, calculated according to section  
149.14 326B.153, subdivision 2. The inspection fee is \$80 for each individual tower, including  
149.15 any voltage matching transformers located at the tower, and the fee for the feeders  
149.16 interconnecting the individual towers to the utility power system is calculated according to  
149.17 subdivisions 4 and 6, paragraph (k).

149.18 Sec. 24. Minnesota Statutes 2012, section 326B.49, subdivision 2, is amended to read:

149.19 **Subd. 2. Fees for plan reviews and audits.** Plumbing system plans and  
149.20 specifications that are submitted to the commissioner for review shall be accompanied by  
149.21 the appropriate plan examination fees. If the commissioner determines, upon review of  
149.22 the plans, that inadequate fees were paid, the necessary additional fees shall be paid prior  
149.23 to plan approval. The commissioner shall charge the following fees for plan reviews and  
149.24 audits of plumbing installations for public, commercial, and industrial buildings:

149.25 (1) systems with both water distribution and drain, waste, and vent systems and  
149.26 having:

149.27 (i) 25 or fewer drainage fixture units, \$150;

149.28 (ii) 26 to 50 drainage fixture units, \$250;

149.29 (iii) 51 to 150 drainage fixture units, \$350;

149.30 (iv) 151 to 249 drainage fixture units, \$500;

149.31 (v) 250 or more drainage fixture units, \$3 per drainage fixture unit to a maximum  
149.32 of \$4,000; and

149.33 (vi) interceptors, separators, or catch basins, \$70 per interceptor, separator, or catch  
149.34 basin design;

149.35 (2) building sewer service only, \$150;

- 150.1 (3) building water service only, \$150;
- 150.2 (4) building water distribution system only, no drainage system, \$5 per supply
- 150.3 fixture unit or \$150, whichever is greater;
- 150.4 (5) storm drainage system, a minimum fee of \$150 or:
- 150.5 (i) \$50 per drain opening, up to a maximum of \$500; and
- 150.6 (ii) \$70 per interceptor, separator, or catch basin design;
- 150.7 (6) manufactured home park or campground, one to 25 sites, \$300;
- 150.8 (7) manufactured home park or campground, 26 to 50 sites, \$350;
- 150.9 (8) manufactured home park or campground, 51 to 125 sites, \$400;
- 150.10 (9) manufactured home park or campground, more than 125 sites, \$500; and
- 150.11 ~~(10) accelerated review, double the regular fee, one-half to be refunded if no~~
- 150.12 ~~response from the commissioner within 15 business days; and~~
- 150.13 ~~(11)~~ (10) revision to previously reviewed or incomplete plans:
- 150.14 (i) review of plans for which the commissioner has issued two or more requests for
- 150.15 additional information, per review, \$100 or ten percent of the original fee, whichever
- 150.16 is greater;
- 150.17 (ii) proposer-requested revision with no increase in project scope, \$50 or ten percent
- 150.18 of original fee, whichever is greater; and
- 150.19 (iii) proposer-requested revision with an increase in project scope, \$50 plus the
- 150.20 difference between the original project fee and the revised project fee.

150.21 **EFFECTIVE DATE.** This section is effective January 1, 2014.

150.22 Sec. 25. Minnesota Statutes 2012, section 326B.49, subdivision 3, is amended to read:

150.23 Subd. 3. **Inspection Permits; fees.** ~~The commissioner shall charge the following~~

150.24 ~~fees for inspections under sections 326B.42 to 326B.49:~~

150.25	<del>Residential inspection fee (each visit)</del>	\$ 50
150.26	<del>Public, Commercial, and Industrial Inspections</del>	Inspection Fee
150.27	<del>25 or fewer drainage fixture units</del>	\$ 300
150.28	<del>26 to 50 drainage fixture units</del>	\$ 900
150.29	<del>51 to 150 drainage fixture units</del>	\$ 1,200
150.30	<del>151 to 249 drainage fixture units</del>	\$ 1,500
150.31	<del>250 or more drainage fixture units</del>	\$ 1,800
150.32	<del>Callback fee (each visit)</del>	\$ 100

150.33 (a) Before commencement of a plumbing installation to be inspected by the

150.34 commissioner, the plumbing contractor or registered plumbing employer performing the

150.35 plumbing work must submit to the commissioner an application for a permit and the

150.36 permit and inspection fees in paragraphs (b) to (f).

- 151.1 (b) The permit fee is \$100.
- 151.2 (c) The residential inspection fee is \$50 for each inspection trip.
- 151.3 (d) The public, commercial, and industrial inspection fees are as follows:
- 151.4 (1) for systems with water distribution, drain, waste, and vent system connection:
- 151.5 (i) \$25 for each fixture, permanently connected appliance, floor drain, or other
- 151.6 appurtenance;
- 151.7 (ii) \$25 for each water conditioning, water treatment, or water filtration system;
- 151.8 (iii) \$25 for each interceptor, separator, catch basin, or manhole;
- 151.9 (2) roof drains, \$25 for each drain;
- 151.10 (3) building sewer service only, \$100;
- 151.11 (4) building water service only, \$100;
- 151.12 (5) building water distribution system only, no drainage system, \$5 for each fixture
- 151.13 supplied;
- 151.14 (6) storm drainage system, a minimum fee of \$25 for each drain opening, interceptor,
- 151.15 separator, or catch basin;
- 151.16 (7) manufactured home park or campground, \$25 for each site;
- 151.17 (8) reinspection fee to verify corrections, regardless of the total fee submitted, \$100
- 151.18 for each reinspection; and
- 151.19 (9) each \$100 in fees paid covers one inspection trip.
- 151.20 (e) In addition to the fees in paragraph (c), the fee submitter must pay an hourly rate of
- 151.21 \$80 during regular business hours, or \$120 when inspections are requested to be performed
- 151.22 outside of normal work hours or on weekends and holidays, with a two-hour minimum
- 151.23 where the fee submitter requests inspections of installations as systems are being installed.
- 151.24 (f) The fee submitter must pay a fee equal to two hours at the hourly rate of \$80
- 151.25 when inspections scheduled by the submitter are not able to be completed because the
- 151.26 work is not complete.

151.27 Sec. 26. Minnesota Statutes 2012, section 341.321, is amended to read:

151.28 **341.321 FEE SCHEDULE.**

151.29 (a) The fee schedule for professional licenses issued by the commissioner is as

151.30 follows:

- 151.31 (1) referees, ~~\$45~~ \$80 for each initial license and each renewal;
- 151.32 (2) promoters, ~~\$400~~ \$700 for each initial license and each renewal;
- 151.33 (3) judges and knockdown judges, ~~\$45~~ \$80 for each initial license and each renewal;
- 151.34 (4) trainers, ~~\$45~~ \$80 for each initial license and each renewal;
- 151.35 (5) ring announcers, ~~\$45~~ \$80 for each initial license and each renewal;

- 152.1 (6) seconds, ~~\$45~~ \$80 for each initial license and each renewal;
- 152.2 (7) timekeepers, ~~\$45~~ \$80 for each initial license and each renewal;
- 152.3 (8) combatants, ~~\$45~~ \$120 for each initial license and each renewal;
- 152.4 (9) managers, ~~\$45~~ \$80 for each initial license and each renewal; and
- 152.5 (10) ringside physicians, ~~\$45~~ \$80 for each initial license and each renewal.

152.6 In addition to the license fee and the late filing penalty fee in section 341.32, subdivision  
 152.7 2, if applicable, an individual who applies for a professional license on the same day the  
 152.8 combative sporting event is held shall pay a late fee of \$100 plus the original license fee of  
 152.9 ~~\$45~~ \$120 at the time the application is submitted.

152.10 (b) The fee schedule for amateur licenses issued by the commissioner is as follows:

- 152.11 (1) referees, ~~\$45~~ \$80 for each initial license and each renewal;
- 152.12 (2) promoters, ~~\$400~~ \$700 for each initial license and each renewal;
- 152.13 (3) judges and knockdown judges, ~~\$45~~ \$80 for each initial license and each renewal;
- 152.14 (4) trainers, ~~\$45~~ \$80 for each initial license and each renewal;
- 152.15 (5) ring announcers, ~~\$45~~ \$80 for each initial license and each renewal;
- 152.16 (6) seconds, ~~\$45~~ \$80 for each initial license and each renewal;
- 152.17 (7) timekeepers, ~~\$45~~ \$80 for each initial license and each renewal;
- 152.18 (8) combatant, ~~\$25~~ \$60 for each initial license and each renewal;
- 152.19 (9) managers, ~~\$45~~ \$80 for each initial license and each renewal; and
- 152.20 (10) ringside physicians, ~~\$45~~ \$80 for each initial license and each renewal.

152.21 (c) The commissioner shall establish a contest fee for each combative sport contest.  
 152.22 The professional combative sport contest fee is \$1,500 per event or not more than four  
 152.23 percent of the gross ticket sales, whichever is greater, as determined by the commissioner  
 152.24 when the combative sport contest is scheduled, ~~except that~~ the amateur combative sport  
 152.25 contest fee shall be ~~\$500~~ \$1,500 or not more than four percent of the gross ticket sales,  
 152.26 whichever is greater. The commissioner shall consider the size and type of venue when  
 152.27 establishing a contest fee. The commissioner may establish the maximum number  
 152.28 of complimentary tickets allowed for each event by rule. A professional or amateur  
 152.29 combative sport contest fee is nonrefundable.

152.30 (d) All fees and penalties collected by the commissioner must be deposited in the  
 152.31 commissioner account in the special revenue fund.

152.32 **Sec. 27. REPEALER.**

152.33 (a) Minnesota Rules, part 1307.0032, is repealed effective December 31, 2013.

152.34 (b) Minnesota Statutes 2012, section 326B.31, subdivisions 18, 19, and 22, are  
 152.35 repealed.

153.1 **ARTICLE 7**153.2 **EMPLOYMENT AND ECONOMIC DEVELOPMENT**153.3 Section 1. **[116J.4011] LABOR MARKET INFORMATION DATA**153.4 **PRODUCTION REQUIREMENT.**

153.5 (a) As part of the commissioner's obligation under section 116J.401, the  
153.6 commissioner must, in collaboration with the Office of Higher Education and local  
153.7 workforce councils, produce and publish labor market analysis describing the alignment  
153.8 between employer requirements and workforce qualifications.

153.9 (b) The analysis must include a description of job trends that supports career choice  
153.10 and job seeking including:

153.11 (1) measures of current job growth, projected future job growth, and current job  
153.12 vacancies;

153.13 (2) a breakdown of these measures, whenever feasible, by industry, occupation,  
153.14 statewide and substate region, by educational requirement, state employee retirement  
153.15 trends, and by racial trends;

153.16 (3) a description of industry- or occupation-based credentials and minimum  
153.17 educational standards necessary for successful employment in each area; and

153.18 (4) a designation of areas of opportunity based on high growth, high vacancy, and  
153.19 high pay conditions.

153.20 (c) The analysis must include a description of workforce supply and quality,  
153.21 including:

153.22 (1) a description of the current educational attainment of the workforce and its  
153.23 distribution across industries, occupations, and regions;

153.24 (2) the number and distribution of recent graduates of and current enrollees in  
153.25 postsecondary institutions by academic concentration or major and by credential type; and

153.26 (3) the completion rate, employment outcome, and average debt for recent  
153.27 postsecondary graduates by program of study, institution type, and credential.

153.28 (d) The analysis must be reviewed on a regular basis by representatives from the  
153.29 business and postsecondary sectors, and any feedback should be incorporated into data  
153.30 collection and presentation where feasible. This feedback may also include surveys of  
153.31 employers on their skill, credential, and other workforce requirements when necessary.

153.32 (e) Analysis, data, and reports required by this section must be easily accessible, easily  
153.33 readable, and prominently presented on the Department of Employment and Economic  
153.34 Development Web site and Web sites of workforce centers. Information on job vacancies  
153.35 and areas of potential employment opportunities should link to educational or credential

154.1 requirements, appropriate training or educational offerings, prevailing wages, and other  
154.2 indicators of market conditions deemed important to career choosers and job seekers.

154.3 Sec. 2. Minnesota Statutes 2012, section 116J.8731, subdivision 2, is amended to read:

154.4 Subd. 2. **Administration.** Except as set forth in this section, the commissioner  
154.5 shall administer the fund as part of the Small Cities Development Block Grant Program  
154.6 and funds shall be made available to local communities and recognized Indian tribal  
154.7 governments in accordance with the rules adopted for economic development grants in  
154.8 the small cities community development block grant program, except that. All units  
154.9 of general purpose local government are eligible applicants for Minnesota investment  
154.10 funds. The commissioner may provide forgivable loans directly to a private enterprise  
154.11 and not require a local community or recognized Indian tribal government application  
154.12 other than a resolution supporting the assistance. The commissioner may also make funds  
154.13 available within the department for eligible expenditures under subdivision 3, clause  
154.14 (2). A home rule charter or statutory city, county, or town may loan or grant money  
154.15 received from repayment of funds awarded under this section to a regional development  
154.16 commission, other regional entity, or statewide community capital fund as determined by  
154.17 the commissioner, to capitalize or to provide the local match required for capitalization of  
154.18 a regional or statewide revolving loan fund.

154.19 Sec. 3. Minnesota Statutes 2012, section 116J.8731, subdivision 3, is amended to read:

154.20 Subd. 3. **Eligible expenditures.** The money appropriated for this section may  
154.21 be used to:

154.22 (1) fund loans or grants for infrastructure, loans, loan guarantees, interest buy-downs,  
154.23 and other forms of participation with private sources of financing, provided that a loan to  
154.24 a private enterprise must be for a principal amount not to exceed one-half of the cost of  
154.25 the project for which financing is sought;

154.26 (2) fund strategic investments in renewable energy market development, such as  
154.27 low interest loans for renewable energy equipment manufacturing, training grants to  
154.28 support renewable energy workforce, development of a renewable energy supply chain  
154.29 that represents and strengthens the industry throughout the state, and external marketing  
154.30 to garner more national and international investment into Minnesota's renewable sector.  
154.31 Expenditures in external marketing for renewable energy market development are not  
154.32 subject to the limitations in clause (1); and

154.33 (3) provide private entrepreneurs with training, other technical assistance, and  
154.34 financial assistance, as provided in the small cities development block grant program.

155.1 Sec. 4. [116J.8748] MINNESOTA JOB CREATION FUND.

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

155.4 (b) "Agreement" or "business subsidy agreement" means a business subsidy  
155.5 agreement under section 116J.994 that must include, but is not limited to: specification  
155.6 of the duration of the agreement, job goals and a timeline for achieving those goals over  
155.7 the duration of the agreement, construction and other investment goals and a timeline for  
155.8 achieving those goals over the duration of the agreement, and the value of benefits the  
155.9 firm may receive following achievement of capital investment and employment goals.  
155.10 The local government and business must report to the commissioner on the business  
155.11 performance using the forms developed by the commissioner.

155.12 (c) "Business" means an individual, corporation, partnership, limited liability  
155.13 company, association, or other entity.

155.14 (d) "Capital investment" means money that is expended for the purpose of building  
155.15 or improving real fixed property where employees under paragraphs (g) and (h) are or  
155.16 will be employed and also includes construction materials, services, and supplies, and the  
155.17 purchase and installation of equipment and machinery as provided under subdivision 4,  
155.18 paragraph (b), clause (5).

155.19 (e) "Commissioner" means the commissioner of employment and economic  
155.20 development.

155.21 (f) "Minnesota job creation fund business" means a business that is designated  
155.22 by the commissioner under subdivision 3.

155.23 (g) "New full-time employee" means an employee who:

155.24 (1) begins work at a Minnesota job creation fund business facility noted in a business  
155.25 subsidy agreement and following the designation as a job creation fund business; and

155.26 (2) has expected work hours of at least 2,080 hours annually.

155.27 (h) "Retained job" means a full-time position:

155.28 (1) that existed at the facility prior to the designation as a job creation fund business;

155.29 and

155.30 (2) has expected work hours of at least 2,080 hours annually.

155.31 (i) "Wages" has the meaning given in section 290.92, subdivision 1, clause (1).

155.32 Subd. 2. Application. (a) In order to qualify for designation as a Minnesota job  
155.33 creation fund business under subdivision 3, a business must submit an application to the  
155.34 local government entity where the facility is or will be located.

155.35 (b) A local government must submit the business application along with other  
155.36 application materials to the commissioner for approval.

156.1 (c) The applications required under paragraphs (a) and (b) must be in the form and  
156.2 be made under the procedures specified by the commissioner.

156.3 Subd. 3. **Minnesota job creation fund business designation; requirements.** (a)

156.4 To receive designation as a Minnesota job creation fund business, a business must satisfy  
156.5 all of the following conditions:

156.6 (1) the business is or will be engaged in, within Minnesota, one of the following  
156.7 as its primary business activity:

156.8 (i) manufacturing;

156.9 (ii) warehousing;

156.10 (iii) distribution;

156.11 (iv) information technology;

156.12 (v) finance;

156.13 (vi) insurance; or

156.14 (vii) professional or technical services;

156.15 (2) the business must not be primarily engaged in lobbying; gambling; entertainment;  
156.16 professional sports; political consulting; leisure; hospitality; or professional services  
156.17 provided by attorneys, accountants, business consultants, physicians, or health care  
156.18 consultants, or primarily engaged in making retail sales to purchasers who are physically  
156.19 present at the business's location;

156.20 (3) the business must enter into a binding capital investment and job creation  
156.21 business subsidy agreement with the commissioner to expend at least \$500,000 in capital  
156.22 investment in a capital investment project within one year following designation as a  
156.23 Minnesota job creation fund business and:

156.24 (i) create at least ten new full-time employee positions within two years of the  
156.25 benefit date following the designation as a Minnesota job creation fund business; or

156.26 (ii) expend at least \$25,000,000, which may include the installation and purchase of  
156.27 machinery and equipment, in capital investment and retain at least 200 employees;

156.28 (4) positions or employees moved or relocated from another Minnesota location  
156.29 of the Minnesota job creation fund business must not be included in any calculation or  
156.30 determination of job creation or new positions under this paragraph; and

156.31 (5) a Minnesota job creation fund business must not terminate, lay off, or reduce  
156.32 the working hours of an employee for the purpose of hiring an individual to satisfy job  
156.33 creation goals under this subdivision.

156.34 (b) Prior to approving the proposed designation of a business under this subdivision,  
156.35 the commissioner shall consider the following:

156.36 (1) the economic outlook of the industry in which the business engages;

157.1 (2) the projected sales of the business that will be generated from outside the state  
 157.2 of Minnesota;

157.3 (3) how the business will build on existing regional, national, and international  
 157.4 strengths to diversify the state's economy;

157.5 (4) whether the business activity would occur without financial assistance;

157.6 (5) whether the business is unable to expand at an existing Minnesota operation  
 157.7 due to facility or land limitations;

157.8 (6) whether the business has viable location options outside Minnesota;

157.9 (7) the effect of financial assistance on industry competitors in Minnesota;

157.10 (8) financial contributions to the project made by local governments; and

157.11 (9) any other criteria the commissioner deems necessary.

157.12 (c) Upon receiving notification of local approval under subdivision 2, the  
 157.13 commissioner shall review the determination by the local government and consider the  
 157.14 conditions listed in paragraphs (a) and (b) to determine whether it is in the best interests of  
 157.15 the state and local area to designate a business as a Minnesota job creation fund business.

157.16 (d) If the commissioner designates a business as a Minnesota job creation fund  
 157.17 business, the business subsidy agreement shall include the performance outcome  
 157.18 commitments and the expected financial value of any Minnesota job creation fund benefits.

157.19 (e) The commissioner may amend an agreement once, upon request of a local  
 157.20 government on behalf of a business, only if the performance is expected to exceed  
 157.21 thresholds stated in the original agreement.

157.22 (f) A business may apply to be designated as a Minnesota job creation fund business  
 157.23 at the same location more than once only if all goals under a previous Minnesota job  
 157.24 creation fund agreement have been met and the agreement is completed.

157.25 Subd. 4. **Certification; benefits.** (a) The commissioner may certify a Minnesota job  
 157.26 creation fund business as eligible to receive a specific value of benefit under paragraphs  
 157.27 (b) and (c) when the business has achieved its job creation and capital investment goals  
 157.28 noted in its agreement under subdivision 3.

157.29 (b) A qualified Minnesota job creation fund business may be certified eligible for the  
 157.30 benefits in this paragraph for up to five years as determined by the commissioner when  
 157.31 considering the best interests of the state and local area. The eligibility for the following  
 157.32 benefits begins the date the commissioner certifies the business as a qualified Minnesota  
 157.33 job creation fund business under this subdivision:

157.34 (1) up to five percent rebate on capital investment on qualifying purchases as  
 157.35 provided in subdivision 5 with the total rebate for a project not to exceed \$500,000;

158.1 (2) an award of up to \$500,000 based on full-time job creation and wages paid as  
158.2 provided in subdivision 6 with the total award not to exceed \$500,000;

158.3 (3) up to \$1,000,000 in capital investment rebates and \$1,000,000 in job creation  
158.4 awards are allowable for projects that have at least \$25,000,000 in capital investment  
158.5 and 200 new employees;

158.6 (4) up to \$1,000,000 in capital investment rebates are allowable for projects that  
158.7 have at least \$25,000,000 in capital investment and 200 retained employees; and

158.8 (5) for clauses (3) and (4) only, the capital investment expenditure requirements may  
158.9 include the installation and purchases of machinery and equipment. These expenditures  
158.10 are not eligible for the capital investment rebate provided under subdivision 5.

158.11 (c) The job creation award may be provided in multiple years as long as the qualified  
158.12 Minnesota job creation fund business continues to meet the job creation goals provided  
158.13 for in its agreement under subdivision 3 and the total award does not exceed \$500,000  
158.14 except as provided under paragraph (b), clauses (3) and (4).

158.15 (d) No rebates or award may be provided until the Minnesota job creation fund  
158.16 business has at least \$500,000 in capital investment in the project and at least ten full-time  
158.17 jobs have been created and maintained for at least one year or the retained employees, as  
158.18 provided in paragraph (b), clause (4), remain for at least one year. The agreement may  
158.19 require additional performance outcomes that need to be achieved before rebates and  
158.20 awards are provided. If the number of retained jobs is at least 200, but less than the retained  
158.21 jobs stated in the business subsidy agreement, the award shall be reduced proportionately.

158.22 (e) The forms needed to be submitted to document performance by the Minnesota  
158.23 job creation fund business must be in the form and be made under the procedures specified  
158.24 by the commissioner. The forms shall include documentation and certification by the  
158.25 business that it is in compliance with the business subsidy agreement, sections 116J.871  
158.26 and 116L.66, and other provisions as specified by the commissioner.

158.27 (f) Minnesota job creation fund businesses must pay each new full-time employee  
158.28 added pursuant to the agreement total compensation, including benefits not mandated by  
158.29 law, that on an annualized basis is equal to at least 110 percent of the federal poverty  
158.30 level for a family of four.

158.31 (g) A Minnesota job creation fund business must demonstrate reasonable progress on  
158.32 its capital investment expenditures within six months following designation as a Minnesota  
158.33 job creation fund business to ensure that the capital investment goal in the agreement  
158.34 under subdivision 1 will be met. Businesses not making reasonable progress will not be  
158.35 eligible for benefits under the submitted application and will need to work with the local  
158.36 government unit to resubmit a new application and request to be a Minnesota job creation

159.1 fund business. Notwithstanding the goals noted in its agreement under subdivision 1, this  
 159.2 action shall not be considered a default of the business subsidy agreement.

159.3 Subd. 5. **Capital investment rebate.** (a) A qualified Minnesota job creation fund  
 159.4 business is eligible for a rebate on the purchase and use of construction materials, services,  
 159.5 and supplies used for or consumed in the construction project as described in the goals  
 159.6 under the agreement provided under subdivision 1, paragraph (b).

159.7 (b) The rebate under this subdivision applies regardless of whether the purchases are  
 159.8 made by the qualified Minnesota job creation fund business or a contractor hired to perform  
 159.9 work or provide services at the qualified Minnesota job creation fund business location.

159.10 (c) Minnesota job creation fund businesses seeking the rebate for capital investment  
 159.11 provided under subdivision 4 must submit forms and applications to the Department of  
 159.12 Employment and Economic Development as prescribed by the commissioner of each  
 159.13 department.

159.14 Subd. 6. **Job creation award.** (a) A qualified Minnesota job creation fund business  
 159.15 is eligible for an annual award for each new job created and maintained by the business  
 159.16 using the following schedule: \$1,000 for each job position paying annual wages at least  
 159.17 \$26,000 but less than \$35,000; \$2,000 for each job position paying at least \$35,000 but  
 159.18 less than \$45,000; and \$3,000 for each job position paying at least \$45,000; and as noted  
 159.19 in the goals under the agreement provided under subdivision 1.

159.20 (b) The job creation award schedule must be adjusted annually using the percentage  
 159.21 increase in the federal poverty level for a family of four.

159.22 (c) Minnesota job creation fund businesses seeking an award credit provided under  
 159.23 subdivision 4 must submit forms and applications to the Department of Employment and  
 159.24 Economic Development as prescribed by the commissioner.

159.25 Subd. 7. **Rules.** The procedures and operations used by the commissioner are  
 159.26 exempt from the rulemaking provisions of chapter 14.

159.27 **EFFECTIVE DATE.** This section is effective January 1, 2014.

159.28 Sec. 5. **[116J.9661] TRADE POLICY ADVISORY COUNCIL.**

159.29 Subdivision 1. **Establishment.** The Trade Policy Advisory Council is established to  
 159.30 advise and assist the governor and the legislature regarding United States trade agreements.

159.31 Subd. 2. **Membership.** (a) The Trade Policy Advisory Council shall have 14  
 159.32 members, as follows:

159.33 (1) the commissioner of employment and economic development or designee;

159.34 (2) the commissioner of agriculture or designee;

- 160.1 (3) two senators, including one appointed by the Subcommittee on Committees of the  
160.2 Committee on Rules and Administration, and one appointed by the minority leader; and  
160.3 (4) two members of the house of representatives, including one member appointed  
160.4 by the speaker of the house and one member appointed by the minority leader; and  
160.5 (5) eight members appointed by the governor. The governor's appointees shall  
160.6 represent specified interests, as follows:
- 160.7 (i) two representatives of organized labor;  
160.8 (ii) a representative of an organization representing environmental interests;  
160.9 (iii) a representative from each of two separate organizations representing family  
160.10 farmers;  
160.11 (iv) two representatives from business and industry;  
160.12 (v) a representative of a nonprofit organization focused on international trade and  
160.13 development.
- 160.14 (b) The Trade Policy Advisory Council may invite representatives from other state  
160.15 agencies, industries, trade and labor organizations, nongovernmental organizations, and  
160.16 local governments to join the council as nonvoting ex officio members.
- 160.17 (c) Except for initial appointments, the appointing authorities shall make  
160.18 appointments by the first Monday in January of every odd-numbered year.
- 160.19 Subd. 3. **Term.** Except for the initial appointees, members of the Trade Policy  
160.20 Advisory Council shall serve for a term of two years and may be reappointed. Members  
160.21 shall serve until their successors have been appointed.
- 160.22 Subd. 4. **Administration.** The commissioner of employment and economic  
160.23 development or the commissioner's designee shall provide meeting space and  
160.24 administrative services for the council.
- 160.25 Subd. 5. **Initial appointments and first meeting.** The appointing authorities shall  
160.26 appoint the first members of the council by September 15, 2013. The first appointees shall  
160.27 serve until the first Monday in January, 2015. The commissioner of the Department of  
160.28 Employment and Economic Development shall convene the first meeting by December  
160.29 15, 2013, and shall act as chair until the council elects a chair at its first meeting.
- 160.30 Subd. 6. **Chair.** The members shall elect a chair from the legislative members  
160.31 of the advisory council.
- 160.32 Subd. 7. **No compensation.** Public members of the advisory council serve without  
160.33 compensation or payment of expenses.
- 160.34 Subd. 8. **Duties.** The Trade Policy Advisory Council shall:
- 160.35 (1) advise the governor and the legislature on matters relating to United States  
160.36 trade agreements;

161.1 (2) assess the potential impact of federal trade agreements on the state's economy;

161.2 (3) advise the governor and the legislature of the group's findings and make  
 161.3 recommendations, including any draft legislation necessary to implement the  
 161.4 recommendations, to the governor and the legislature;

161.5 (4) determine, on a case-by-case basis, the impact of a specific federal trade  
 161.6 agreement by requesting input from state agencies, seeking expert advice, convening  
 161.7 public hearings, and taking other reasonable and appropriate actions;

161.8 (5) request information from the Office of the United States Trade Representative  
 161.9 necessary to conduct an appropriate review of government procurement agreements or  
 161.10 other trade issues; and

161.11 (6) receive information obtained by the United States Trade Representative's single  
 161.12 point of contact for Minnesota.

161.13 Subd. 9. **Report.** The Trade Policy Advisory Council shall submit a report to the  
 161.14 chairs and ranking minority members of the legislative committees and divisions of the  
 161.15 Senate and House of Representatives with primary jurisdiction over jobs with its findings  
 161.16 and recommendations no less than once per fiscal year. The report shall include draft  
 161.17 legislation to implement its recommendations.

161.18 Subd. 10. **Sunset.** The council will sunset January 1, 2020.

161.19 Sec. 6. **[116J.978] MINNESOTA TRADE OFFICES IN FOREIGN MARKETS.**

161.20 Subdivision 1. **Establishment.** The commissioner of employment and economic  
 161.21 development shall, by July 1, 2014, establish three new Minnesota Trade Offices in key  
 161.22 foreign markets selected by the commissioner for their potential to increase Minnesota  
 161.23 exports and attract foreign direct investment.

161.24 Subd. 2. **Duties.** The duties of each office may include, with regard to their  
 161.25 respective market areas, the duties stated in section 116J.966.

161.26 Subd. 3. **Discretionary powers.** Each office may:

161.27 (1) apply for, accept, and disburse grants and other aids from the federal government  
 161.28 and other public or private sources;

161.29 (2) sponsor and conduct conferences and studies, collect and disseminate  
 161.30 information, and issue reports relating to trade with and foreign direct investment in  
 161.31 Minnesota companies; and

161.32 (3) establish a Web site in furtherance of its duties.

161.33 Subd. 4. **Staff.** Each office may employ staff necessary to carry out the office's  
 161.34 duties under subdivision 2.

162.1 Subd. 5. **Accountability.** (a) The commissioner shall establish a performance  
 162.2 rating system for each office and create specific annual goals for the offices to meet. The  
 162.3 commissioner shall monitor activities of the office, including, but not limited to, the number  
 162.4 of inquires and projects received and completed; meetings arranged between Minnesota  
 162.5 companies and potential investors, distributors, or customers; and agreements signed.

162.6 (b) The commissioner shall submit a report to the chairs and ranking minority  
 162.7 members of the committees and divisions in the senate and house of representatives with  
 162.8 primary jurisdiction over economic development by February 15 of each odd-numbered  
 162.9 year. The report shall include the performance ratings of each office and shall specify  
 162.10 for each office the number of inquiries and projects received and completed; meetings  
 162.11 arranged between Minnesota companies and potential investors, distributors, or customers;  
 162.12 and agreements signed.

162.13 Sec. 7. **[116J.979] MINNESOTA STEP GRANTS.**

162.14 Subdivision 1. **Establishment.** The commissioner of employment and economic  
 162.15 development shall create a State Trade and Export Promotion grants program, hereafter  
 162.16 STEP grants, to provide financial and technical assistance to eligible Minnesota small  
 162.17 businesses with an active interest in exporting products or services to foreign markets.

162.18 Subd. 2. **Grants.** Recipients may apply, on an application devised by the  
 162.19 commissioner, for up to \$7,500 in reimbursement for approved export-development  
 162.20 activities, including, but not limited to:

162.21 (1) participation in trade missions;

162.22 (2) export training;

162.23 (3) exhibition at trade shows or industry-specific events;

162.24 (4) translation of marketing materials;

162.25 (5) development of foreign language Web sites, Gold Key, or other business  
 162.26 matchmaking services;

162.27 (6) company-specific international sales activities; and

162.28 (7) testing and certification required to sell products in foreign markets.

162.29 Sec. 8. **[116J.9801] INVEST MINNESOTA.**

162.30 The commissioner shall establish the Invest Minnesota marketing initiative. This  
 162.31 initiative must focus on branding the state's economic development initiatives and  
 162.32 promoting Minnesota business opportunities. The initiative may include measures to  
 162.33 communicate the benefits of doing business in Minnesota to companies considering  
 162.34 relocating, establishing a United States presence, or expanding.

163.1 Sec. 9. **[116L.191] WORKFORCE CENTER; CREDENTIAL ASSISTANCE.**

163.2 (a) The commissioner shall provide at local workforce centers services that  
 163.3 assist individuals in identifying and obtaining industry-recognized credentials for jobs,  
 163.4 particularly jobs in high demand. The workforce centers must consult and cooperate  
 163.5 with training institutions, particularly postsecondary institutions, to identify credential  
 163.6 programs to individuals.

163.7 (b) Each workforce center shall provide information under section 116J.4011,  
 163.8 paragraph (b), clause (3), linked as a shortcut from the desktop of each workforce center  
 163.9 computer and available in hard copy. Prominent signs should be posted in workforce  
 163.10 centers directing individuals to where they can find a list of top job vacancies and related  
 163.11 credential information.

163.12 Sec. 10. Minnesota Statutes 2012, section 116U.26, is amended to read:

163.13 **116U.26 FILM PRODUCTION JOBS PROGRAM.**

163.14 (a) The film production jobs program is created. The program shall be operated  
 163.15 by the Minnesota Film and TV Board with administrative oversight and control by the  
 163.16 commissioner of ~~administration~~ employment and economic development. The program  
 163.17 shall make payment to producers of feature films, national television or Internet programs,  
 163.18 documentaries, music videos, and commercials that directly create new film jobs in  
 163.19 Minnesota. To be eligible for a payment, a producer must submit documentation to the  
 163.20 Minnesota Film and TV Board of expenditures for production costs incurred in Minnesota  
 163.21 that are directly attributable to the production in Minnesota of a film product.

163.22 The Minnesota Film and TV Board shall make recommendations to the  
 163.23 commissioner of ~~administration~~ employment and economic development about program  
 163.24 payment, but the commissioner has the authority to make the final determination on  
 163.25 payments. The commissioner's determination must be based on proper documentation of  
 163.26 eligible production costs submitted for payments. No more than five percent of the funds  
 163.27 appropriated for the program in any year may be expended for administration, including  
 163.28 costs for independent audits and financial reviews of projects.

163.29 (b) For the purposes of this section:

163.30 (1) "production costs" means the cost of the following:

163.31 (i) a story and scenario to be used for a film;

163.32 (ii) salaries of talent, management, and labor, including payments to personal  
 163.33 services corporations for the services of a performing artist;

163.34 (iii) set construction and operations, wardrobe, accessories, and related services;

163.35 (iv) photography, sound synchronization, lighting, and related services;

- 164.1 (v) editing and related services;
- 164.2 (vi) rental of facilities and equipment; ~~or~~
- 164.3 (vii) other direct costs of producing the film in accordance with generally accepted
- 164.4 entertainment industry practice; ~~and~~
- 164.5 (viii) above-the-line talent fees for nonresident talent; or
- 164.6 (ix) costs incurred during postproduction; and

164.7 (2) "film" means a feature film, television or Internet ~~show~~, pilot, program, series,

164.8 documentary, music video, or television commercial, whether on film, video, or digital

164.9 media. Film does not include news, current events, public programming, or a program

164.10 that includes weather or market reports; a talk show; a production with respect to a

164.11 questionnaire or contest; a sports event or sports activity; a gala presentation or awards

164.12 show; a finished production that solicits funds; or a production for which the production

164.13 company is required under United States Code, title 18, section 2257, to maintain records

164.14 with respect to a performer portrayed in a single-media or multimedia program.

164.15 (c) Notwithstanding any other law to the contrary, the Minnesota Film and TV Board

164.16 may make reimbursements of: (1) up to ~~20~~ 25 percent of ~~film~~ production costs for films that

164.17 locate production outside the metropolitan area, as defined in section 473.121, subdivision

164.18 2, or that incur ~~production costs in excess of \$5,000,000~~ a minimum Minnesota expenditure

164.19 of \$1,000,000 in the metropolitan area within a 12-month period; or (2) up to ~~15~~ 20

164.20 percent of ~~film~~ production costs for films that incur less than \$1,000,000 in Minnesota

164.21 production costs ~~of \$5,000,000 or less~~ in the metropolitan area within a 12-month period.

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

164.23 Sec. 11. Minnesota Statutes 2012, section 136F.37, is amended to read:

164.24 **136F.37 JOB PLACEMENT IMPACT ON PROGRAM REVIEW;**

164.25 **INFORMATION TO STUDENTS.**

164.26 Subdivision 1. **Colleges; technical occupational program.** The board must

164.27 assess labor market data when conducting college program reviews. Colleges must

164.28 provide prospective students with the job placement rate for graduates of technical and

164.29 occupational programs offered at the colleges.

164.30 Subd. 2. **DEED labor market survey; MnSCU usage and disclosure.** The data

164.31 assessed under subdivision 1 must include labor market data compiled by the Department

164.32 of Employment and Economic Development under section 116J.4011. The board and its

164.33 colleges and universities must use this market data when deciding upon course and program

164.34 offerings. The board must provide a link to this labor market data on its Internet portal.

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

165.2 Sec. 12. Minnesota Statutes 2012, section 245.4712, subdivision 1, is amended to read:

165.3 Subdivision 1. **Availability of community support services.** (a) County boards  
165.4 must provide or contract for sufficient community support services within the county to  
165.5 meet the needs of adults with serious and persistent mental illness who are residents of the  
165.6 county. Adults may be required to pay a fee according to section 245.481. The community  
165.7 support services program must be designed to improve the ability of adults with serious  
165.8 and persistent mental illness to:

165.9 (1) ~~work in a regular or supported work environment~~ find and maintain competitive  
165.10 employment;

165.11 (2) handle basic activities of daily living;

165.12 (3) participate in leisure time activities;

165.13 (4) set goals and plans; and

165.14 (5) obtain and maintain appropriate living arrangements.

165.15 The community support services program must also be designed to reduce the  
165.16 need for and use of more intensive, costly, or restrictive placements both in number of  
165.17 admissions and length of stay.

165.18 (b) Community support services are those services that are supportive in nature and  
165.19 not necessarily treatment oriented, and include:

165.20 (1) conducting outreach activities such as home visits, health and wellness checks,  
165.21 and problem solving;

165.22 (2) connecting people to resources to meet their basic needs;

165.23 (3) finding, securing, and supporting people in their housing;

165.24 (4) attaining and maintaining health insurance benefits;

165.25 (5) assisting with job applications, finding and maintaining employment, and  
165.26 securing a stable financial situation;

165.27 (6) fostering social support, including support groups, mentoring, peer support, and  
165.28 other efforts to prevent isolation and promote recovery; and

165.29 (7) educating about mental illness, treatment, and recovery.

165.30 (c) Community support services shall use all available funding streams. The county  
165.31 shall maintain the level of expenditures for this program, as required under section  
165.32 245.4835. County boards must continue to provide funds for those services not covered  
165.33 by other funding streams and to maintain an infrastructure to carry out these services. The  
165.34 county is encouraged to fund evidence-based practices such as Individual Placement and  
165.35 Support Supported Employment and Illness Management and Recovery.

166.1 (d) The commissioner shall collect data on community support services programs,  
 166.2 including, but not limited to, demographic information such as age, sex, race, the number  
 166.3 of people served, and information related to housing, employment, hospitalization,  
 166.4 symptoms, and satisfaction with services.

166.5 Sec. 13. Minnesota Statutes 2012, section 268A.13, is amended to read:

166.6 **268A.13 EMPLOYMENT SUPPORT SERVICES FOR PERSONS WITH**  
 166.7 **MENTAL ILLNESS.**

166.8 The commissioner of employment and economic development, in cooperation  
 166.9 with the commissioner of human services, shall develop a statewide program of grants  
 166.10 as outlined in section 268A.14 to provide services for persons with mental illness who  
 166.11 want to work in supported employment. Projects funded under this section must: (1)  
 166.12 assist persons with mental illness in obtaining and retaining competitive employment; (2)  
 166.13 emphasize individual ~~community placements for clients~~ client preferences; (3) ensure  
 166.14 interagency collaboration at the local level between vocational rehabilitation field offices,  
 166.15 county service agencies, community support programs operating under the authority of  
 166.16 section 245.4712, and community rehabilitation providers, in assisting clients; (4) ensure  
 166.17 services are integrated with mental health treatment; (5) provide benefits counseling;  
 166.18 (6) conduct rapid job search; and ~~(4)~~ (7) involve clients in the planning, development,  
 166.19 oversight, and delivery of support services. Project funds may not be used to provide  
 166.20 services in segregated settings such as the center-based employment subprograms as  
 166.21 defined in section 268A.01.

166.22 The commissioner of employment and economic development, in consultation  
 166.23 with the commissioner of human services, shall develop a request for proposals which is  
 166.24 consistent with the requirements of this section and section 268A.14 and which specifies  
 166.25 the types of services that must be provided by grantees. Priority for funding shall be given  
 166.26 to organizations ~~with experience in developing innovative employment support services~~  
 166.27 ~~for persons with mental illness~~ carrying out evidence-based practices. Each applicant for  
 166.28 funds under this section shall submit an evaluation protocol as part of the grant application.

166.29 Sec. 14. Minnesota Statutes 2012, section 268A.14, subdivision 1, is amended to read:

166.30 Subdivision 1. **Employment support services and programs.** The commissioner  
 166.31 of employment and economic development, in cooperation with the commissioner of  
 166.32 human services, shall operate a statewide system to reimburse providers for employment  
 166.33 support services for persons with mental illness. The system shall be operated to support  
 166.34 employment programs and services where:

167.1 (1) services provided are readily accessible to all persons with mental illness who  
167.2 want to work, including rapid competitive job search, so they can make progress toward  
167.3 economic self-sufficiency;

167.4 (2) services provided are made an integral part of all mental health treatment and  
167.5 rehabilitation programs for persons with mental illness to ensure that they have the ability  
167.6 and opportunity to consider a variety of work options;

167.7 (3) programs help persons with mental illness form long-range plans for employment  
167.8 that fit their skills and abilities by ensuring that ongoing time-unlimited support, crisis  
167.9 management, placement, and career planning services are available;

167.10 (4) services provided give persons with mental illness the information needed  
167.11 to make informed choices about employment expectations and options, including  
167.12 information on the types of employment available in the local community, the types of  
167.13 employment services available, the impact of employment on eligibility for governmental  
167.14 benefits, and career options;

167.15 (5) programs assess whether persons with mental illness being serviced are satisfied  
167.16 with the services and outcomes. Satisfaction assessments shall address at least whether  
167.17 persons like their jobs, whether quality of life is improved, whether potential for  
167.18 advancement exists, and whether there are adequate support services in place;

167.19 (6) programs encourage persons with mental illness being served to be involved in  
167.20 employment support services issues by allowing them to participate in the development of  
167.21 individual rehabilitation plans and to serve on boards, committees, task forces, and review  
167.22 bodies that shape employment services policies and that award grants, and by encouraging  
167.23 and helping them to establish and participate in self-help and consumer advocacy groups;

167.24 (7) programs encourage employers to expand employment opportunities for  
167.25 persons with mental illness and, to maximize the hiring of persons with mental illness,  
167.26 educate employers about the needs and abilities of persons with mental illness and the  
167.27 requirements of the Americans with Disabilities Act;

167.28 (8) programs encourage persons with mental illness, vocational rehabilitation  
167.29 professionals, and mental health professionals to learn more about current work incentive  
167.30 provisions in governmental benefits programs;

167.31 (9) programs establish and maintain linkages with a wide range of other programs  
167.32 and services, including educational programs, housing programs, economic assistance  
167.33 services, community support services, and clinical services to ensure that persons with  
167.34 mental illness can obtain and maintain employment;

167.35 (10) programs participate in ongoing training across agencies and service delivery  
167.36 systems so that providers in human services systems understand their respective roles,

168.1 rules, and responsibilities and understand the options that exist for providing employment  
168.2 and community support services to persons with mental illness; and

168.3 (11) programs work with local communities to expand system capacity to provide  
168.4 access to employment services to all persons with mental illness who want them.

168.5 Sec. 15. **UNEMPLOYMENT INSURANCE EMPLOYER TAX REDUCTION.**

168.6 (a) Notwithstanding Minnesota Statutes, section 268.051, subdivision 2, if, on  
168.7 September 30, 2013, the balance in the Minnesota unemployment trust fund is more than  
168.8 \$800,000,000, the base tax rate for calendar year 2014 is 0.1 percent and there will be no  
168.9 additional assessment assigned. If, on September 30, 2014, the balance in the Minnesota  
168.10 unemployment trust fund is more than \$900,000,000, the base tax rate for calendar year  
168.11 2015 is 0.1 percent and there will be no additional assessment assigned.

168.12 (b) This section expires December 31, 2015.

168.13 Sec. 16. **PILOT PROGRAMS; COMBINING CAREER AND HIGHER**  
168.14 **EDUCATION ADVISING.**

168.15 The workforce council in each of the workforce service areas of Hennepin/Carver,  
168.16 Northeast Minnesota, Stearns/Benton, and rural Minnesota CEP must with at least one  
168.17 public school district in its service area, cooperate in operating a program to assist high  
168.18 school students in selecting careers of interest to a student and a postsecondary path to  
168.19 prepare for that career. The local workforce council shall individually advise a student on  
168.20 jobs in high demand in areas of interest to a student. Advising must include information  
168.21 on various career paths and associated jobs, the salary profile of those jobs, and the  
168.22 credentials and other training desired by employers for those jobs. A district may assist  
168.23 the local workforce council by, among other activities:

168.24 (1) describing to the local workforce council what kind of vocational exploration the  
168.25 student already received;

168.26 (2) identifying opportunities for the council to assist students by providing office  
168.27 space at school to meet with students, access to assemblies and other groups for testing  
168.28 and career exploration, access to teachers through in-service and in other manners, to  
168.29 support students to use a pilot program; and

168.30 (3) working with students after testing and advising by the local workforce council.

168.31 **ARTICLE 8**

168.32 **MISCELLANEOUS ECONOMIC DEVELOPMENT PROVISIONS**

168.33 Section 1. Minnesota Statutes 2012, section 16B.122, subdivision 2, is amended to read:

- 169.1 Subd. 2. **Purchases; printing.** (a) Whenever practicable, a public entity shall:
- 169.2 (1) purchase uncoated office paper and printing paper;
- 169.3 (2) purchase recycled content paper with at least ten percent postconsumer material
- 169.4 by weight;
- 169.5 (3) purchase paper which has not been dyed with colors, excluding pastel colors;
- 169.6 (4) purchase recycled content paper that is manufactured using little or no chlorine
- 169.7 bleach or chlorine derivatives;
- 169.8 (5) use no more than two colored inks, standard or processed, except in formats
- 169.9 where they are necessary to convey meaning;
- 169.10 (6) use reusable binding materials or staples and bind documents by methods that do
- 169.11 not use glue;
- 169.12 (7) use soy-based inks; ~~and~~
- 169.13 (8) produce reports, publications, and periodicals that are readily recyclable within
- 169.14 the state resource recovery program; and
- 169.15 (9) purchase paper which has been made on a paper machine located in Minnesota.
- 169.16 (b) Paragraph (a), clause (1), does not apply to coated paper that is made with at
- 169.17 least 50 percent postconsumer material.
- 169.18 (c) A public entity shall print documents on both sides of the paper where commonly
- 169.19 accepted publishing practices allow.
- 169.20 (d) Notwithstanding paragraph (a), clause (2), and section 16B.121, copier paper
- 169.21 purchased by a state agency must contain at least ten percent postconsumer material by
- 169.22 fiber content.

169.23 Sec. 2. Minnesota Statutes 2012, section 179.02, is amended by adding a subdivision

169.24 to read:

169.25 Subd. 6. **Grants.** (a) The commissioner of mediation services may make grants

169.26 to private nonprofit entities that assist in resolution of disputes. The commissioner

169.27 shall establish a grant review committee to assist the commissioner in review of grant

169.28 applications under this subdivision.

169.29 (b) To be eligible for a grant under this subdivision, a nonprofit organization must

169.30 meet the requirements of section 494.05, subdivision 1, clauses (1), (2), (4), and (5).

169.31 (c) A grant agreement may include performance-based standards that apply to a

169.32 specified percentage of the potential grant amount. A grant may include a requirement for

169.33 a matching contribution from a nonstate source.

169.34 (d) A nonprofit entity receiving a grant must, as a condition of the grant, agree to

169.35 comply with guidelines adopted by the state court administrator under section 494.015,

170.1 subdivision 1, and with other conditions the commissioner may impose. Sections  
170.2 16B.97 and 16B.98 and policies adopted under those sections apply to grants under this  
170.3 subdivision. The exclusions in section 494.03 apply to grants under this subdivision.

170.4 (e) Grantees must report to the commissioner data required under chapter 494 and  
170.5 additional information required by the commissioner to evaluate quality and outcomes.

170.6 Sec. 3. Minnesota Statutes 2012, section 298.22, subdivision 1, is amended to read:

170.7 Subdivision 1. **The office of the commissioner of Iron Range resources and**  
170.8 **rehabilitation.** (1) The office of the commissioner of Iron Range resources and  
170.9 rehabilitation is created as an agency in the executive branch of state government. The  
170.10 governor shall appoint the commissioner of Iron Range resources and rehabilitation under  
170.11 section 15.06.

170.12 (2) The commissioner may hold other positions or appointments that are not  
170.13 incompatible with duties as commissioner of Iron Range resources and rehabilitation. The  
170.14 commissioner may appoint a deputy commissioner. All expenses of the commissioner,  
170.15 including the payment of staff and other assistance as may be necessary, must be paid  
170.16 out of the amounts appropriated by section 298.28 or otherwise made available by law  
170.17 to the commissioner. Notwithstanding chapters 16A, 16B, and 16C, the commissioner  
170.18 may utilize contracting options available under section 471.345 when the commissioner  
170.19 determines it is in the best interest of the agency. The agency is not subject to sections  
170.20 16E.016 and 16C.05.

170.21 (3) When the commissioner determines that distress and unemployment exists or  
170.22 may exist in the future in any county by reason of the removal of natural resources or  
170.23 a possibly limited use of natural resources in the future and any resulting decrease in  
170.24 employment, the commissioner may use whatever amounts of the appropriation made to  
170.25 the commissioner of revenue in section 298.28 that are determined to be necessary and  
170.26 proper in the development of the remaining resources of the county and in the vocational  
170.27 training and rehabilitation of its residents, except that the amount needed to cover cost  
170.28 overruns awarded to a contractor by an arbitrator in relation to a contract awarded by  
170.29 the commissioner or in effect after July 1, 1985, is appropriated from the general fund.  
170.30 For the purposes of this section, "development of remaining resources" includes, but is  
170.31 not limited to, the promotion of tourism.

170.32 Sec. 4. Minnesota Statutes 2012, section 298.28, subdivision 9b, is amended to read:

170.33 Subd. 9b. **Taconite environmental fund.** Five cents per ton must be paid to the  
170.34 taconite environmental fund for use under section 298.2961, subdivision 4. 0.20 cent per

171.1 ton must be paid to the taconite environmental fund for use under section 298.2961,  
171.2 subdivision 4. 0.20 cent per ton must be paid to the city of Eveleth to be used for the  
171.3 support of the Hockey Hall of Fame, provided that it continues to operate in that city.

171.4 Sec. 5. Minnesota Statutes 2012, section 507.235, subdivision 2, is amended to read:

171.5 Subd. 2. **Penalty for failure to file.** (a) A vendee who fails to record a contract for  
171.6 deed, as required by subdivision 1, is subject to a civil penalty, payable under subdivision  
171.7 5, equal to two percent of the principal amount of the contract debt, unless the vendee  
171.8 has not received a copy of the contract for deed in recordable form, as required under  
171.9 subdivision 1a. Payments of the penalty shall be deposited in the general fund of the  
171.10 county. The penalty may be enforced as a lien against the vendee's interest in the property.

171.11 (b) A person receiving an assignment of a vendee's interest in a contract for deed  
171.12 who fails to record the assignment as required by subdivision 1 is subject to a civil penalty,  
171.13 payable under subdivision 5, equal to two percent of the original principal amount of the  
171.14 contract debt. Payments of the penalty must be deposited in the general fund of the county.  
171.15 The penalty may be enforced as a lien against the vendee's interest in the property.

171.16 Sec. 6. **[559.201] DEFINITIONS.**

171.17 Subdivision 1. **Application.** The definitions in this section apply to section 559.202.

171.18 Subd. 2. **Business day.** "Business day" means any day other than a Saturday,  
171.19 Sunday, or holiday as defined in section 645.44, subdivision 5.

171.20 Subd. 3. **Family farm security loan.** "Family farm security loan" has the meaning  
171.21 given in Minnesota Statutes 2008, section 41.52, subdivision 5.

171.22 Subd. 4. **Multiple seller.** "Multiple seller" means a person that has acted as a seller  
171.23 in four or more contracts for deed involving residential real property during the 12-month  
171.24 period that precedes either: (1) the date on which the purchaser executes a purchase  
171.25 agreement under section 559.202; or (2) if there is no purchase agreement, the date on  
171.26 which the purchaser executes a contract for deed under section 559.202. A contract for  
171.27 deed transaction that is exempt under section 559.202, subdivision 2, is a contract for deed  
171.28 for the purposes of determining whether a seller is a multiple seller.

171.29 Subd. 5. **Person.** "Person" means a natural person, partnership, corporation, limited  
171.30 liability company, association, trust, or other legal entity, however organized.

171.31 Subd. 6. **Purchase agreement.** "Purchase agreement" means a purchase agreement  
171.32 for a contract for deed, an earnest money contract, or an executed option contemplating  
171.33 that, at closing, the seller and the purchaser will enter into a contract for deed.

172.1 Subd. 7. **Purchaser.** "Purchaser" means a natural person who enters into a contract  
 172.2 for deed to purchase residential real property. Purchaser includes all purchasers who enter  
 172.3 into the same contract for deed to purchase residential real property.

172.4 Subd. 8. **Residential real property.** "Residential real property" means real property  
 172.5 consisting of one to four family dwelling units, one of which the purchaser intends to  
 172.6 occupy as the purchaser's principal place of residence. Residential real property does  
 172.7 not include property subject to a family farm security loan or a transaction subject to  
 172.8 sections 583.20 to 583.32.

172.9 Sec. 7. **[559.202] CONTRACTS FOR DEED INVOLVING RESIDENTIAL**  
 172.10 **PROPERTY.**

172.11 Subdivision 1. **Notice required.** (a) In addition to the disclosures required under  
 172.12 sections 513.52 to 513.60, a multiple seller must deliver the notice specified under  
 172.13 subdivision 3 to a prospective purchaser as provided under this subdivision.

172.14 (b) If there is a purchase agreement, the notice must be affixed to the front of  
 172.15 the purchase agreement. A contract for deed for which notice is required under this  
 172.16 subdivision may not be executed for five business days following the execution of the  
 172.17 purchase agreement and delivery of the notice and instructions for cancellation.

172.18 (c) If there is no purchase agreement, a multiple seller must deliver the notice in a  
 172.19 document separate from any other document or writing to a prospective purchaser no less  
 172.20 than five business days before the prospective purchaser executes the contract for deed.

172.21 (d) The notice must be:

172.22 (1) written in at least 12-point type; and

172.23 (2) signed and dated by the purchaser.

172.24 (e) If a dispute arises concerning whether or when the notice required by this  
 172.25 subdivision was provided to the purchaser, there is a rebuttable presumption that the notice  
 172.26 was not provided unless the original executed contract for deed contains the following  
 172.27 statement, initialed by the purchaser: "By initialing here ..... purchaser acknowledges  
 172.28 receipt at least five business days before signing this contract for deed of the disclosure  
 172.29 statement entitled "Important Information About Contracts for Deed" required by  
 172.30 Minnesota Statutes, section 559.202, subdivision 3."

172.31 Subd. 2. **Exception.** This section does not apply if the purchaser is represented  
 172.32 throughout the transaction by either:

172.33 (1) a person licensed to practice law in this state; or

173.1 (2) a person licensed as a real estate broker or salesperson under chapter 82,  
 173.2 provided that the representation does not create a dual agency, as that term is defined  
 173.3 in section 82.55, subdivision 6.

173.4 Subd. 3. **Content of the notice.** The notice must contain the following verbatim  
 173.5 language:

173.6 **"IMPORTANT INFORMATION ABOUT CONTRACTS FOR DEED**

173.7 **Know What You Are Getting Into**

173.8 (1) A contract for deed is a complex legal agreement. You are NOT a tenant. Mortgage  
 173.9 foreclosure laws don't apply.

173.10 (2) You should know ALL of your obligations and rights before you sign a purchase  
 173.11 agreement or contract for deed.

173.12 (3) You (seller must circle one):

173.13 (a) DO DO NOT have to pay homeowner's insurance.

173.14 (b) DO DO NOT have to pay property taxes.

173.15 (c) DO DO NOT have to make and pay for some or all of the repairs or  
 173.16 maintenance, as described in the contract for deed.

173.17 (4) After some time, you may need to make a large lump sum payment (called a "balloon  
 173.18 payment"). Know when it is due and how much it will be. You'll probably need to get a  
 173.19 new mortgage, another financial arrangement, or pay for the balance in cash at that time.

173.20 (5) If you miss just a single payment or can't make the balloon payment, the seller can  
 173.21 cancel your contract. You will likely lose all the money you have already paid. You will  
 173.22 likely lose your ability to purchase the home. The seller can begin an eviction action  
 173.23 against you in just a few months.

173.24 (6) Within four months of signing the contract for deed, you must "record" it in the office  
 173.25 of the county recorder or registrar of titles in the county in which the property is located.

173.26 If you do not do so, you could face a fine.

173.27 **Key Things Highly Recommended Before You Sign**

173.28 (1) Get advice from a lawyer or the Minnesota Home Ownership Center at 1-866-462-6466  
 173.29 or go to [www.hocmn.org](http://www.hocmn.org). To find a lawyer through the Minnesota State Bar Association,  
 173.30 go to [www.mnfindalawyer.com](http://www.mnfindalawyer.com).

173.31 (2) Get an independent, professional appraisal of the property to learn what it is worth.

173.32 (3) Get an independent, professional inspection of the property.

173.33 (4) Buy title insurance or ask a real estate lawyer for a "title opinion."

174.1 (5) Check with the city or county to find out if there are inspection reports or unpaid  
 174.2 utility bills.

174.3 (6) Check with a title company or the county where the property is located to find out if  
 174.4 there is a mortgage or other lien on the property and if the property taxes have been paid.

174.5 (7) Ensure that your interest rate does not exceed the maximum allowed by law by calling  
 174.6 the Department of Commerce at 651-297-7053 to get a recorded message for the current  
 174.7 month's maximum rate.

174.8 **If You Are Entering into a Purchase Agreement**

174.9 (1) If you haven't already signed the contract for deed, you can cancel the purchase  
 174.10 agreement (and get all your money back) if you do so within five business days after  
 174.11 getting this notice.

174.12 (2) To cancel the purchase agreement, you must follow the provisions of Minnesota  
 174.13 Statutes, section 559.217, subdivision 4. Ask a lawyer for help."

174.14 Subd. 4. **Right to cancel purchase agreement.** (a) A prospective purchaser may  
 174.15 cancel a purchase agreement within five business days after actually receiving the notice  
 174.16 required under subdivision 1 if a multiple seller fails to timely deliver the notice, provided  
 174.17 that the contract for deed has not been executed by all parties.

174.18 (b) A prospective purchaser may cancel the purchase agreement in accordance with  
 174.19 the provisions of section 559.217, subdivision 4.

174.20 (c) In the event of cancellation, the multiple seller may not impose a penalty and must  
 174.21 promptly refund all payments made by the prospective purchaser prior to cancellation.

174.22 Subd. 5. **Remedies for failure to timely deliver notices.** (a) Notwithstanding  
 174.23 any contrary provision in the purchase agreement or contract for deed, a purchaser has  
 174.24 a private right of action against a multiple seller who fails to timely deliver the notice  
 174.25 required under subdivision 1. The multiple seller is liable to the purchaser for:

174.26 (1) the greater of actual damages or statutory damages of \$2,500; and

174.27 (2) reasonable attorney fees and court costs.

174.28 (b) A multiple seller who knowingly fails to timely deliver the notice required  
 174.29 under subdivision 1 is liable to the purchaser for triple the actual or statutory damages  
 174.30 available under paragraph (a), whichever is greater, provided that the purchaser must elect  
 174.31 the remedy provided under either paragraph (a) or this paragraph and may not recover  
 174.32 damages under both paragraphs.

174.33 (c) The rights and remedies provided in this subdivision are cumulative to, and not  
 174.34 a limitation of, any other rights and remedies provided under law. An action brought

175.1 pursuant to this subdivision must be commenced within four years from the date of the  
175.2 alleged violation.

175.3 Subd. 6. **Effects of violation.** A violation of this section has no effect on the  
175.4 validity of the contract.

175.5 Subd. 7. **Duty of multiple seller to account.** Upon reasonable request by the  
175.6 purchaser and no more than once every 12-month period, a multiple seller must provide an  
175.7 accounting of all payments made pursuant to the contract for deed, the amount of interest  
175.8 paid, and the amount remaining to satisfy the principal balance under the contract.

175.9 Subd. 8. **No waiver.** The provisions of this section may not be waived.

175.10 **EFFECTIVE DATE.** This section is effective August 1, 2013, and applies to  
175.11 transactions in which the contract for deed and the purchase agreement for the contract  
175.12 for deed, if any, were both executed on or after that date.

175.13 Sec. 8. Minnesota Statutes 2012, section 559.211, subdivision 2, is amended to read:

175.14 Subd. 2. **Remedies additional.** The remedies provided in this section are in  
175.15 addition to and do not limit other rights or remedies available to purchasers or vendors of  
175.16 real estate. Subject to the provisions of sections 559.213 and 559.217, subdivision 7, this  
175.17 section shall not be construed to bar a court from determining the validity, effectiveness,  
175.18 or consequences of proceeding under section 559.21 or 559.217, or granting other relief in  
175.19 connection therewith, by reason of the failure of a purchaser to seek or obtain relief under  
175.20 this section prior to the purported effective date of the termination of the contract.

175.21 Sec. 9. **2013 DISTRIBUTION ONLY.**

175.22 For the 2013 distribution, a special fund is established to receive 28.6 cents per ton  
175.23 of the amount that otherwise would be distributed under Minnesota Statutes, section  
175.24 298.28, subdivision 6. The following amounts are allocated to St. Louis County acting as  
175.25 the fiscal agent for the recipients for the specific purposes:

175.26 (1) 5.1 cents per ton to the city of Hibbing for improvements to the city's water  
175.27 supply system;

175.28 (2) 4.3 cents per ton to the city of Mountain Iron for the cost of moving utilities  
175.29 required as a result of actions undertaken by United States Steel Corporation;

175.30 (3) 2.5 cents per ton to the city of Biwabik for improvements to the city's water supply  
175.31 system payable upon agreement with ArcelorMittal to satisfy water permit conditions;

175.32 (4) 2.5 cents per ton to the city of Tower for the Tower Marina;

175.33 (5) 2.5 cents per ton to the city of Grand Rapids for an eco-friendly heat transfer  
175.34 system to replace aging effluent lines and for parking lot repaving;

176.1 (6) 2.4 cents per ton to the city of Two Harbors for wastewater treatment plant  
 176.2 improvements;

176.3 (7) 0.9 cents per ton to the city of Ely for the sanitary sewer replacements project;

176.4 (8) 0.5 cents per ton to the town of Crystal Bay for construction of the Claire Nelson  
 176.5 transmodal facility;

176.6 (9) 0.5 cents per ton to the Greenway Joint Recreation Board for the Coleraine  
 176.7 Hockey Arena renovation;

176.8 (10) 1.2 cents per ton for the West Range Regional Fire Hall and Training Center  
 176.9 to merge the existing fire services of Coleraine, Bovey, Taconite Marble, Calumet, and  
 176.10 Greenway Township;

176.11 (11) 2.5 cents per ton to the city of Hibbing for the Memorial Building;

176.12 (12) 0.7 cents per ton to the city of Chisholm for Center Drive;

176.13 (13) 2.1 cents per ton to the Crane Lake Water and Sanitary District for sanitary  
 176.14 sewer extension and must be matched; and

176.15 (14) 2.5 cents per ton for the city of Buhl for the roof on the Mesabi Academy.

176.16 **EFFECTIVE DATE.** This section is effective for the 2013 distribution, all of which  
 176.17 must be made in the August 2013 payment.

176.18 Sec. 10. **ST. PAUL RIVERCENTRE ARENA.**

176.19 Notwithstanding Laws 1998, chapter 404, section 23, subdivision 6, as amended  
 176.20 by Laws 2002, chapter 220, Article 10, section 35, the repayment amounts due from the  
 176.21 city of St. Paul in fiscal years 2014 and 2015 shall be reduced by \$500,000 each year. No  
 176.22 repayments are required from the city of St. Paul from fiscal years 2016 through 2021.  
 176.23 Amounts scheduled to be repaid in fiscal years 2016 through 2021 must be used solely  
 176.24 to pay for or finance design, construction, or equipment to make arena improvements  
 176.25 according to a project list mutually agreed to between the lessee and the city of St. Paul's  
 176.26 lease representative.

176.27 Sec. 11. **REPEALER.**

176.28 Minnesota Statutes 2012, sections 116W.01; 116W.02; 116W.03; 116W.035;  
 176.29 116W.04; 116W.05; 116W.06; 116W.20; 116W.21; 116W.23; 116W.24; 116W.25;  
 176.30 116W.26; 116W.27; 116W.28; 116W.29; 116W.30; 116W.31; 116W.32; 116W.33;  
 176.31 116W.34; and 507.235, subdivision 4, are repealed, effective the day following final  
 176.32 enactment.

177.1 **ARTICLE 9**177.2 **SANITARY DISTRICTS**

177.3 Section 1. Minnesota Statutes 2012, section 275.066, is amended to read:

177.4 **275.066 SPECIAL TAXING DISTRICTS; DEFINITION.**

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

- 177.7 (1) watershed districts under chapter 103D;
- 177.8 (2) sanitary districts under sections ~~115.18 to 115.37~~ 442A.01 to 442A.29;
- 177.9 (3) regional sanitary sewer districts under sections 115.61 to 115.67;
- 177.10 (4) regional public library districts under section 134.201;
- 177.11 (5) park districts under chapter 398;
- 177.12 (6) regional railroad authorities under chapter 398A;
- 177.13 (7) hospital districts under sections 447.31 to 447.38;
- 177.14 (8) St. Cloud Metropolitan Transit Commission under sections 458A.01 to 458A.15;
- 177.15 (9) Duluth Transit Authority under sections 458A.21 to 458A.37;
- 177.16 (10) regional development commissions under sections 462.381 to 462.398;
- 177.17 (11) housing and redevelopment authorities under sections 469.001 to 469.047;
- 177.18 (12) port authorities under sections 469.048 to 469.068;
- 177.19 (13) economic development authorities under sections 469.090 to 469.1081;
- 177.20 (14) Metropolitan Council under sections 473.123 to 473.549;
- 177.21 (15) Metropolitan Airports Commission under sections 473.601 to 473.680;
- 177.22 (16) Metropolitan Mosquito Control Commission under sections 473.701 to 473.716;
- 177.23 (17) Morrison County Rural Development Financing Authority under Laws 1982,  
177.24 chapter 437, section 1;
- 177.25 (18) Croft Historical Park District under Laws 1984, chapter 502, article 13, section 6;
- 177.26 (19) East Lake County Medical Clinic District under Laws 1989, chapter 211,  
177.27 sections 1 to 6;
- 177.28 (20) Floodwood Area Ambulance District under Laws 1993, chapter 375, article  
177.29 5, section 39;
- 177.30 (21) Middle Mississippi River Watershed Management Organization under sections  
177.31 103B.211 and 103B.241;
- 177.32 (22) emergency medical services special taxing districts under section 144F.01;
- 177.33 (23) a county levying under the authority of section 103B.241, 103B.245, or  
177.34 103B.251;

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

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

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

178.7 Sec. 2. **[442A.01] DEFINITIONS.**

178.8 **Subdivision 1. Applicability.** For the purposes of this chapter, the terms defined  
178.9 in this section have the meanings given.

178.10 **Subd. 2. Chief administrative law judge.** "Chief administrative law judge" means  
178.11 the chief administrative law judge of the Office of Administrative Hearings or the delegate  
178.12 of the chief administrative law judge under section 14.48.

178.13 **Subd. 3. District.** "District" means a sanitary district created under this chapter or  
178.14 under Minnesota Statutes 2012, sections 115.18 to 115.37.

178.15 **Subd. 4. Municipality.** "Municipality" means a city, however organized.

178.16 **Subd. 5. Property owner.** "Property owner" means the fee owner of land, or the  
178.17 beneficial owner of land whose interest is primarily one of possession and enjoyment.  
178.18 Property owner includes, but is not limited to, vendees under a contract for deed and  
178.19 mortgagors. Any reference to a percentage of property owners means in number.

178.20 **Subd. 6. Related governing body.** "Related governing body" means the governing  
178.21 body of a related governmental subdivision and, in the case of an organized town, means  
178.22 the town board.

178.23 **Subd. 7. Related governmental subdivision.** "Related governmental subdivision"  
178.24 means a municipality or organized town wherein there is a territorial unit of a district or, in  
178.25 the case of an unorganized area, the county.

178.26 **Subd. 8. Territorial unit.** "Territorial unit" means all that part of a district situated  
178.27 within a single municipality, within a single organized town outside of a municipality, or,  
178.28 in the case of an unorganized area, within a single county.

178.29 Sec. 3. **[442A.015] APPLICABILITY.**

178.30 **All new sanitary district formations proposed and all sanitary districts previously**  
178.31 **formed under Minnesota Statutes 2012, sections 115.18 to 115.37, must comply with this**  
178.32 **chapter, including annexations to, detachments from, and resolutions of sanitary districts**  
178.33 **previously formed under Minnesota Statutes 2012, sections 115.18 to 115.37.**

179.1 Sec. 4. **[442A.02] SANITARY DISTRICTS; PROCEDURES AND AUTHORITY.**

179.2 **Subdivision 1. Duty of chief administrative law judge.** The chief administrative  
179.3 law judge shall conduct proceedings, make determinations, and issue orders for the  
179.4 creation of a sanitary district formed under this chapter or the annexation, detachment,  
179.5 or dissolution of a sanitary district previously formed under Minnesota Statutes 2012,  
179.6 sections 115.18 to 115.37.

179.7 **Subd. 2. Consolidation of proceedings.** The chief administrative law judge may  
179.8 order the consolidation of separate proceedings in the interest of economy and expedience.

179.9 **Subd. 3. Contracts, consultants.** The chief administrative law judge may contract  
179.10 with regional, state, county, or local planning commissions and hire expert consultants to  
179.11 provide specialized information and assistance.

179.12 **Subd. 4. Powers of conductor of proceedings.** Any person conducting a  
179.13 proceeding under this chapter may administer oaths and affirmations; receive testimony  
179.14 of witnesses, and the production of papers, books, and documents; examine witnesses;  
179.15 and receive and report evidence. Upon the written request of a presiding administrative  
179.16 law judge or a party, the chief administrative law judge may issue a subpoena for the  
179.17 attendance of a witness or the production of books, papers, records, or other documents  
179.18 material to any proceeding under this chapter. The subpoena is enforceable through the  
179.19 district court in the district in which the subpoena is issued.

179.20 **Subd. 5. Rulemaking authority.** The chief administrative law judge may adopt  
179.21 rules that are reasonably necessary to carry out the duties and powers imposed upon the  
179.22 chief administrative law judge under this chapter. The chief administrative law judge may  
179.23 initially adopt rules according to section 14.386. Notwithstanding section 16A.1283, the  
179.24 chief administrative law judge may adopt rules establishing fees.

179.25 **Subd. 6. Schedule of filing fees.** The chief administrative law judge may prescribe  
179.26 by rule a schedule of filing fees for any petitions filed under this chapter.

179.27 **Subd. 7. Request for hearing transcripts; costs.** Any party may request the chief  
179.28 administrative law judge to cause a transcript of the hearing to be made. Any party  
179.29 requesting a copy of the transcript is responsible for its costs.

179.30 **Subd. 8. Compelled meetings; report.** (a) In any proceeding under this chapter,  
179.31 the chief administrative law judge or conductor of the proceeding may at any time in the  
179.32 process require representatives from any petitioner, property owner, or involved city, town,  
179.33 county, political subdivision, or other governmental entity to meet together to discuss  
179.34 resolution of issues raised by the petition or order that confers jurisdiction on the chief  
179.35 administrative law judge and other issues of mutual concern. The chief administrative  
179.36 law judge or conductor of the proceeding may determine which entities are required

180.1 to participate in these discussions. The chief administrative law judge or conductor of  
180.2 the proceeding may require that the parties meet at least three times during a 60-day  
180.3 period. The parties shall designate a person to report to the chief administrative law  
180.4 judge or conductor of the proceeding on the results of the meetings immediately after the  
180.5 last meeting. The parties may be granted additional time at the discretion of the chief  
180.6 administrative law judge or conductor of the proceedings.

180.7 (b) Any proposed resolution or settlement of contested issues that results in a  
180.8 sanitary district formation, annexation, detachment, or dissolution; places conditions on  
180.9 any future sanitary district formation, annexation, detachment, or dissolution; or results in  
180.10 the withdrawal of an objection to a pending proceeding or the withdrawal of a pending  
180.11 proceeding must be filed with the chief administrative law judge and is subject to the  
180.12 applicable procedures and statutory criteria of this chapter.

180.13 Subd. 9. **Data from state agencies.** The chief administrative law judge may  
180.14 request boundary-related information that is otherwise classified as public data from any  
180.15 state department or agency to assist in carrying out the chief administrative law judge's  
180.16 duties under this chapter. The department or agency shall promptly furnish the requested  
180.17 information.

180.18 Subd. 10. **Permanent official record.** The chief administrative law judge shall  
180.19 provide information about sanitary district creations, annexations, detachments, and  
180.20 dissolutions to the Minnesota Pollution Control Agency. The Minnesota Pollution Control  
180.21 Agency is responsible for maintaining the official record, including all documentation  
180.22 related to the processes.

180.23 Subd. 11. **Shared program costs and fee revenue.** The chief administrative  
180.24 law judge and the Minnesota Pollution Control Agency shall agree on an amount to be  
180.25 transferred from the Minnesota Pollution Control Agency to the chief administrative law  
180.26 judge to pay for administration of this chapter, including publication and notification costs.  
180.27 Sanitary district fees collected by the chief administrative law judge shall be deposited in  
180.28 the environmental fund.

180.29 **EFFECTIVE DATE.** Subdivision 5 is effective the day following final enactment.

180.30 Sec. 5. **[442A.03] FILING OF MAPS IN SANITARY DISTRICT PROCEEDINGS.**

180.31 Any party initiating a sanitary district proceeding that includes platted land shall file  
180.32 with the chief administrative law judge maps which are necessary to support and identify  
180.33 the land description. The maps shall include copies of plats.

180.34 Sec. 6. **[442A.04] SANITARY DISTRICT CREATION.**

181.1 Subdivision 1. **Sanitary district creation.** (a) A sanitary district may be created  
181.2 under this chapter for any territory embracing an area or a group of two or more adjacent  
181.3 areas, whether contiguous or separate, but not situated entirely within the limits of a  
181.4 single municipality. The proposed sanitary district must promote the public health and  
181.5 welfare by providing an adequate and efficient system and means of collecting, conveying,  
181.6 pumping, treating, and disposing of domestic sewage and garbage and industrial wastes  
181.7 within the district. When the chief administrative law judge or the Minnesota Pollution  
181.8 Control Agency finds that there is need throughout the territory for the accomplishment  
181.9 of these purposes; that these purposes can be effectively accomplished on an equitable  
181.10 basis by a district if created; and that the creation and maintenance of a district will be  
181.11 administratively feasible and in furtherance of the public health, safety, and welfare, the  
181.12 chief administrative law judge shall make an order creating the sanitary district. A sanitary  
181.13 district is administratively feasible under this section if the district has the financial and  
181.14 managerial resources needed to deliver adequate and efficient sanitary sewer services  
181.15 within the proposed district.

181.16 (b) Notwithstanding paragraph (a), no district shall be created within 25 miles of the  
181.17 boundary of any city of the first class without the approval of the governing body thereof  
181.18 and the approval of the governing body of each and every municipality in the proposed  
181.19 district by resolution filed with the chief administrative law judge.

181.20 (c) If the chief administrative law judge and the Minnesota Pollution Control Agency  
181.21 disagree on the need to create a sanitary district, they must determine whether not allowing  
181.22 the sanitary district formation will have a detrimental effect on the environment. If it is  
181.23 determined that the sanitary district formation will prevent environmental harm, the sanitary  
181.24 district creation or connection to an existing wastewater treatment system must occur.

181.25 Subd. 2. **Proceeding to create sanitary district.** (a) A proceeding for the creation  
181.26 of a district may be initiated by a petition to the chief administrative law judge containing  
181.27 the following:

181.28 (1) a request for creation of the proposed district;

181.29 (2) the name proposed for the district, to include the words "sanitary district";

181.30 (3) a legal description of the territory of the proposed district, including justification  
181.31 for inclusion or exclusion for all parcels;

181.32 (4) addresses of every property owner within the proposed district boundaries as  
181.33 provided by the county auditor, with certification from the county auditor; two sets of  
181.34 address labels for said owners; and a list of e-mail addresses for said owners, if available;

181.35 (5) a statement showing the existence in the territory of the conditions requisite for  
181.36 creation of a district as prescribed in subdivision 1;

182.1 (6) a statement of the territorial units represented by and the qualifications of the  
182.2 respective signers; and

182.3 (7) the post office address of each signer, given under the signer's signature.

182.4 A petition may consist of separate writings of like effect, each signed by one or more  
182.5 qualified persons, and all such writings, when filed, shall be considered together as a  
182.6 single petition.

182.7 (b) Petitioners must conduct and pay for a public meeting to inform citizens of the  
182.8 proposed creation of the district. At the meeting, information must be provided, including  
182.9 a description of the district's proposed structure, bylaws, territory, ordinances, budget, and  
182.10 charges and a description of the territory of the proposed district, including justification  
182.11 for inclusion or exclusion for all parcels. Notice of the meeting must be published for two  
182.12 successive weeks in a qualified newspaper, as defined under chapter 331A, published  
182.13 within the territory of the proposed district or, if there is no qualified newspaper published  
182.14 within the territory, in a qualified newspaper of general circulation in the territory, and  
182.15 must be posted for two weeks in each territorial unit of the proposed district and on the  
182.16 Web site of the proposed district, if one exists. Notice of the meeting must be mailed or  
182.17 e-mailed at least three weeks prior to the meeting to all property tax billing addresses for  
182.18 all parcels included in the proposed district. The following must be submitted to the chief  
182.19 administrative law judge with the petition:

182.20 (1) a record of the meeting, including copies of all information provided at the  
182.21 meeting;

182.22 (2) a copy of the mailing list provided by the county auditor and used to notify  
182.23 property owners of the meeting;

182.24 (3) a copy of the e-mail list used to notify property owners of the meeting;

182.25 (4) the printer's affidavit of publication of public meeting notice;

182.26 (5) an affidavit of posting the public meeting notice with information on dates and  
182.27 locations of posting; and

182.28 (6) the minutes or other record of the public meeting documenting that the following  
182.29 topics were discussed: printer's affidavit of publication of each resolution, with a copy  
182.30 of the resolution from the newspaper attached; and the affidavit of resolution posting  
182.31 on the town or proposed district Web site.

182.32 (c) Every petition must be signed as follows:

182.33 (1) for each municipality wherein there is a territorial unit of the proposed district,  
182.34 by an authorized officer pursuant to a resolution of the municipal governing body;

182.35 (2) for each organized town wherein there is a territorial unit of the proposed district,  
182.36 by an authorized officer pursuant to a resolution of the town board;

183.1 (3) for each county wherein there is a territorial unit of the proposed district consisting  
183.2 of an unorganized area, by an authorized officer pursuant to a resolution of the county  
183.3 board or by at least 20 percent of the voters residing and owning land within the unit.

183.4 (d) Each resolution must be published in the official newspaper of the governing  
183.5 body adopting it and becomes effective 40 days after publication, unless within said  
183.6 period there shall be filed with the governing body a petition signed by qualified electors  
183.7 of a territorial unit of the proposed district, equal in number to five percent of the number  
183.8 of electors voting at the last preceding election of the governing body, requesting a  
183.9 referendum on the resolution, in which case the resolution may not become effective until  
183.10 approved by a majority of the qualified electors voting at a regular election or special  
183.11 election that the governing body may call. The notice of an election and the ballot to be  
183.12 used must contain the text of the resolution followed by the question: "Shall the above  
183.13 resolution be approved?"

183.14 (e) If any signer is alleged to be a landowner in a territorial unit, a statement as to  
183.15 the signer's landowner status as shown by the county auditor's tax assessment records,  
183.16 certified by the auditor, shall be attached to or endorsed upon the petition.

183.17 (f) At any time before publication of the public notice required in subdivision 3,  
183.18 additional signatures may be added to the petition or amendments of the petition may  
183.19 be made to correct or remedy any error or defect in signature or otherwise except a  
183.20 material error or defect in the description of the territory of the proposed district. If the  
183.21 qualifications of any signer of a petition are challenged, the chief administrative law judge  
183.22 shall determine the challenge forthwith on the allegations of the petition, the county  
183.23 auditor's certificate of land ownership, and such other evidence as may be received.

183.24 Subd. 3. **Notice of intent to create sanitary district.** (a) Upon receipt of a petition  
183.25 and the record of the public meeting required under subdivision 2, the chief administrative  
183.26 law judge shall publish a notice of intent to create the proposed sanitary district in the State  
183.27 Register and mail or e-mail information of that publication to each property owner in the  
183.28 affected territory at the owner's address as given by the county auditor. The information  
183.29 must state the date that the notice will appear in the State Register and give the Web site  
183.30 location for the State Register. The notice must:

183.31 (1) describe the petition for creation of the district;

183.32 (2) describe the territory affected by the petition;

183.33 (3) allow 30 days for submission of written comments on the petition;

183.34 (4) state that a person who objects to the petition may submit a written request for  
183.35 hearing to the chief administrative law judge within 30 days of the publication of the  
183.36 notice in the State Register; and

184.1 (5) state that if a timely request for hearing is not received, the chief administrative  
184.2 law judge may make a decision on the petition.

184.3 (b) If 50 or more individual timely requests for hearing are received, the chief  
184.4 administrative law judge must hold a hearing on the petition according to the contested  
184.5 case provisions of chapter 14. The sanitary district proposers are responsible for paying all  
184.6 costs involved in publicizing and holding a hearing on the petition.

184.7 Subd. 4. **Hearing time, place.** If a hearing is required pursuant to subdivision 3, the  
184.8 chief administrative law judge shall designate a time and place for a hearing according  
184.9 to section 442A.13.

184.10 Subd. 5. **Relevant factors.** (a) In arriving at a decision, the chief administrative law  
184.11 judge shall consider the following factors:

184.12 (1) administrative feasibility under subdivision 1, paragraph (a);

184.13 (2) public health, safety, and welfare impacts;

184.14 (3) alternatives for managing the public health impacts;

184.15 (4) equities of the petition proposal;

184.16 (5) contours of the petition proposal; and

184.17 (6) public notification of and interaction on the petition proposal.

184.18 (b) Based on the factors in paragraph (a), the chief administrative law judge may  
184.19 order the sanitary district creation on finding that:

184.20 (1) the proposed district is administratively feasible;

184.21 (2) the proposed district provides a long-term, equitable solution to pollution  
184.22 problems affecting public health, safety, and welfare;

184.23 (3) property owners within the proposed district were provided notice of the  
184.24 proposed district and opportunity to comment on the petition proposal; and

184.25 (4) the petition complied with the requirements of all applicable statutes and rules  
184.26 pertaining to sanitary district creation.

184.27 (c) The chief administrative law judge may alter the boundaries of the proposed  
184.28 sanitary district by increasing or decreasing the area to be included or may exclude  
184.29 property that may be better served by another unit of government. The chief administrative  
184.30 law judge may also alter the boundaries of the proposed district so as to follow visible,  
184.31 clearly recognizable physical features for municipal boundaries.

184.32 (d) The chief administrative law judge may deny sanitary district creation if the area,  
184.33 or a part thereof, would be better served by an alternative method.

184.34 (e) In all cases, the chief administrative law judge shall set forth the factors that are  
184.35 the basis for the decision.

185.1 Subd. 6. **Findings; order.** After the public notice period or the public hearing, if  
185.2 required under subdivision 3, and based on the petition, any public comments received,  
185.3 and, if a hearing was held, the hearing record, the chief administrative law judge shall  
185.4 make findings of fact and conclusions determining whether the conditions requisite for the  
185.5 creation of a district exist in the territory described in the petition. If the chief administrative  
185.6 law judge finds that the conditions exist, the judge may make an order creating a district  
185.7 for the territory described in that petition under the name proposed in the petition or such  
185.8 other name, including the words "sanitary district," as the judge deems appropriate.

185.9 Subd. 7. **Denial of petition.** If the chief administrative law judge, after conclusion  
185.10 of the public notice period or holding a hearing, if required, determines that the creation of  
185.11 a district in the territory described in the petition is not warranted, the judge shall make  
185.12 an order denying the petition. The chief administrative law judge shall give notice of the  
185.13 denial by mail or e-mail to each signer of the petition. No petition for the creation of a  
185.14 district consisting of the same territory shall be entertained within a year after the date of  
185.15 an order under this subdivision. Nothing in this subdivision precludes action on a petition  
185.16 for the creation of a district embracing part of the territory with or without other territory.

185.17 Subd. 8. **Notice of order creating sanitary district.** The chief administrative law  
185.18 judge shall publish a notice in the State Register of the final order creating a sanitary  
185.19 district, referring to the date of the order and describing the territory of the district, and  
185.20 shall mail or e-mail information of the publication to each property owner in the affected  
185.21 territory at the owner's address as given by the county auditor. The information must state  
185.22 the date that the notice will appear in the State Register and give the Web site location  
185.23 for the State Register. The notice must:

- 185.24 (1) describe the petition for creation of the district;  
185.25 (2) describe the territory affected by the petition; and  
185.26 (3) state that a certified copy of the order shall be delivered to the secretary of state  
185.27 for filing ten days after public notice of the order in the State Register.

185.28 Subd. 9. **Filing.** Ten days after public notice of the order in the State Register, the  
185.29 chief administrative law judge shall deliver a certified copy of the order to the secretary  
185.30 of state for filing. Thereupon, the creation of the district is deemed complete, and it  
185.31 shall be conclusively presumed that all requirements of law relating thereto have been  
185.32 complied with. The chief administrative law judge shall also transmit a certified copy of  
185.33 the order for filing to the county auditor of each county and the clerk or recorder of each  
185.34 municipality and organized town wherein any part of the territory of the district is situated  
185.35 and to the secretary of the district board when elected.

186.1 Sec. 7. **[442A.05] SANITARY DISTRICT ANNEXATION.**

186.2 Subdivision 1. **Annexation.** (a) A sanitary district annexation may occur under  
186.3 this chapter for any area adjacent to an existing district upon a petition to the chief  
186.4 administrative law judge stating the grounds therefor as provided in this section.

186.5 (b) The proposed annexation area must embrace an area or a group of two or more  
186.6 adjacent areas, whether contiguous or separate, but not situated entirely within the limits  
186.7 of a single municipality. The proposed annexation must promote public health and  
186.8 welfare by providing an adequate and efficient system and means of collecting, conveying,  
186.9 pumping, treating, and disposing of domestic sewage and garbage and industrial wastes  
186.10 within the district. When the chief administrative law judge or the Minnesota Pollution  
186.11 Control Agency finds that there is need throughout the territory for the accomplishment of  
186.12 these purposes, that these purposes can be effectively accomplished on an equitable basis  
186.13 by annexation to a district, and that the creation and maintenance of such annexation will  
186.14 be administratively feasible and in furtherance of the public health, safety, and welfare,  
186.15 the chief administrative law judge shall make an order for sanitary district annexation. An  
186.16 annexation is administratively feasible under this section if the district has the financial  
186.17 and managerial resources needed to deliver adequate and efficient sanitary sewer services  
186.18 within the proposed annexation.

186.19 (c) Notwithstanding paragraph (b), no annexation to a district shall be approved  
186.20 within 25 miles of the boundary of any city of the first class without the approval  
186.21 of the governing body thereof and the approval of the governing body of each and  
186.22 every municipality in the proposed annexation area by resolution filed with the chief  
186.23 administrative law judge.

186.24 (d) If the chief administrative law judge and the Minnesota Pollution Control Agency  
186.25 disagree on the need for a sanitary district annexation, they must determine whether not  
186.26 allowing the sanitary district annexation will have a detrimental effect on the environment.  
186.27 If it is determined that the sanitary district annexation will prevent environmental harm,  
186.28 the sanitary district annexation or connection to an existing wastewater treatment system  
186.29 must occur.

186.30 Subd. 2. **Proceeding for annexation.** (a) A proceeding for sanitary district  
186.31 annexation may be initiated by a petition to the chief administrative law judge containing  
186.32 the following:

186.33 (1) a request for proposed annexation to a sanitary district;

186.34 (2) a legal description of the territory of the proposed annexation, including  
186.35 justification for inclusion or exclusion for all parcels;

187.1 (3) addresses of every property owner within the existing sanitary district and  
187.2 proposed annexation area boundaries as provided by the county auditor, with certification  
187.3 from the county auditor; two sets of address labels for said owners; and a list of e-mail  
187.4 addresses for said owners, if available;

187.5 (4) a statement showing the existence in such territory of the conditions requisite  
187.6 for annexation to a district as prescribed in subdivision 1;

187.7 (5) a statement of the territorial units represented by and qualifications of the  
187.8 respective signers; and

187.9 (6) the post office address of each signer, given under the signer's signature.

187.10 A petition may consist of separate writings of like effect, each signed by one or more  
187.11 qualified persons, and all such writings, when filed, shall be considered together as a  
187.12 single petition.

187.13 (b) Petitioners must conduct and pay for a public meeting to inform citizens of the  
187.14 proposed annexation to a sanitary district. At the meeting, information must be provided,  
187.15 including a description of the existing sanitary district's structure, bylaws, territory,  
187.16 ordinances, budget, and charges; a description of the existing sanitary district's territory;  
187.17 and a description of the territory of the proposed annexation area, including justification  
187.18 for inclusion or exclusion for all parcels for the annexation area. Notice of the meeting  
187.19 must be published for two successive weeks in a qualified newspaper, as defined under  
187.20 chapter 331A, published within the territories of the existing sanitary district and proposed  
187.21 annexation area or, if there is no qualified newspaper published within those territories, in  
187.22 a qualified newspaper of general circulation in the territories, and must be posted for two  
187.23 weeks in each territorial unit of the existing sanitary district and proposed annexation area  
187.24 and on the Web site of the existing sanitary district, if one exists. Notice of the meeting  
187.25 must be mailed or e-mailed at least three weeks prior to the meeting to all property tax  
187.26 billing addresses for all parcels included in the existing sanitary district and proposed  
187.27 annexation area. The following must be submitted to the chief administrative law judge  
187.28 with the petition:

187.29 (1) a record of the meeting, including copies of all information provided at the  
187.30 meeting;

187.31 (2) a copy of the mailing list provided by the county auditor and used to notify  
187.32 property owners of the meeting;

187.33 (3) a copy of the e-mail list used to notify property owners of the meeting;

187.34 (4) the printer's affidavit of publication of the public meeting notice;

187.35 (5) an affidavit of posting the public meeting notice with information on dates and  
187.36 locations of posting; and

188.1 (6) the minutes or other record of the public meeting documenting that the following  
188.2 topics were discussed: printer's affidavit of publication of each resolution, with copy  
188.3 of resolution from newspaper attached; and affidavit of resolution posting on town or  
188.4 existing sanitary district Web site.

188.5 (c) Every petition must be signed as follows:

188.6 (1) by an authorized officer of the existing sanitary district pursuant to a resolution  
188.7 of the board;

188.8 (2) for each municipality wherein there is a territorial unit of the proposed annexation  
188.9 area, by an authorized officer pursuant to a resolution of the municipal governing body;

188.10 (3) for each organized town wherein there is a territorial unit of the proposed  
188.11 annexation area, by an authorized officer pursuant to a resolution of the town board; and

188.12 (4) for each county wherein there is a territorial unit of the proposed annexation area  
188.13 consisting of an unorganized area, by an authorized officer pursuant to a resolution of the  
188.14 county board or by at least 20 percent of the voters residing and owning land within the unit.

188.15 (d) Each resolution must be published in the official newspaper of the governing  
188.16 body adopting it and becomes effective 40 days after publication, unless within said  
188.17 period there shall be filed with the governing body a petition signed by qualified electors  
188.18 of a territorial unit of the proposed annexation area, equal in number to five percent of the  
188.19 number of electors voting at the last preceding election of the governing body, requesting  
188.20 a referendum on the resolution, in which case the resolution may not become effective  
188.21 until approved by a majority of the qualified electors voting at a regular election or special  
188.22 election that the governing body may call. The notice of an election and the ballot to be  
188.23 used must contain the text of the resolution followed by the question: "Shall the above  
188.24 resolution be approved?"

188.25 (e) If any signer is alleged to be a landowner in a territorial unit, a statement as to  
188.26 the signer's landowner status as shown by the county auditor's tax assessment records,  
188.27 certified by the auditor, shall be attached to or endorsed upon the petition.

188.28 (f) At any time before publication of the public notice required in subdivision 4,  
188.29 additional signatures may be added to the petition or amendments of the petition may be  
188.30 made to correct or remedy any error or defect in signature or otherwise except a material  
188.31 error or defect in the description of the territory of the proposed annexation area. If the  
188.32 qualifications of any signer of a petition are challenged, the chief administrative law judge  
188.33 shall determine the challenge forthwith on the allegations of the petition, the county  
188.34 auditor's certificate of land ownership, and such other evidence as may be received.

189.1 Subd. 3. **Joint petition.** Different areas may be annexed to a district in a single  
189.2 proceeding upon a joint petition therefor and upon compliance with the provisions of  
189.3 subdivisions 1 and 2 with respect to the area affected so far as applicable.

189.4 Subd. 4. **Notice of intent for sanitary district annexation.** (a) Upon receipt  
189.5 of a petition and the record of public meeting required under subdivision 2, the chief  
189.6 administrative law judge shall publish a notice of intent for sanitary district annexation  
189.7 in the State Register and mail or e-mail information of the publication to each property  
189.8 owner in the affected territory at the owner's address as given by the county auditor. The  
189.9 information must state the date that the notice will appear in the State Register and give  
189.10 the Web site location for the State Register. The notice must:

189.11 (1) describe the petition for sanitary district annexation;

189.12 (2) describe the territory affected by the petition;

189.13 (3) allow 30 days for submission of written comments on the petition;

189.14 (4) state that a person who objects to the petition may submit a written request for  
189.15 hearing to the chief administrative law judge within 30 days of the publication of the  
189.16 notice in the State Register; and

189.17 (5) state that if a timely request for hearing is not received, the chief administrative  
189.18 law judge may make a decision on the petition.

189.19 (b) If 50 or more individual timely requests for hearing are received, the chief  
189.20 administrative law judge must hold a hearing on the petition according to the contested case  
189.21 provisions of chapter 14. The sanitary district or annexation area proposers are responsible  
189.22 for paying all costs involved in publicizing and holding a hearing on the petition.

189.23 Subd. 5. **Hearing time, place.** If a hearing is required under subdivision 4, the  
189.24 chief administrative law judge shall designate a time and place for a hearing according  
189.25 to section 442A.13.

189.26 Subd. 6. **Relevant factors.** (a) In arriving at a decision, the chief administrative law  
189.27 judge shall consider the following factors:

189.28 (1) administrative feasibility under subdivision 1, paragraph (b);

189.29 (2) public health, safety, and welfare impacts;

189.30 (3) alternatives for managing the public health impacts;

189.31 (4) equities of the petition proposal;

189.32 (5) contours of the petition proposal; and

189.33 (6) public notification of and interaction on the petition proposal.

189.34 (b) Based upon these factors, the chief administrative law judge may order the  
189.35 annexation to the sanitary district on finding that:

190.1 (1) the sanitary district is knowledgeable and experienced in delivering sanitary sewer  
190.2 services to ratepayers and has provided quality service in a fair and cost-effective manner;

190.3 (2) the proposed annexation provides a long-term, equitable solution to pollution  
190.4 problems affecting public health, safety, and welfare;

190.5 (3) property owners within the existing sanitary district and proposed annexation  
190.6 area were provided notice of the proposed district and opportunity to comment on the  
190.7 petition proposal; and

190.8 (4) the petition complied with the requirements of all applicable statutes and rules  
190.9 pertaining to sanitary district annexation.

190.10 (c) The chief administrative law judge may alter the boundaries of the proposed  
190.11 annexation area by increasing or decreasing the area to be included or may exclude  
190.12 property that may be better served by another unit of government. The chief administrative  
190.13 law judge may also alter the boundaries of the proposed annexation area so as to follow  
190.14 visible, clearly recognizable physical features for municipal boundaries.

190.15 (d) The chief administrative law judge may deny sanitary district annexation if the  
190.16 area, or a part thereof, would be better served by an alternative method.

190.17 (e) In all cases, the chief administrative law judge shall set forth the factors that are  
190.18 the basis for the decision.

190.19 Subd. 7. **Findings; order.** (a) After the public notice period or the public hearing, if  
190.20 required under subdivision 4, and based on the petition, any public comments received,  
190.21 and, if a hearing was held, the hearing record, the chief administrative law judge shall  
190.22 make findings of fact and conclusions determining whether the conditions requisite for  
190.23 the sanitary district annexation exist in the territory described in the petition. If the chief  
190.24 administrative law judge finds that conditions exist, the judge may make an order for  
190.25 sanitary district annexation for the territory described in the petition.

190.26 (b) All taxable property within the annexed area shall be subject to taxation for  
190.27 any existing bonded indebtedness or other indebtedness of the district for the cost of  
190.28 acquisition, construction, or improvement of any disposal system or other works or  
190.29 facilities beneficial to the annexed area to such extent as the chief administrative law judge  
190.30 may determine to be just and equitable, to be specified in the order for annexation. The  
190.31 proper officers shall levy further taxes on such property accordingly.

190.32 Subd. 8. **Denial of petition.** If the chief administrative law judge, after conclusion  
190.33 of the public notice period or holding a hearing, if required, determines that the sanitary  
190.34 district annexation in the territory described in the petition is not warranted, the judge shall  
190.35 make an order denying the petition. The chief administrative law judge shall give notice  
190.36 of the denial by mail or e-mail to each signer of the petition. No petition for a sanitary

191.1 district annexation consisting of the same territory shall be entertained within a year  
191.2 after the date of an order under this subdivision. Nothing in this subdivision precludes  
191.3 action on a petition for a sanitary district annexation embracing part of the territory with  
191.4 or without other territory.

191.5 Subd. 9. **Notice of order for sanitary district annexation.** The chief administrative  
191.6 law judge shall publish in the State Register a notice of the final order for sanitary district  
191.7 annexation, referring to the date of the order and describing the territory of the annexation  
191.8 area, and shall mail or e-mail information of the publication to each property owner in the  
191.9 affected territory at the owner's address as given by the county auditor. The information  
191.10 must state the date that the notice will appear in the State Register and give the Web site  
191.11 location for the State Register. The notice must:

191.12 (1) describe the petition for annexation to the district;

191.13 (2) describe the territory affected by the petition; and

191.14 (3) state that a certified copy of the order shall be delivered to the secretary of state  
191.15 for filing ten days after public notice of the order in the State Register.

191.16 Subd. 10. **Filing.** Ten days after public notice of the order in the State Register, the  
191.17 chief administrative law judge shall deliver a certified copy of the order to the secretary  
191.18 of state for filing. Thereupon, the sanitary district annexation is deemed complete, and it  
191.19 shall be conclusively presumed that all requirements of law relating thereto have been  
191.20 complied with. The chief administrative law judge shall also transmit a certified copy of  
191.21 the order for filing to the county auditor of each county and the clerk or recorder of each  
191.22 municipality and organized town wherein any part of the territory of the district, including  
191.23 the newly annexed area, is situated and to the secretary of the district board.

191.24 Sec. 8. **[442A.06] SANITARY DISTRICT DETACHMENT.**

191.25 Subdivision 1. **Detachment.** (a) A sanitary district detachment may occur under this  
191.26 chapter for any area within an existing district upon a petition to the chief administrative  
191.27 law judge stating the grounds therefor as provided in this section.

191.28 (b) The proposed detachment must not have any negative environmental impact  
191.29 on the proposed detachment area.

191.30 (c) If the chief administrative law judge and the Minnesota Pollution Control  
191.31 Agency disagree on the need for a sanitary district detachment, they must determine  
191.32 whether not allowing the sanitary district detachment will have a detrimental effect on  
191.33 the environment. If it is determined that the sanitary district detachment will cause  
191.34 environmental harm, the sanitary district detachment is not allowed unless the detached  
191.35 area is immediately connected to an existing wastewater treatment system.

192.1 Subd. 2. Proceeding for detachment. (a) A proceeding for sanitary district  
 192.2 detachment may be initiated by a petition to the chief administrative law judge containing  
 192.3 the following:

192.4 (1) a request for proposed detachment from a sanitary district;

192.5 (2) a statement that the requisite conditions for inclusion in a district no longer exist  
 192.6 in the proposed detachment area;

192.7 (3) a legal description of the territory of the proposed detachment, including  
 192.8 justification for inclusion or exclusion for all parcels;

192.9 (4) addresses of every property owner within the sanitary district and proposed  
 192.10 detachment area boundaries as provided by the county auditor, with certification from the  
 192.11 county auditor; two sets of address labels for said owners; and a list of e-mail addresses  
 192.12 for said owners, if available;

192.13 (5) a statement of the territorial units represented by and qualifications of the  
 192.14 respective signers; and

192.15 (6) the post office address of each signer, given under the signer's signature.

192.16 A petition may consist of separate writings of like effect, each signed by one or more  
 192.17 qualified persons, and all such writings, when filed, shall be considered together as a  
 192.18 single petition.

192.19 (b) Petitioners must conduct and pay for a public meeting to inform citizens of  
 192.20 the proposed detachment from a sanitary district. At the meeting, information must be  
 192.21 provided, including a description of the existing district's territory and a description of the  
 192.22 territory of the proposed detachment area, including justification for inclusion or exclusion  
 192.23 for all parcels for the detachment area. Notice of the meeting must be published for two  
 192.24 successive weeks in a qualified newspaper, as defined under chapter 331A, published  
 192.25 within the territories of the existing sanitary district and proposed detachment area or, if  
 192.26 there is no qualified newspaper published within those territories, in a qualified newspaper  
 192.27 of general circulation in the territories, and must be posted for two weeks in each territorial  
 192.28 unit of the existing sanitary district and proposed detachment area and on the Web site  
 192.29 of the existing sanitary district, if one exists. Notice of the meeting must be mailed or  
 192.30 e-mailed at least three weeks prior to the meeting to all property tax billing addresses for  
 192.31 all parcels included in the sanitary district. The following must be submitted to the chief  
 192.32 administrative law judge with the petition:

192.33 (1) a record of the meeting, including copies of all information provided at the  
 192.34 meeting;

192.35 (2) a copy of the mailing list provided by the county auditor and used to notify  
 192.36 property owners of the meeting;

193.1 (3) a copy of the e-mail list used to notify property owners of the meeting;

193.2 (4) the printer's affidavit of publication of public meeting notice;

193.3 (5) an affidavit of posting the public meeting notice with information on dates and  
193.4 locations of posting; and

193.5 (6) minutes or other record of the public meeting documenting that the following  
193.6 topics were discussed: printer's affidavit of publication of each resolution, with copy  
193.7 of resolution from newspaper attached; and affidavit of resolution posting on town or  
193.8 existing sanitary district Web site.

193.9 (c) Every petition must be signed as follows:

193.10 (1) by an authorized officer of the existing sanitary district pursuant to a resolution  
193.11 of the board;

193.12 (2) for each municipality wherein there is a territorial unit of the proposed detachment  
193.13 area, by an authorized officer pursuant to a resolution of the municipal governing body;

193.14 (3) for each organized town wherein there is a territorial unit of the proposed  
193.15 detachment area, by an authorized officer pursuant to a resolution of the town board; and

193.16 (4) for each county wherein there is a territorial unit of the proposed detachment area  
193.17 consisting of an unorganized area, by an authorized officer pursuant to a resolution of the  
193.18 county board or by at least 20 percent of the voters residing and owning land within the unit.

193.19 (d) Each resolution must be published in the official newspaper of the governing  
193.20 body adopting it and becomes effective 40 days after publication, unless within said period  
193.21 there shall be filed with the governing body a petition signed by qualified electors of a  
193.22 territorial unit of the proposed detachment area, equal in number to five percent of the  
193.23 number of electors voting at the last preceding election of the governing body, requesting  
193.24 a referendum on the resolution, in which case the resolution may not become effective  
193.25 until approved by a majority of the qualified electors voting at a regular election or special  
193.26 election that the governing body may call. The notice of an election and the ballot to be  
193.27 used must contain the text of the resolution followed by the question: "Shall the above  
193.28 resolution be approved?"

193.29 (e) If any signer is alleged to be a landowner in a territorial unit, a statement as to  
193.30 the signer's landowner status as shown by the county auditor's tax assessment records,  
193.31 certified by the auditor, shall be attached to or endorsed upon the petition.

193.32 (f) At any time before publication of the public notice required in subdivision 4,  
193.33 additional signatures may be added to the petition or amendments of the petition may be  
193.34 made to correct or remedy any error or defect in signature or otherwise except a material  
193.35 error or defect in the description of the territory of the proposed detachment area. If the  
193.36 qualifications of any signer of a petition are challenged, the chief administrative law judge

194.1 shall determine the challenge forthwith on the allegations of the petition, the county  
194.2 auditor's certificate of land ownership, and such other evidence as may be received.

194.3 Subd. 3. **Joint petition.** Different areas may be detached from a district in a single  
194.4 proceeding upon a joint petition therefor and upon compliance with the provisions of  
194.5 subdivisions 1 and 2 with respect to the area affected so far as applicable.

194.6 Subd. 4. **Notice of intent for sanitary district detachment.** (a) Upon receipt  
194.7 of a petition and record of public meeting required under subdivision 2, the chief  
194.8 administrative law judge shall publish a notice of intent for sanitary district detachment  
194.9 in the State Register and mail or e-mail information of the publication to each property  
194.10 owner in the affected territory at the owner's address as given by the county auditor. The  
194.11 information must state the date that the notice will appear in the State Register and give  
194.12 the Web site location for the State Register. The notice must:

194.13 (1) describe the petition for sanitary district detachment;

194.14 (2) describe the territory affected by the petition;

194.15 (3) allow 30 days for submission of written comments on the petition;

194.16 (4) state that a person who objects to the petition may submit a written request for  
194.17 hearing to the chief administrative law judge within 30 days of the publication of the  
194.18 notice in the State Register; and

194.19 (5) state that if a timely request for hearing is not received, the chief administrative  
194.20 law judge may make a decision on the petition.

194.21 (b) If 50 or more individual timely requests for hearing are received, the chief  
194.22 administrative law judge must hold a hearing on the petition according to the contested case  
194.23 provisions of chapter 14. The sanitary district or detachment area proposers are responsible  
194.24 for paying all costs involved in publicizing and holding a hearing on the petition.

194.25 Subd. 5. **Hearing time, place.** If a hearing is required under subdivision 4, the  
194.26 chief administrative law judge shall designate a time and place for a hearing according  
194.27 to section 442A.13.

194.28 Subd. 6. **Relevant factors.** (a) In arriving at a decision, the chief administrative law  
194.29 judge shall consider the following factors:

194.30 (1) public health, safety, and welfare impacts for the proposed detachment area;

194.31 (2) alternatives for managing the public health impacts for the proposed detachment  
194.32 area;

194.33 (3) equities of the petition proposal;

194.34 (4) contours of the petition proposal; and

194.35 (5) public notification of and interaction on the petition proposal.

195.1 (b) Based upon these factors, the chief administrative law judge may order the  
195.2 detachment from the sanitary district on finding that:

195.3 (1) the proposed detachment area has adequate alternatives for managing public  
195.4 health impacts due to the detachment;

195.5 (2) the proposed detachment area is not necessary for the district to provide a  
195.6 long-term, equitable solution to pollution problems affecting public health, safety, and  
195.7 welfare;

195.8 (3) property owners within the existing sanitary district and proposed detachment  
195.9 area were provided notice of the proposed detachment and opportunity to comment on  
195.10 the petition proposal; and

195.11 (4) the petition complied with the requirements of all applicable statutes and rules  
195.12 pertaining to sanitary district detachment.

195.13 (c) The chief administrative law judge may alter the boundaries of the proposed  
195.14 detachment area by increasing or decreasing the area to be included or may exclude  
195.15 property that may be better served by another unit of government. The chief administrative  
195.16 law judge may also alter the boundaries of the proposed detachment area so as to follow  
195.17 visible, clearly recognizable physical features for municipal boundaries.

195.18 (d) The chief administrative law judge may deny sanitary district detachment if the  
195.19 area, or a part thereof, would be better served by an alternative method.

195.20 (e) In all cases, the chief administrative law judge shall set forth the factors that are  
195.21 the basis for the decision.

195.22 Subd. 7. Findings; order. (a) After the public notice period or the public hearing, if  
195.23 required under subdivision 4, and based on the petition, any public comments received,  
195.24 and, if a hearing was held, the hearing record, the chief administrative law judge shall  
195.25 make findings of fact and conclusions determining whether the conditions requisite for  
195.26 the sanitary district detachment exist in the territory described in the petition. If the chief  
195.27 administrative law judge finds that conditions exist, the judge may make an order for  
195.28 sanitary district detachment for the territory described in the petition.

195.29 (b) All taxable property within the detached area shall remain subject to taxation  
195.30 for any existing bonded indebtedness of the district to such extent as it would have been  
195.31 subject thereto if not detached and shall also remain subject to taxation for any other  
195.32 existing indebtedness of the district incurred for any purpose beneficial to such area to  
195.33 such extent as the chief administrative law judge may determine to be just and equitable,  
195.34 to be specified in the order for detachment. The proper officers shall levy further taxes on  
195.35 such property accordingly.

196.1 Subd. 8. Denial of petition. If the chief administrative law judge, after conclusion  
196.2 of the public notice period or holding a hearing, if required, determines that the sanitary  
196.3 district detachment in the territory described in the petition is not warranted, the judge  
196.4 shall make an order denying the petition. The chief administrative law judge shall give  
196.5 notice of the denial by mail or e-mail to each signer of the petition. No petition for a  
196.6 detachment from a district consisting of the same territory shall be entertained within a  
196.7 year after the date of an order under this subdivision. Nothing in this subdivision precludes  
196.8 action on a petition for a detachment from a district embracing part of the territory with  
196.9 or without other territory.

196.10 Subd. 9. Notice of order for sanitary district detachment. The chief  
196.11 administrative law judge shall publish in the State Register a notice of the final order  
196.12 for sanitary district detachment, referring to the date of the order and describing the  
196.13 territory of the detached area and shall mail or e-mail information of the publication  
196.14 to each property owner in the affected territory at the owner's address as given by the  
196.15 county auditor. The information must state the date that the notice will appear in the State  
196.16 Register and give the Web site location for the State Register. The notice must:

- 196.17 (1) describe the petition for detachment from the district;  
196.18 (2) describe the territory affected by the petition; and  
196.19 (3) state that a certified copy of the order shall be delivered to the secretary of state  
196.20 for filing ten days after public notice of the order in the State Register.

196.21 Subd. 10. Filing. Ten days after public notice of the order in the State Register, the  
196.22 chief administrative law judge shall deliver a certified copy of the order to the secretary of  
196.23 state for filing. Thereupon, the sanitary district detachment is deemed complete, and it  
196.24 shall be conclusively presumed that all requirements of law relating thereto have been  
196.25 complied with. The chief administrative law judge shall also transmit a certified copy of  
196.26 the order for filing to the county auditor of each county and the clerk or recorder of each  
196.27 municipality and organized town wherein any part of the territory of the district, including  
196.28 the newly detached area, is situated and to the secretary of the district board.

196.29 **Sec. 9. [442A.07] SANITARY DISTRICT DISSOLUTION.**

196.30 Subdivision 1. Dissolution. (a) An existing sanitary district may be dissolved under  
196.31 this chapter upon a petition to the chief administrative law judge stating the grounds  
196.32 therefor as provided in this section.

196.33 (b) The proposed dissolution must not have any negative environmental impact on  
196.34 the existing sanitary district area.

197.1 (c) If the chief administrative law judge and the Minnesota Pollution Control  
 197.2 Agency disagree on the need to dissolve a sanitary district, they must determine whether  
 197.3 not dissolving the sanitary district will have a detrimental effect on the environment. If  
 197.4 it is determined that the sanitary district dissolution will cause environmental harm, the  
 197.5 sanitary district dissolution is not allowed unless the existing sanitary district area is  
 197.6 immediately connected to an existing wastewater treatment system.

197.7 Subd. 2. **Proceeding for dissolution.** (a) A proceeding for sanitary district  
 197.8 dissolution may be initiated by a petition to the chief administrative law judge containing  
 197.9 the following:

197.10 (1) a request for proposed sanitary district dissolution;

197.11 (2) a statement that the requisite conditions for a sanitary district no longer exist  
 197.12 in the district area;

197.13 (3) a proposal for distribution of the remaining funds of the district, if any, among  
 197.14 the related governmental subdivisions;

197.15 (4) a legal description of the territory of the proposed dissolution;

197.16 (5) addresses of every property owner within the sanitary district boundaries as  
 197.17 provided by the county auditor, with certification from the county auditor; two sets of  
 197.18 address labels for said owners; and a list of e-mail addresses for said owners, if available;

197.19 (6) a statement of the territorial units represented by and the qualifications of the  
 197.20 respective signers; and

197.21 (7) the post office address of each signer, given under the signer's signature.

197.22 A petition may consist of separate writings of like effect, each signed by one or more  
 197.23 qualified persons, and all such writings, when filed, shall be considered together as a  
 197.24 single petition.

197.25 (b) Petitioners must conduct and pay for a public meeting to inform citizens of the  
 197.26 proposed dissolution of a sanitary district. At the meeting, information must be provided,  
 197.27 including a description of the existing district's territory. Notice of the meeting must be  
 197.28 published for two successive weeks in a qualified newspaper, as defined under chapter  
 197.29 331A, published within the territory of the sanitary district or, if there is no qualified  
 197.30 newspaper published within that territory, in a qualified newspaper of general circulation  
 197.31 in the territory and must be posted for two weeks in each territorial unit of the sanitary  
 197.32 district and on the Web site of the existing sanitary district, if one exists. Notice of the  
 197.33 meeting must be mailed or e-mailed at least three weeks prior to the meeting to all property  
 197.34 tax billing addresses for all parcels included in the sanitary district. The following must be  
 197.35 submitted to the chief administrative law judge with the petition:

198.1 (1) a record of the meeting, including copies of all information provided at the  
198.2 meeting;

198.3 (2) a copy of the mailing list provided by the county auditor and used to notify  
198.4 property owners of the meeting;

198.5 (3) a copy of the e-mail list used to notify property owners of the meeting;

198.6 (4) the printer's affidavit of publication of public meeting notice;

198.7 (5) an affidavit of posting the public meeting notice with information on dates and  
198.8 locations of posting; and

198.9 (6) minutes or other record of the public meeting documenting that the following  
198.10 topics were discussed: printer's affidavit of publication of each resolution, with copy  
198.11 of resolution from newspaper attached; and affidavit of resolution posting on town or  
198.12 existing sanitary district Web site.

198.13 (c) Every petition must be signed as follows:

198.14 (1) by an authorized officer of the existing sanitary district pursuant to a resolution  
198.15 of the board;

198.16 (2) for each municipality wherein there is a territorial unit of the existing sanitary  
198.17 district, by an authorized officer pursuant to a resolution of the municipal governing body;

198.18 (3) for each organized town wherein there is a territorial unit of the existing sanitary  
198.19 district, by an authorized officer pursuant to a resolution of the town board; and

198.20 (4) for each county wherein there is a territorial unit of the existing sanitary district  
198.21 consisting of an unorganized area, by an authorized officer pursuant to a resolution of the  
198.22 county board or by at least 20 percent of the voters residing and owning land within the unit.

198.23 (d) Each resolution must be published in the official newspaper of the governing body  
198.24 adopting it and becomes effective 40 days after publication, unless within said period there  
198.25 shall be filed with the governing body a petition signed by qualified electors of a territorial  
198.26 unit of the district, equal in number to five percent of the number of electors voting at the  
198.27 last preceding election of the governing body, requesting a referendum on the resolution,  
198.28 in which case the resolution may not become effective until approved by a majority of the  
198.29 qualified electors voting at a regular election or special election that the governing body  
198.30 may call. The notice of an election and the ballot to be used must contain the text of the  
198.31 resolution followed by the question: "Shall the above resolution be approved?"

198.32 (e) If any signer is alleged to be a landowner in a territorial unit, a statement as to  
198.33 the signer's landowner status as shown by the county auditor's tax assessment records,  
198.34 certified by the auditor, shall be attached to or endorsed upon the petition.

198.35 (f) At any time before publication of the public notice required in subdivision 3,  
198.36 additional signatures may be added to the petition or amendments of the petition may be

199.1 made to correct or remedy any error or defect in signature or otherwise except a material  
 199.2 error or defect in the description of the territory of the proposed dissolution area. If the  
 199.3 qualifications of any signer of a petition are challenged, the chief administrative law judge  
 199.4 shall determine the challenge forthwith on the allegations of the petition, the county  
 199.5 auditor's certificate of land ownership, and such other evidence as may be received.

199.6 Subd. 3. **Notice of intent for sanitary district dissolution.** (a) Upon receipt  
 199.7 of a petition and record of the public meeting required under subdivision 2, the chief  
 199.8 administrative law judge shall publish a notice of intent of sanitary district dissolution  
 199.9 in the State Register and mail or e-mail information of the publication to each property  
 199.10 owner in the affected territory at the owner's address as given by the county auditor. The  
 199.11 information must state the date that the notice will appear in the State Register and give  
 199.12 the Web site location for the State Register. The notice must:

199.13 (1) describe the petition for sanitary district dissolution;

199.14 (2) describe the territory affected by the petition;

199.15 (3) allow 30 days for submission of written comments on the petition;

199.16 (4) state that a person who objects to the petition may submit a written request for  
 199.17 hearing to the chief administrative law judge within 30 days of the publication of the  
 199.18 notice in the State Register; and

199.19 (5) state that if a timely request for hearing is not received, the chief administrative  
 199.20 law judge may make a decision on the petition.

199.21 (b) If 50 or more individual timely requests for hearing are received, the chief  
 199.22 administrative law judge must hold a hearing on the petition according to the contested  
 199.23 case provisions of chapter 14. The sanitary district dissolution proposers are responsible  
 199.24 for paying all costs involved in publicizing and holding a hearing on the petition.

199.25 Subd. 4. **Hearing time, place.** If a hearing is required under subdivision 3, the  
 199.26 chief administrative law judge shall designate a time and place for a hearing according  
 199.27 to section 442A.13.

199.28 Subd. 5. **Relevant factors.** (a) In arriving at a decision, the chief administrative law  
 199.29 judge shall consider the following factors:

199.30 (1) public health, safety, and welfare impacts for the proposed dissolution;

199.31 (2) alternatives for managing the public health impacts for the proposed dissolution;

199.32 (3) equities of the petition proposal;

199.33 (4) contours of the petition proposal; and

199.34 (5) public notification of and interaction on the petition proposal.

199.35 (b) Based upon these factors, the chief administrative law judge may order the  
 199.36 dissolution of the sanitary district on finding that:

200.1 (1) the proposed dissolution area has adequate alternatives for managing public  
200.2 health impacts due to the dissolution;

200.3 (2) the sanitary district is not necessary to provide a long-term, equitable solution to  
200.4 pollution problems affecting public health, safety, and welfare;

200.5 (3) property owners within the sanitary district were provided notice of the proposed  
200.6 dissolution and opportunity to comment on the petition proposal; and

200.7 (4) the petition complied with the requirements of all applicable statutes and rules  
200.8 pertaining to sanitary district dissolution.

200.9 (c) The chief administrative law judge may alter the boundaries of the proposed  
200.10 dissolution area by increasing or decreasing the area to be included or may exclude  
200.11 property that may be better served by another unit of government. The chief administrative  
200.12 law judge may also alter the boundaries of the proposed dissolution area so as to follow  
200.13 visible, clearly recognizable physical features for municipal boundaries.

200.14 (d) The chief administrative law judge may deny sanitary district dissolution if the  
200.15 area, or a part thereof, would be better served by an alternative method.

200.16 (e) In all cases, the chief administrative law judge shall set forth the factors that are  
200.17 the basis for the decision.

200.18 Subd. 6. **Findings; order.** (a) After the public notice period or the public hearing, if  
200.19 required under subdivision 3, and based on the petition, any public comments received,  
200.20 and, if a hearing was held, the hearing record, the chief administrative law judge shall  
200.21 make findings of fact and conclusions determining whether the conditions requisite for  
200.22 the sanitary district dissolution exist in the territory described in the petition. If the chief  
200.23 administrative law judge finds that conditions exist, the judge may make an order for  
200.24 sanitary district dissolution for the territory described in the petition.

200.25 (b) If the chief administrative law judge determines that the conditions requisite for  
200.26 the creation of the district no longer exist therein, that all indebtedness of the district has  
200.27 been paid, and that all property of the district except funds has been disposed of, the judge  
200.28 may make an order dissolving the district and directing the distribution of its remaining  
200.29 funds, if any, among the related governmental subdivisions on such basis as the chief  
200.30 administrative law judge determines to be just and equitable, to be specified in the order.

200.31 Subd. 7. **Denial of petition.** If the chief administrative law judge, after conclusion  
200.32 of the public notice period or holding a hearing, if required, determines that the sanitary  
200.33 district dissolution in the territory described in the petition is not warranted, the judge  
200.34 shall make an order denying the petition. The chief administrative law judge shall give  
200.35 notice of the denial by mail or e-mail to each signer of the petition. No petition for the

201.1 dissolution of a district consisting of the same territory shall be entertained within a year  
 201.2 after the date of an order under this subdivision.

201.3 Subd. 8. **Notice of order for sanitary district dissolution.** The chief administrative  
 201.4 law judge shall publish in the State Register a notice of the final order for sanitary  
 201.5 district dissolution, referring to the date of the order and describing the territory of the  
 201.6 dissolved district and shall mail or e-mail information of the publication to each property  
 201.7 owner in the affected territory at the owner's address as given by the county auditor. The  
 201.8 information must state the date that the notice will appear in the State Register and give  
 201.9 the Web site location of the State Register. The notice must:

201.10 (1) describe the petition for dissolution of the district;

201.11 (2) describe the territory affected by the petition; and

201.12 (3) state that a certified copy of the order shall be delivered to the secretary of state  
 201.13 for filing ten days after public notice of the order in the State Register.

201.14 Subd. 9. **Filing.** (a) Ten days after public notice of the order in the State Register,  
 201.15 the chief administrative law judge shall deliver a certified copy of the order to the secretary  
 201.16 of state for filing. Thereupon, the sanitary district dissolution is deemed complete, and it  
 201.17 shall be conclusively presumed that all requirements of law relating thereto have been  
 201.18 complied with. The chief administrative law judge shall also transmit a certified copy of  
 201.19 the order for filing to the county auditor of each county and the clerk or recorder of each  
 201.20 municipality and organized town wherein any part of the territory of the dissolved district  
 201.21 is situated and to the secretary of the district board.

201.22 (b) The chief administrative law judge shall also transmit a certified copy of the order  
 201.23 to the treasurer of the district, who must thereupon distribute the remaining funds of the  
 201.24 district as directed by the order and who is responsible for the funds until so distributed.

201.25 Sec. 10. **[442A.08] JOINT PUBLIC INFORMATIONAL MEETING.**

201.26 There must be a joint public informational meeting of the local governments of any  
 201.27 proposed sanitary district creation, annexation, detachment, or dissolution. The joint public  
 201.28 informational meeting must be held after the final mediation meeting or the final meeting  
 201.29 held according to section 442A.02, subdivision 8, if any, and before the hearing on the  
 201.30 matter is held. If no mediation meetings are held, the joint public informational meeting  
 201.31 must be held after the initiating documents have been filed and before the hearing on the  
 201.32 matter. The time, date, and place of the public informational meeting must be determined  
 201.33 jointly by the local governments in the proposed creation, annexation, detachment, or  
 201.34 dissolution areas and by the sanitary district, if one exists. The chair of the sanitary district,  
 201.35 if one exists, and the responsible official for one of the local governments represented at

202.1 the meeting must serve as the co-chairs for the informational meeting. Notice of the time,  
202.2 date, place, and purpose of the informational meeting must be posted by the sanitary  
202.3 district, if one exists, and local governments in designated places for posting notices. The  
202.4 sanitary district, if one exists, and represented local governments must also publish, at their  
202.5 own expense, notice in their respective official newspapers. If the same official newspaper  
202.6 is used by multiple local government representatives or the sanitary district, a joint notice  
202.7 may be published and the costs evenly divided. All notice required by this section must  
202.8 be provided at least ten days before the date for the public informational meeting. At the  
202.9 public informational meeting, all persons appearing must have an opportunity to be heard,  
202.10 but the co-chairs may, by mutual agreement, establish the amount of time allowed for each  
202.11 speaker. The sanitary district board, the local government representatives, and any resident  
202.12 or affected property owner may be represented by counsel and may place into the record of  
202.13 the informational meeting documents, expert opinions, or other materials supporting their  
202.14 positions on issues raised by the proposed proceeding. The secretary of the sanitary district,  
202.15 if one exists, or a person appointed by the chair must record minutes of the proceedings of  
202.16 the informational meeting and must make an audio recording of the informational meeting.  
202.17 The sanitary district, if one exists, or a person appointed by the chair must provide the  
202.18 chief administrative law judge and the represented local governments with a copy of the  
202.19 printed minutes and must provide the chief administrative law judge and the represented  
202.20 local governments with a copy of the audio recording. The record of the informational  
202.21 meeting for a proceeding under section 442A.04, 442A.05, 442A.06, or 442A.07 is  
202.22 admissible in any proceeding under this chapter and shall be taken into consideration by  
202.23 the chief administrative law judge or the chief administrative law judge's designee.

202.24 Sec. 11. **[442A.09] ANNEXATION BY ORDER OF POLLUTION CONTROL**  
202.25 **AGENCY.**

202.26 Subdivision 1. **Annexation by ordinance alternative.** If a determination or order  
202.27 by the Minnesota Pollution Control Agency under section 115.49 or other similar statute is  
202.28 made that cooperation by contract is necessary and feasible between a sanitary district and  
202.29 an unincorporated area located outside the existing corporate limits of the sanitary district,  
202.30 the sanitary district required to provide or extend through a contract a governmental  
202.31 service to an unincorporated area, during the statutory 90-day period provided in section  
202.32 115.49 to formulate a contract, may in the alternative to formulating a service contract to  
202.33 provide or extend the service, declare the unincorporated area described in the Minnesota  
202.34 Pollution Control Agency's determination letter or order annexed to the sanitary district by  
202.35 adopting an ordinance and submitting it to the chief administrative law judge.

203.1 Subd. 2. **Chief administrative law judge's role.** The chief administrative law  
203.2 judge may review and comment on the ordinance but shall approve the ordinance within  
203.3 30 days of receipt. The ordinance is final and the annexation is effective on the date the  
203.4 chief administrative law judge approves the ordinance.

203.5 Sec. 12. [442A.10] **PETITIONERS TO PAY EXPENSES.**

203.6 Expenses of the preparation and submission of petitions in the proceedings under  
203.7 sections 442A.04 to 442A.09 shall be paid by the petitioners. Notwithstanding section  
203.8 16A.1283, the Office of Administrative Hearings may adopt rules according to section  
203.9 14.386 to establish fees necessary to support the preparation and submission of petitions  
203.10 in proceedings under sections 442A.04 to 442A.09. The fees collected by the Office of  
203.11 Administrative Hearings shall be deposited in the environmental fund.

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

203.13 Sec. 13. [442A.11] **TIME LIMITS FOR ORDERS; APPEALS.**

203.14 Subdivision 1. **Orders; time limit.** All orders in proceedings under this chapter  
203.15 shall be issued within one year from the date of the first hearing thereon, provided that  
203.16 the time may be extended for a fixed additional period upon consent of all parties of  
203.17 record. Failure to so order shall be deemed to be an order denying the matter. An appeal  
203.18 may be taken from such failure to so order in the same manner as an appeal from an  
203.19 order as provided in subdivision 2.

203.20 Subd. 2. **Grounds for appeal.** (a) Any person aggrieved by an order issued under  
203.21 this chapter may appeal to the district court upon the following grounds:

203.22 (1) the order was issued without jurisdiction to act;

203.23 (2) the order exceeded the jurisdiction of the presiding administrative law judge;

203.24 (3) the order was arbitrary, fraudulent, capricious, or oppressive or in unreasonable  
203.25 disregard of the best interests of the territory affected; or

203.26 (4) the order was based upon an erroneous theory of law.

203.27 (b) The appeal must be taken in the district court in the county in which the majority  
203.28 of the area affected is located. The appeal does not stay the effect of the order. All notices  
203.29 and other documents must be served on both the chief administrative law judge and the  
203.30 attorney general's assistant assigned to the chief administrative law judge for purposes  
203.31 of this chapter.

203.32 (c) If the court determines that the action involved is unlawful or unreasonable or is  
203.33 not warranted by the evidence in case an issue of fact is involved, the court may vacate or

204.1 suspend the action involved, in whole or in part, as the case requires. The matter shall then  
204.2 be remanded for further action in conformity with the decision of the court.

204.3 (d) To render a review of an order effectual, the aggrieved person shall file with the  
204.4 court administrator of the district court of the county in which the majority of the area is  
204.5 located, within 30 days of the order, an application for review together with the grounds  
204.6 upon which the review is sought.

204.7 (e) An appeal lies from the district court as in other civil cases.

204.8 Sec. 14. **[442A.12] CHIEF ADMINISTRATIVE LAW JUDGE MAY APPEAL**  
204.9 **FROM DISTRICT COURT.**

204.10 An appeal may be taken under the Rules of Civil Appellate Procedure by the chief  
204.11 administrative law judge from a final order or judgment made or rendered by the district  
204.12 court when the chief administrative law judge determines that the final order or judgment  
204.13 adversely affects the public interest.

204.14 Sec. 15. **[442A.13] UNIFORM PROCEDURES.**

204.15 Subdivision 1. **Hearings.** (a) Proceedings initiated by the submission of an initiating  
204.16 document or by the chief administrative law judge shall come on for hearing within 30 to  
204.17 60 days from receipt of the document by the chief administrative law judge or from the  
204.18 date of the chief administrative law judge's action and the person conducting the hearing  
204.19 must submit an order no later than one year from the date of the first hearing.

204.20 (b) The place of the hearing shall be in the county where a majority of the affected  
204.21 territory is situated, and shall be established for the convenience of the parties.

204.22 (c) The chief administrative law judge shall mail notice of the hearing to the  
204.23 following parties: the sanitary district; any township or municipality presently governing  
204.24 the affected territory; any township or municipality abutting the affected territory;  
204.25 the county where the affected territory is situated; and each planning agency that has  
204.26 jurisdiction over the affected area.

204.27 (d) The chief administrative law judge shall see that notice of the hearing is published  
204.28 for two successive weeks in a legal newspaper of general circulation in the affected area.

204.29 (e) When the chief administrative law judge exercises authority to change the  
204.30 boundaries of the affected area so as to increase the quantity of land, the hearing shall  
204.31 be recessed and reconvened upon two weeks' published notice in a legal newspaper of  
204.32 general circulation in the affected area.

204.33 Subd. 2. **Transmittal of order.** The chief administrative law judge shall see that  
204.34 copies of the order are mailed to all parties entitled to mailed notice of hearing under

205.1 subdivision 1, individual property owners if initiated in that manner, and any other party  
205.2 of record.

205.3 Sec. 16. **[442A.14] DISTRICT BOARD OF MANAGERS.**

205.4 Subdivision 1. **Composition.** The governing body of each district shall be a board  
205.5 of managers of five members, who shall be voters residing in the district and who may  
205.6 but need not be officers, members of governing bodies, or employees of the related  
205.7 governmental subdivisions, except that when there are more than five territorial units in  
205.8 a district, there must be one board member for each unit.

205.9 Subd. 2. **Terms.** The terms of the first board members elected after creation of a  
205.10 district shall be so arranged and determined by the electing body as to expire on the first  
205.11 business day in January as follows:

205.12 (1) the terms of two members in the second calendar year after the year in which  
205.13 they were elected;

205.14 (2) the terms of two other members in the third calendar year after the year in which  
205.15 they were elected; and

205.16 (3) the term of the remaining member in the fourth calendar year after the year in  
205.17 which the member was elected. In case a board has more than five members, the additional  
205.18 members shall be assigned to the groups under clauses (1) to (3) to equalize the groups as  
205.19 far as practicable. Thereafter, board members shall be elected successively for regular  
205.20 terms beginning upon expiration of the preceding terms and expiring on the first business  
205.21 day in January of the third calendar year thereafter. Each board member serves until  
205.22 a successor is elected and has qualified.

205.23 Subd. 3. **Election of board.** In a district having only one territorial unit, all the  
205.24 members of the board shall be elected by the related governing body. In a district having  
205.25 more than one territorial unit, the members of the board shall be elected by the members  
205.26 of the related governing bodies in joint session except as otherwise provided. The electing  
205.27 bodies concerned shall meet and elect the first board members of a new district as soon  
205.28 as practicable after creation of the district and shall meet and elect board members for  
205.29 succeeding regular terms as soon as practicable after November 1 next preceding the  
205.30 beginning of the terms to be filled, respectively.

205.31 Subd. 4. **Central related governing body.** Upon the creation of a district  
205.32 having more than one territorial unit, the chief administrative law judge, on the basis of  
205.33 convenience for joint meeting purposes, shall designate one of the related governing  
205.34 bodies as the central related governing body in the order creating the district or in a  
205.35 subsequent special order, of which the chief administrative law judge shall notify the

206.1 clerks or recorders of all the related governing bodies. Upon receipt of the notification,  
206.2 the clerk or recorder of the central related governing body shall immediately transmit the  
206.3 notification to the presiding officer of the body. The officer shall thereupon call a joint  
206.4 meeting of the members of all the related governing bodies to elect board members, to  
206.5 be held at such time as the officer shall fix at the regular meeting place of the officer's  
206.6 governing body or at such other place in the district as the officer shall determine. The  
206.7 clerk or recorder of the body must give at least ten days' notice of the meeting by mail to  
206.8 the clerks or recorders of all the other related governing bodies, who shall immediately  
206.9 transmit the notice to all the members of the related governing bodies, respectively.  
206.10 Subsequent joint meetings to elect board members for regular terms must be called and  
206.11 held in like manner. The presiding officer and the clerk or recorder of the central related  
206.12 governing body shall act respectively as chair and secretary of the joint electing body at  
206.13 any meeting thereof, but in case of the absence or disability of either of them, the body  
206.14 may elect a temporary substitute. A majority of the members of each related governing  
206.15 body is required for a quorum at any meeting of the joint electing body.

206.16 Subd. 5. **Nominations.** Nominations for board members may be made by petitions,  
206.17 each signed by ten or more voters residing and owning land in the district, filed with the  
206.18 clerk, recorder, or secretary of the electing body before the election meeting. No person  
206.19 shall sign more than one petition. The electing body shall give due consideration to all  
206.20 nominations but is not limited thereto.

206.21 Subd. 6. **Election; single governing body.** In the case of an electing body  
206.22 consisting of a single related governing body, a majority vote of all members is required  
206.23 for an election. In the case of a joint electing body, a majority vote of members present is  
206.24 required for an election. In case of lack of a quorum or failure to elect, a meeting of an  
206.25 electing body may be adjourned to a stated time and place without further notice.

206.26 Subd. 7. **Election; multiple governing bodies.** In any district having more than  
206.27 one territorial unit, the related governing bodies, instead of meeting in joint session, may  
206.28 elect a board member by resolutions adopted by all of them separately, concurring in the  
206.29 election of the same person. A majority vote of all members of each related governing  
206.30 body is required for the adoption of any such resolution. The clerks or recorders of the  
206.31 other related governing bodies shall transmit certified copies of the resolutions to the clerk  
206.32 or recorder of the central related governing body. Upon receipt of concurring resolutions  
206.33 from all the related governing bodies, the presiding officer and clerk or recorder of the  
206.34 central related governing body shall certify the results and furnish certificates of election  
206.35 as provided for a joint meeting.

207.1 Subd. 8. **Vacancies.** Any vacancy in the membership of a board must be filled for  
207.2 the unexpired term in like manner as provided for the regular election of board members.

207.3 Subd. 9. **Certification of election; temporary chair.** The presiding and recording  
207.4 officers of the electing body shall certify the results of each election to the county auditor  
207.5 of each county wherein any part of the district is situated and to the clerk or recorder of  
207.6 each related governing body and shall make and transmit to each board member elected  
207.7 a certificate of the board member's election. Upon electing the first board members of a  
207.8 district, the presiding officer of the electing body shall designate a member to serve as  
207.9 temporary chair for purposes of initial organization of the board, and the recording  
207.10 officer of the body shall include written notice thereof to all the board members with  
207.11 their certificates of election.

207.12 Sec. 17. [442A.15] **BOARD ORGANIZATION AND PROCEDURES.**

207.13 Subdivision 1. **Initial, annual meetings.** As soon as practicable after the election  
207.14 of the first board members of a district, the board shall meet at the call of the temporary  
207.15 chair to elect officers and take other appropriate action for organization and administration  
207.16 of the district. Each board shall hold a regular annual meeting at the call of the chair or  
207.17 otherwise as the board prescribes on or as soon as practicable after the first business day in  
207.18 January of each year and such other regular and special meetings as the board prescribes.

207.19 Subd. 2. **Officers.** The officers of each district shall be a chair and a vice-chair,  
207.20 who shall be members of the board, and a secretary and a treasurer, who may but need  
207.21 not be members of the board. The board of a new district at its initial meeting or as soon  
207.22 thereafter as practicable shall elect the officers to serve until the first business day in  
207.23 January next following. Thereafter, the board shall elect the officers at each regular annual  
207.24 meeting for terms expiring on the first business day in January next following. Each  
207.25 officer serves until a successor is elected and has qualified.

207.26 Subd. 3. **Meeting place; offices.** The board at its initial meeting or as soon  
207.27 thereafter as practicable shall provide for suitable places for board meetings and for offices  
207.28 of the district officers and may change the same thereafter as the board deems advisable.  
207.29 The meeting place and offices may be the same as those of any related governing body,  
207.30 with the approval of the body. The secretary of the board shall notify the secretary of state,  
207.31 the county auditor of each county wherein any part of the district is situated, and the clerk  
207.32 or recorder of each related governing body of the locations and post office addresses of the  
207.33 meeting place and offices and any changes therein.

207.34 Subd. 4. **Budget.** At any time before the proceeds of the first tax levy in a district  
207.35 become available, the district board may prepare a budget comprising an estimate of the

208.1 expenses of organizing and administering the district until the proceeds are available, with  
208.2 a proposal for apportionment of the estimated amount among the related governmental  
208.3 subdivisions, and may request the governing bodies thereof to advance funds according to  
208.4 the proposal. The governing bodies may authorize advancement of the requested amounts,  
208.5 or such part thereof as they respectively deem proper, from any funds available in their  
208.6 respective treasuries. The board shall include in its first tax levy after receipt of any such  
208.7 advancements a sufficient sum to cover the same and shall cause the same to be repaid,  
208.8 without interest, from the proceeds of taxes as soon as received.

208.9       Sec. 18. **[442A.16] DISTRICT STATUS AND POWERS.**

208.10       Subdivision 1. **Status.** Every district shall be a public corporation and a governmental  
208.11 subdivision of the state and shall be deemed to be a municipality or municipal corporation  
208.12 for the purpose of obtaining federal or state grants or loans or otherwise complying with  
208.13 any provision of federal or state law or for any other purpose relating to the powers and  
208.14 purposes of the district for which such status is now or hereafter required by law.

208.15       Subd. 2. **Powers and purpose.** Every district shall have the powers and purposes  
208.16 prescribed by this chapter and such others as may now or hereafter be prescribed by law.  
208.17 No express grant of power or enumeration of powers herein shall be deemed to limit the  
208.18 generality or scope of any grant of power.

208.19       Subd. 3. **Scope of powers and duties.** Except as otherwise provided, a power or  
208.20 duty vested in or imposed upon a district or any of its officers, agents, or employees shall  
208.21 not be deemed exclusive and shall not supersede or abridge any power or duty vested in or  
208.22 imposed upon any other agency of the state or any governmental subdivision thereof, but  
208.23 shall be supplementary thereto.

208.24       Subd. 4. **Exercise of power.** All the powers of a district shall be exercised by its  
208.25 board of managers except so far as approval of any action by popular vote or by any other  
208.26 authority may be expressly required by law.

208.27       Subd. 5. **Lawsuits; contracts.** A district may sue and be sued and may enter into  
208.28 any contract necessary or proper for the exercise of its powers or the accomplishment  
208.29 of its purposes.

208.30       Subd. 6. **Property acquisition.** A district may acquire by purchase, gift, or  
208.31 condemnation or may lease or rent any real or personal property within or without the  
208.32 district that may be necessary for the exercise of district powers or the accomplishment of  
208.33 district purposes, may hold the property for such purposes, and may lease, rent out, sell, or  
208.34 otherwise dispose of any property not needed for such purposes.

209.1 Subd. 7. **Acceptance of money or property.** A district may accept gifts, grants,  
209.2 or loans of money or other property from the United States, the state, or any person,  
209.3 corporation, or other entity for district purposes; may enter into any agreement required in  
209.4 connection therewith; and may hold, use, and dispose of the money or property according  
209.5 to the terms of the gift, grant, loan, or agreement relating thereto.

209.6 Sec. 19. **[442A.17] SPECIFIC PURPOSES AND POWERS.**

209.7 Subdivision 1. **Pollution prevention.** A district may construct, install, improve,  
209.8 maintain, and operate any system, works, or facilities within or without the district  
209.9 required to control and prevent pollution of any waters of the state within its territory.

209.10 Subd. 2. **Sewage disposal.** A district may construct, install, improve, maintain,  
209.11 and operate any system, works, or facilities within or without the district required to  
209.12 provide for, regulate, and control the disposal of sewage, industrial waste, and other waste  
209.13 originating within its territory. The district may require any person upon whose premises  
209.14 there is any source of sewage, industrial waste, or other waste within the district to  
209.15 connect the premises with the disposal system, works, or facilities of the district whenever  
209.16 reasonable opportunity therefor is provided.

209.17 Subd. 3. **Garbage, refuse disposal.** A district may construct, install, improve,  
209.18 maintain, and operate any system, works, or facilities within or without the district required  
209.19 to provide for, regulate, and control the disposal of garbage or refuse originating within the  
209.20 district. The district may require any person upon whose premises any garbage or refuse is  
209.21 produced or accumulated to dispose of the garbage or refuse through the system, works, or  
209.22 facilities of the district whenever reasonable opportunity therefor is provided.

209.23 Subd. 4. **Water supply.** A district may procure supplies of water necessary for any  
209.24 purpose under subdivisions 1 to 3 and may construct, install, improve, maintain, and  
209.25 operate any system, works, or facilities required therefor within or without the district.

209.26 Subd. 5. **Roads.** (a) To maintain the integrity of and facilitate access to district  
209.27 systems, works, or facilities, the district may maintain and repair a road by agreement with  
209.28 the entity that was responsible for the performance of maintenance and repair immediately  
209.29 prior to the agreement. Maintenance and repair includes but is not limited to providing  
209.30 lighting, snow removal, and grass mowing.

209.31 (b) A district shall establish a taxing subdistrict of benefited property and shall levy  
209.32 special taxes, pursuant to section 442A.24, subdivision 2, for the purposes of paying the  
209.33 cost of improvement or maintenance of a road under paragraph (a).

209.34 (c) For purposes of this subdivision, a district shall not be construed as a road  
209.35 authority under chapter 160.

210.1 (d) The district and its officers and employees are exempt from liability for any tort  
210.2 claim for injury to person or property arising from travel on a road maintained by the  
210.3 district and related to the road's maintenance or condition.

210.4 Sec. 20. **[442A.18] DISTRICT PROJECTS AND FACILITIES.**

210.5 Subdivision 1. **Public property.** For the purpose of constructing, improving,  
210.6 maintaining, or operating any system, works, or facilities designed or used for any purpose  
210.7 under section 442A.17, a district, its officers, agents, employees, and contractors may enter,  
210.8 occupy, excavate, and otherwise operate in, upon, under, through, or along any public  
210.9 highway, including a state trunk highway, or any street, park, or other public grounds so  
210.10 far as necessary for such work, with the approval of the governing body or other authority  
210.11 in charge of the public property affected and on such terms as may be agreed upon with the  
210.12 governing body or authority respecting interference with public use, restoration of previous  
210.13 conditions, compensation for damages, and other pertinent matters. If an agreement cannot  
210.14 be reached after reasonable opportunity therefor, the district may acquire the necessary  
210.15 rights, easements, or other interests in the public property by condemnation, subject to all  
210.16 applicable provisions of law as in case of taking private property, upon condition that the  
210.17 court shall determine that there is paramount public necessity for the acquisition.

210.18 Subd. 2. **Use of other systems.** A district may, upon such terms as may be  
210.19 agreed upon with the respective governing bodies or authorities concerned, provide for  
210.20 connecting with or using; lease; or acquire and take over any system, works, or facilities  
210.21 for any purpose under section 442A.17 belonging to any other governmental subdivision  
210.22 or other public agency.

210.23 Subd. 3. **Use by other governmental bodies.** A district may, upon such terms  
210.24 as may be agreed upon with the respective governing bodies or authorities concerned,  
210.25 authorize the use by any other governmental subdivision or other public agency of any  
210.26 system, works, or facilities of the district constructed for any purpose under section  
210.27 442A.17 so far as the capacity thereof is sufficient beyond the needs of the district. A  
210.28 district may extend any such system, works, or facilities and permit the use thereof by  
210.29 persons outside the district, so far as the capacity thereof is sufficient beyond the needs of  
210.30 the district, upon such terms as the board may prescribe.

210.31 Subd. 4. **Joint projects.** A district may be a party to a joint cooperative project,  
210.32 undertaking, or enterprise with one or more other governmental subdivisions or other  
210.33 public agencies for any purpose under section 442A.17 upon such terms as may be  
210.34 agreed upon between the governing bodies or authorities concerned. Without limiting the  
210.35 effect of the foregoing provision or any other provision of this chapter, a district, with

211.1 respect to any of said purposes, may act under and be subject to section 471.59, or any  
211.2 other appropriate law providing for joint or cooperative action between governmental  
211.3 subdivisions or other public agencies.

211.4 Sec. 21. **[442A.19] CONTROL OF SANITARY FACILITIES.**

211.5 A district may regulate and control the construction, maintenance, and use of privies,  
211.6 cesspools, septic tanks, toilets, and other facilities and devices for the reception or disposal  
211.7 of human or animal excreta or other domestic wastes within its territory so far as necessary  
211.8 to prevent nuisances or pollution or to protect the public health, safety, and welfare  
211.9 and may prohibit the use of any such facilities or devices not connected with a district  
211.10 disposal system, works, or facilities whenever reasonable opportunity for such connection  
211.11 is provided; provided, that the authority of a district under this section does not extend  
211.12 or apply to the construction, maintenance, operation, or use by any person other than the  
211.13 district of any disposal system or part thereof within the district under and in accordance  
211.14 with a valid and existing permit issued by the Minnesota Pollution Control Agency.

211.15 Sec. 22. **[442A.20] DISTRICT PROGRAMS, SURVEYS, AND STUDIES.**

211.16 A district may develop general programs and particular projects within the scope of  
211.17 its powers and purposes and may make all surveys, studies, and investigations necessary  
211.18 for the programs and projects.

211.19 Sec. 23. **[442A.21] GENERAL AND MUNICIPALITY POWERS.**

211.20 A district may do and perform all other acts and things necessary or proper for the  
211.21 effectuation of its powers and the accomplishment of its purposes. Without limiting the  
211.22 effect of the foregoing provision or any other provision of this chapter, a district, with  
211.23 respect to each and all of said powers and purposes, shall have like powers as are vested  
211.24 in municipalities with respect to any similar purposes. The exercise of such powers by a  
211.25 district and all matters pertaining thereto are governed by the law relating to the exercise  
211.26 of similar powers by municipalities and matters pertaining thereto, so far as applicable,  
211.27 with like force and effect, except as otherwise provided.

211.28 Sec. 24. **[442A.22] ADVISORY COMMITTEE.**

211.29 A district board of managers may appoint an advisory committee with membership  
211.30 and duties as the board prescribes.

211.31 Sec. 25. **[442A.23] BOARD POWERS.**

212.1 Subdivision 1. **Generally.** The board of managers of every district shall have charge  
 212.2 and control of all the funds, property, and affairs of the district. With respect thereto, the  
 212.3 board has the same powers and duties as are provided by law for a municipality with respect  
 212.4 to similar municipal matters, except as otherwise provided. Except as otherwise provided,  
 212.5 the chair, vice-chair, secretary, and treasurer of the district have the same powers and duties,  
 212.6 respectively, as the mayor, acting mayor, clerk, and treasurer of a municipality. Except as  
 212.7 otherwise provided, the exercise of the powers and the performance of the duties of the  
 212.8 board and officers of the district and all other activities, transactions, and procedures of the  
 212.9 district or any of its officers, agents, or employees, respectively, are governed by the law  
 212.10 relating to similar matters in a municipality, so far as applicable, with like force and effect.

212.11 Subd. 2. **Regulation of district.** The board may enact ordinances, prescribe  
 212.12 regulations, adopt resolutions, and take other appropriate action relating to any matter  
 212.13 within the powers and purposes of the district and may do and perform all other acts and  
 212.14 things necessary or proper for the effectuation of said powers and the accomplishment  
 212.15 of said purposes. The board may provide that violation of a district ordinance is a penal  
 212.16 offense and may prescribe penalties for violations, not exceeding those prescribed by  
 212.17 law for violation of municipal ordinances.

212.18 Subd. 3. **Arrest; prosecution.** (a) Violations of district ordinances may be  
 212.19 prosecuted before any court having jurisdiction of misdemeanors. Any peace officer may  
 212.20 make arrests for violations committed anywhere within the district in the same manner as  
 212.21 for violations of city ordinances or for statutory misdemeanors.

212.22 (b) All fines collected shall be deposited in the treasury of the district.

212.23 Sec. 26. **[442A.24] TAX LEVIES, ASSESSMENTS, AND SERVICE CHARGES.**

212.24 Subdivision 1. **Tax levies.** The board may levy taxes for any district purpose on all  
 212.25 property taxable within the district.

212.26 Subd. 2. **Particular area.** In the case where a particular area within the district,  
 212.27 but not the entire district, is benefited by a system, works, or facilities of the district,  
 212.28 the board, after holding a public hearing as provided by law for levying assessments on  
 212.29 benefited property, shall by ordinance establish such area as a taxing subdistrict, to be  
 212.30 designated by number, and shall levy special taxes on all the taxable property therein, to be  
 212.31 accounted for separately and used only for the purpose of paying the cost of construction,  
 212.32 improvement, acquisition, maintenance, or operation of such system, works, or facilities,  
 212.33 or paying the principal and interest on bonds issued to provide funds therefor and expenses  
 212.34 incident thereto. The hearing may be held jointly with a hearing for the purpose of levying  
 212.35 assessments on benefited property within the proposed taxing subdistrict.

213.1 Subd. 3. **Benefited property.** The board shall levy assessments on benefited property  
213.2 to provide funds for payment of the cost of construction, improvement, or acquisition of  
213.3 any system, works, or facilities designed or used for any district purpose or for payment of  
213.4 the principal of and interest on any bonds issued therefor and expenses incident thereto.

213.5 Subd. 4. **Service charges.** The board shall prescribe service, use, or rental charges  
213.6 for persons or premises connecting with or making use of any system, works, or facilities  
213.7 of the district; prescribe the method of payment and collection of the charges; and provide  
213.8 for the collection thereof for the district by any related governmental subdivision or  
213.9 other public agency on such terms as may be agreed upon with the governing body or  
213.10 other authority thereof.

213.11 Sec. 27. [442A.25] **BORROWING POWERS; BONDS.**

213.12 Subdivision 1. **Borrowing power.** The board may authorize the borrowing of  
213.13 money for any district purpose and provide for the repayment thereof, subject to chapter  
213.14 475. The taxes initially levied by any district according to section 475.61 for the payment  
213.15 of district bonds, upon property within each municipality included in the district, shall be  
213.16 included in computing the levy of the municipality.

213.17 Subd. 2. **Bond issuance.** The board may authorize the issuance of bonds or  
213.18 obligations of the district to provide funds for the construction, improvement, or  
213.19 acquisition of any system, works, or facilities for any district purpose or for refunding  
213.20 any prior bonds or obligations issued for any such purpose and may pledge the full faith  
213.21 and credit of the district; the proceeds of tax levies or assessments; service, use, or  
213.22 rental charges; or any combination thereof to the payment of such bonds or obligations  
213.23 and interest thereon or expenses incident thereto. An election or vote of the people of  
213.24 the district is required to authorize the issuance of any bonds or obligations. Except as  
213.25 otherwise provided in this chapter, the forms and procedures for issuing and selling bonds  
213.26 and provisions for payment thereof must comply with chapter 475.

213.27 Sec. 28. [442A.26] **FUNDS; DISTRICT TREASURY.**

213.28 The proceeds of all tax levies, assessments, service, use, or rental charges, and  
213.29 other income of the district must be deposited in the district treasury and must be held  
213.30 and disposed of as the board may direct for district purposes, subject to any pledges or  
213.31 dedications made by the board for the use of particular funds for the payment of bonds,  
213.32 interest thereon, or expenses incident thereto or for other specific purposes.

213.33 Sec. 29. [442A.27] **EFFECT OF DISTRICT ORDINANCES AND FACILITIES.**

214.1 In any case where an ordinance is enacted or a regulation adopted by a district  
214.2 board relating to the same subject matter and applicable in the same area as an existing  
214.3 ordinance or regulation of a related governmental subdivision for the district, the district  
214.4 ordinance or regulation, to the extent of its application, supersedes the ordinance or  
214.5 regulation of the related governmental subdivision. In any case where an area within a  
214.6 district is served for any district purpose by a system, works, or facilities of the district,  
214.7 no system, works, or facilities shall be constructed, maintained, or operated for the same  
214.8 purpose in the same area by any related governmental subdivision or other public agency  
214.9 except as approved by the district board.

214.10 Sec. 30. **[442A.28] APPLICATION.**

214.11 This chapter does not abridge or supersede any authority of the Minnesota Pollution  
214.12 Control Agency or the commissioner of health, but is subject and supplementary thereto.  
214.13 Districts and members of district boards are subject to the authority of the Minnesota  
214.14 Pollution Control Agency and have no power or authority to abate or control pollution that  
214.15 is permitted by and in accord with any classification of waters, standards of water quality,  
214.16 or permit established, fixed, or issued by the Minnesota Pollution Control Agency.

214.17 Sec. 31. **[442A.29] CHIEF ADMINISTRATIVE LAW JUDGE'S POWERS.**

214.18 Subdivision 1. **Alternative dispute resolution.** (a) Notwithstanding sections  
214.19 442A.01 to 442A.28, before assigning a matter to an administrative law judge for hearing,  
214.20 the chief administrative law judge, upon consultation with affected parties and considering  
214.21 the procedures and principles established in sections 442A.01 to 442A.28, may require  
214.22 that disputes over proposed sanitary district creations, attachments, detachments, or  
214.23 dissolutions be addressed in whole or in part by means of alternative dispute resolution  
214.24 processes in place of, or in connection with, hearings that would otherwise be required  
214.25 under sections 442A.01 to 442A.28, including those provided in chapter 14.

214.26 (b) In all proceedings, the chief administrative law judge has the authority and  
214.27 responsibility to conduct hearings and issue final orders related to the hearings under  
214.28 sections 442A.01 to 442A.28.

214.29 Subd. 2. **Cost of proceedings.** (a) The parties to any matter directed to alternative  
214.30 dispute resolution under subdivision 1 must pay the costs of the alternative dispute  
214.31 resolution process or hearing in the proportions that the parties agree to.

214.32 (b) Notwithstanding section 14.53 or other law, the Office of Administrative  
214.33 Hearings is not liable for the costs.

215.1 (c) If the parties do not agree to a division of the costs before the commencement of  
215.2 mediation, arbitration, or hearing, the costs must be allocated on an equitable basis by  
215.3 the mediator, arbitrator, or chief administrative law judge.

215.4 (d) The chief administrative law judge may contract with the parties to a matter for  
215.5 the purpose of providing administrative law judges and reporters for an administrative  
215.6 proceeding or alternative dispute resolution.

215.7 (e) The chief administrative law judge shall assess the cost of services rendered by  
215.8 the Office of Administrative Hearings as provided by section 14.53.

215.9 Subd. 3. **Parties.** In this section, "party" means:

215.10 (1) a property owner, group of property owners, sanitary district, municipality, or  
215.11 township that files an initiating document or timely objection under this chapter;

215.12 (2) the sanitary district, municipality, or township within which the subject area  
215.13 is located;

215.14 (3) a municipality abutting the subject area; and

215.15 (4) any other person, group of persons, or governmental agency residing in, owning  
215.16 property in, or exercising jurisdiction over the subject area that submits a timely request  
215.17 and is determined by the presiding administrative law judge to have a direct legal interest  
215.18 that will be affected by the outcome of the proceeding.

215.19 Subd. 4. **Effectuation of agreements.** Matters resolved or agreed to by the parties  
215.20 as a result of an alternative dispute resolution process, or otherwise, may be incorporated  
215.21 into one or more stipulations for purposes of further proceedings according to the  
215.22 applicable procedures and statutory criteria of this chapter.

215.23 Subd. 5. **Limitations on authority.** Nothing in this section shall be construed to  
215.24 permit a sanitary district, municipality, town, or other political subdivision to take, or  
215.25 agree to take, an action that is not otherwise authorized by this chapter.

215.26 Sec. 32. **REPEALER.**

215.27 Minnesota Statutes 2012, sections 115.18, subdivisions 1, 3, 4, 5, 6, 7, 8, 9, and 10;  
215.28 115.19; 115.20; 115.21; 115.22; 115.23; 115.24; 115.25; 115.26; 115.27; 115.28; 115.29;  
215.29 115.30; 115.31; 115.32; 115.33; 115.34; 115.35; 115.36; and 115.37, are repealed.

215.30 Sec. 33. **EFFECTIVE DATE.**

215.31 Unless otherwise provided in this article, sections 1 to 32 are effective August 1, 2013.

APPENDIX  
Article locations in S1607-2

	ENVIRONMENT AND NATURAL RESOURCES	
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ARTICLE 5	JOBS AND ECONOMIC DEVELOPMENT APPROPRIATIONS .....	Page.Ln 110.27
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**90.163 PERFORMANCE DEPOSIT OPTION.**

In lieu of the bond or cash deposit equal to the value of all timber covered by the permit as required by section 90.161 or 90.173, a purchaser of any state timber may pay to the commissioner a performance deposit of ten percent of the appraised value of the permit for the express purpose of entering on the land to clear building sites or logging roads in advance of cutting state timber. No cutting of state timber, except that incidental to the clearing of building sites or logging roads, is allowed until the purchaser has met all of the requirements of section 90.161 or 90.173.

**90.173 PURCHASER'S OR ASSIGNEE'S CASH DEPOSIT IN LIEU OF BOND.**

(a) In lieu of filing the bond required by section 90.161 or 90.171, as security for the issuance or assignment of a timber permit, the person required to file the bond may deposit with the commissioner cash; a certified check; a cashier's check; a personal check; a postal, bank, or express money order; or an irrevocable bank letter of credit in the same amount as would be required for a bond. All of the conditions of the timber sale bond shall equally apply to the alternatives in lieu of bond. In the event of a default the state may take from the deposit the sum of money to which it is entitled; the remainder, if any, shall be returned to the person making the deposit. When cash is deposited for a bond, it shall be applied to the amount due when a statement is prepared and transmitted to the permit holder pursuant to section 90.181. Any balance due to the state shall be shown on the statement and shall be paid as provided in section 90.181. Any amount of the deposit in excess of the amount determined to be due pursuant to section 90.181 shall be returned to the permit holder when a final statement is transmitted pursuant to that section. All or part of a cash bond may be withheld from application to an amount due on a nonfinal statement if it appears that the total amount due on the permit will exceed the bid price.

(b) If an irrevocable bank letter of credit is provided as security under paragraph (a), at the written request of the permittee the state shall annually allow the amount of the bank letter of credit to be reduced by an amount proportionate to the value of timber that has been harvested and for which the state has received payment under the timber permit. The remaining amount of the bank letter of credit after a reduction under this paragraph must not be less than the value of the timber remaining to be harvested under the timber permit.

(c) If cash; a certified check; a cashier's check; a personal check; or a postal, bank, or express money order is provided as security under paragraph (a) and no cutting of state timber has taken place on the permit, the commissioner may credit the security provided, less any deposit required by sections 90.14 and 90.163, to any other permit to which the permit holder requests in writing that it be credited.

**90.41 STATE APPRAISER AND SCALER; VIOLATIONS, PENALTIES.**

Subd. 2. **Penalty.** Every person who shall cut timber on state lands and fail to mark the same, as provided by law, and the permit under which the same was cut, shall be guilty of a gross misdemeanor.

**115.18 SANITARY DISTRICTS; DEFINITIONS.**

Subdivision 1. **Applicability.** As used in sections 115.18 to 115.37, the terms defined in this section have the meanings given them except as otherwise provided or indicated by the context.

Subd. 3. **Additional terms.** The terms defined in section 115.01, as now in force or hereafter amended, have the meanings given them therein.

Subd. 4. **Agency.** "Agency" means the Minnesota Pollution Control Agency.

Subd. 5. **Board.** "Board" means the board of managers of a sanitary district.

Subd. 6. **District.** "District" means a sanitary district created under the provisions of sections 115.18 to 115.37.

Subd. 7. **Municipality.** "Municipality" means a city, however organized.

Subd. 8. **Related governmental subdivision or body.** "Related governmental subdivision" means a municipality or organized town wherein there is a territorial unit of a district, or, in the case of an unorganized area, the county. "Related governing body" means the governing body of a related governmental subdivision, and, in the case of an organized town, means the town board.

Subd. 9. **Statutory city.** "Statutory city" means a city organized as provided by chapter 412, under the plan other than optional.

## APPENDIX

### Repealed Minnesota Statutes: S1607-2

Subd. 10. **Territorial unit.** "Territorial unit" means all that part of the territory of a district situated within a single municipality, a single organized town outside of any municipality, or, in the case of an unorganized area, within a single county.

#### **115.19 CREATION; PURPOSE; EXCEPTIONS.**

A sanitary district may be created under the provisions of sections 115.18 to 115.37 for any territory embracing an area or a group of two or more adjacent areas, whether contiguous or separate, but not situated entirely within the limits of a single municipality, for the purpose of promoting the public health and welfare by providing an adequate and efficient system and means of collecting, conveying, pumping, treating and disposing of domestic sewage and garbage and industrial wastes within the district, in any case where the agency finds that there is need throughout the territory for the accomplishment of these purposes, that these purposes can be effectively accomplished on an equitable basis by a district if created, and that the creation and maintenance of such a district will be administratively feasible and in furtherance of the public health, safety, and welfare; but subject to the following exceptions:

No district shall be created within 25 miles of the boundary of any city of the first class without the approval of the governing body thereof and the approval of the governing body of each and every municipality in the proposed district by resolution filed with the agency.

#### **115.20 PROCEEDING TO CREATE DISTRICT.**

Subdivision 1. **Petition required.** (a) A proceeding for the creation of a district may be initiated by a petition to the agency, filed with its secretary, containing the following:

- (1) a request for creation of the proposed district;
  - (2) the name proposed for the district, to include the words "sanitary district";
  - (3) a description of the territory of the proposed district;
  - (4) a statement showing the existence in such territory of the conditions requisite for creation of a district as prescribed in section 115.19;
  - (5) a statement of the territorial units represented by and the qualifications of the respective signers;
  - (6) the post office address of each signer, given under the signer's signature. A petition may consist of separate writings of like effect, each signed by one or more qualified persons, and all such writings, when filed, shall be considered together as a single petition.
- (b) A public meeting must be held to inform citizens of the proposed creation of the district. At the meeting, information must be provided, including a description of the district's proposed structure, bylaws, territory, ordinances, budget, and charges. Notice of the meeting must be published for two successive weeks in a qualified newspaper published within the territory of the proposed district or, if there is no qualified newspaper published within the territory, in a qualified newspaper of general circulation in the territory, and by posting for two weeks in each territorial unit of the proposed district. A record of the meeting must be submitted to the agency with the petition.

Subd. 2. **Signatures; publication.** Every petition shall be signed as follows:

- (1) for each municipality wherein there is a territorial unit of the proposed district, by an authorized officer or officers pursuant to a resolution of the municipal governing body;
- (2) for each organized town wherein there is a territorial unit of the proposed district, by an authorized officer or officers pursuant to a resolution of the town board;
- (3) for each county wherein there is a territorial unit of the proposed district consisting of an unorganized area, by an authorized officer or officers pursuant to a resolution of the county board, or by at least 20 percent of the voters residing and owning land within the unit.

Each resolution shall be published in the official newspaper of the governing body adopting it and shall become effective 40 days after publication, unless within said period there shall be filed with the governing body a petition signed by qualified electors of a territorial unit of the proposed district, equal in number to five percent of the number of such electors voting at the last preceding election of the governing body, requesting a referendum on the resolution, in which case the resolution may not become effective until approved by a majority of the qualified electors voting at a regular election or special election which the governing body may call. The notice of any election and the ballot to be used shall contain the text of the resolution followed by the question: "Shall the above resolution be approved?"

If any signer is alleged to be a landowner in a territorial unit, a statement as to the signer's landowner status as shown by the county auditor's tax assessment records, certified by the auditor, shall be attached to or endorsed upon the petition.

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Subd. 3. **Changes; errors.** At any time before publication of the public notice required in subdivision 4, or before the public hearing, if required under subdivision 4, additional signatures may be added to the petition or amendments of the petition may be made to correct or remedy any error or defect in signature or otherwise except a material error or defect in the description of the territory of the proposed district. No proceeding shall be invalidated on account of any error or defect in the petition unless questioned by an interested party before the reception of evidence begins at the hearing except a material error or defect in the description of the territory of the proposed district. If the qualifications of any signer of a petition are challenged, the agency or its agent shall determine the challenge forthwith on the allegations of the petition, the county auditor's certificate of land ownership, and such other evidence as may be received.

Subd. 4. **State Register; hearing.** (a) Upon receipt of a petition and the record of the public meeting required under subdivision 1, the agency shall publish a notice in the State Register and mail a copy to each property owner in the affected territory at the owner's address as given by the county auditor. The mailed copy must state the date that the notice will appear in the State Register. Copies need not be sent by registered mail. The notice must:

- (1) describe the petition for creation of the district;
- (2) describe the territory affected by the petition;
- (3) allow 30 days for submission of written comments on the petition;
- (4) state that a person who objects to the petition may submit a written request for hearing to the agency within 30 days of the publication of the notice in the State Register; and
- (5) state that if a timely request for hearing is not received, the agency may make a decision on the petition at a future meeting of the agency.

(b) If 25 or more timely requests for hearing are received, the agency must hold a hearing on the petition in accordance with the contested case provisions of chapter 14.

Subd. 5. **Findings; order.** After the public notice period or the public hearing, if required under subdivision 4, and based on the petition, any public comments received, and, if a hearing was held, the hearing record, the agency shall make findings of fact and conclusions determining whether or not the conditions requisite for the creation of a district exist in the territory described in the petition. If the agency finds that conditions exist, it may make an order creating a district for the territory described in the petition under the name proposed in the petition or such other name, including the words "sanitary district," as the agency deems appropriate.

Subd. 6. **Denial of petition.** If the agency, after the conclusion of the public notice period or the holding of a hearing, if required, determines that the creation of a district in the territory described in the petition is not warranted, it shall make an order denying the petition. The secretary of the agency shall give notice of such denial by mail to each signer of the petition. No petition for the creation of a district consisting of the same territory shall be entertained within a year after the date of an order, but this shall not preclude action on a petition for the creation of a district embracing part of the territory with or without other territory.

Subd. 7. **Notice of orders.** Notice of the making of every order of the agency creating a sanitary district, referring to the date of the order and describing the territory of the district, shall be given by the secretary in like manner as for notice of the hearing on the petition for creation of the district.

Subd. 8. **Appeal.** An appeal may be taken from an order of the agency creating or dissolving a district, annexing territory to or detaching territory from a district, or denying a petition for any such action, as now or hereafter provided for appeals from other orders of the agency except that the giving of notice of the order as provided in subdivision 7 shall be deemed notice thereof to all interested parties, and the time for appeal by any party shall be limited to 30 days after completion of the mailing of copies of the order or after expiration of the prescribed period of posting or publication, whichever is latest. The validity of the creation of a district shall not be otherwise questioned.

Subd. 9. **Filing.** Upon expiration of the time for appeal from an order of the agency creating a district, or, in case of an appeal, upon the taking effect of a final judgment of a court of competent jurisdiction sustaining the order, the secretary of the agency shall deliver a certified copy of the order to the secretary of state for filing. Thereupon the creation of the district shall be deemed complete, and it shall be conclusively presumed that all requirements of law relating thereto have been complied with. The secretary of the agency shall also transmit a certified copy of the order for filing to the county auditor of each county and the clerk or recorder of each municipality and organized town wherein any part of the territory of the district is situated and to the secretary of the district board when elected.

## 115.21 ANNEXATION, DETACHMENT, AND DISSOLUTION.

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Subdivision 1. **Annexation.** An area adjacent to an existing district may be annexed thereto upon a petition to the agency stating the grounds therefor as hereinafter provided, signed by an authorized officer or officers of the district pursuant to a resolution of the board, also signed with respect to the area proposed for annexation in like manner as provided for a petition for creation of a district. Except as otherwise provided, a proceeding for annexation shall be governed by the provisions now or hereafter in force relating to proceedings for the creation of districts, so far as applicable. For the purpose of giving the required notices the territory involved shall comprise the area proposed for annexation together with the entire territory of the district. If the agency determines that the requisite conditions exist in the area proposed for annexation together with the territory of the district, it may make an order for annexation accordingly. All taxable property within the annexed area shall be subject to taxation for any existing bonded indebtedness or other indebtedness of the district for the cost of acquisition, construction, or improvement of any disposal system or other works or facilities beneficial to the annexed area to such extent as the agency may determine to be just and equitable, to be specified in the order for annexation. The proper officers shall levy further taxes on such property accordingly.

Subd. 2. **Detachment.** An area within a district may be detached therefrom upon a petition to the agency stating the grounds therefor as hereinafter provided, signed by an authorized officer or officers of the district pursuant to a resolution of the board, also signed with respect to the area proposed for detachment in like manner as provided for a petition for creation of a district. Except as otherwise provided, a proceeding for detachment shall be governed by the provisions now or hereafter in force relating to proceedings for the creation of districts, so far as applicable. For the purpose of giving the required notices the territory involved shall comprise the entire territory of the district. If the agency determines that the requisite conditions for inclusion in a district no longer exist in the area proposed for detachment, it may make an order for detachment accordingly. All taxable property within the detached area shall remain subject to taxation for any existing bonded indebtedness of the district to such extent as it would have been subject thereto if not detached, and shall also remain subject to taxation for any other existing indebtedness of the district incurred for any purpose beneficial to such area to such extent as the agency may determine to be just and equitable, to be specified in the order for detachment. The proper officers shall levy further taxes on such property accordingly.

Subd. 3. **Joint petition.** Different areas may be annexed to and detached from a district in a single proceeding upon a joint petition therefor and upon compliance with the provisions of subdivisions 1 and 2 with respect to the area affected so far as applicable.

Subd. 4. **Dissolution.** A district may be dissolved upon a petition to the agency stating the grounds for dissolution as hereinafter provided, signed by an authorized officer or officers of the district pursuant to a resolution of the board, and containing a proposal for distribution of the remaining funds of the district, if any, among the related governmental subdivisions. Except as otherwise provided, a proceeding for dissolution shall be governed by the provisions now or hereafter in force relating to proceedings for the creation of districts, so far as applicable. If the commission determines that the conditions requisite for the creation of the district no longer exist therein, that all indebtedness of the district has been paid, and that all property of the district except funds has been disposed of, it may make an order dissolving the district and directing the distribution of its remaining funds, if any, among the related governmental subdivisions on such basis as the agency determines to be just and equitable, to be specified in the order. Certified copies of the order for dissolution shall be transmitted and filed as provided for an order creating a district. The secretary of the agency shall also transmit a certified copy of the order to the treasurer of the district, who shall thereupon distribute the remaining funds of the district as directed by the order, and shall be responsible for such funds until so distributed.

#### **115.22 PETITIONERS TO PAY EXPENSES.**

Expenses of the preparation and submission of petitions in proceedings under sections 115.19 to 115.21 shall be paid by the petitioners. Expenses of hearings therein shall be paid out of any available funds appropriated for the agency.

#### **115.23 BOARD OF MANAGERS OF DISTRICT.**

Subdivision 1. **Composition.** The governing body of each district shall be a board of managers of five members, who shall be voters residing in the district, and who may but need not be officers, members of governing bodies, or employees of the related governmental subdivisions, except that where there are more than five territorial units in a district there shall be one board member for each unit.

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Subd. 2. **Terms.** The terms of the first board members elected after creation of a district shall be so arranged and determined by the electing body as to expire on the first business day in January as follows:

(1) the terms of two members in the second calendar year after the year in which they were elected;

(2) the terms of two other members in the third calendar year after the year in which they were elected;

(3) the term of the remaining member in the fourth calendar year after the year in which the member was elected. In case a board has more than five members the additional members shall be assigned to the groups hereinbefore provided for so as to equalize such groups as far as practicable. Thereafter board members shall be elected successively for regular terms beginning on expiration of the preceding terms and expiring on the first business day in January of the third calendar year thereafter. Each board member shall serve until a successor is elected and has qualified.

Subd. 3. **Election of board.** In a district having only one territorial unit all the members of the board shall be elected by the related governing body. In a district having more than one territorial unit the members of the board shall be elected by the members of the related governing bodies in joint session except as otherwise provided. The electing bodies concerned shall meet and elect the first board members of a new district as soon as practicable after creation of the district, and shall meet and elect board members for succeeding regular terms as soon as practicable after November 1 next preceding the beginning of the terms to be filled, respectively.

Subd. 4. **Central related governing body.** Upon the creation of a district having more than one territorial unit, the agency, on the basis of convenience for joint meeting purposes, shall designate one of the related governing bodies as the central related governing body in the order creating the district or in a subsequent special order, of which the secretary of the agency shall notify the clerks or recorders of all the related governing bodies. Upon receipt of such notification, the clerk or recorder of the central related governing body shall immediately transmit the same to the presiding officer of such body. Such officer shall thereupon call a joint meeting of the members of all the related governing bodies to elect board members, to be held at such time as the officer shall fix at the regular meeting place of the officer's governing body or at such other place in the district as the officer shall determine. At least ten days' notice of the meeting shall be given by mail by the clerk or recorder of such body to the clerks or recorders of all the other related governing bodies, who shall immediately transmit such notice to all the members of such bodies, respectively. Subsequent joint meetings to elect board members for regular terms shall be called and held in like manner. The presiding officer and the clerk or recorder of the central related governing body shall act respectively as chair and secretary of the joint electing body at any meeting thereof, but in case of the absence or disability of either of them such body may elect a temporary substitute. A majority of the members of each related governing body shall be required for a quorum at any meeting of the joint electing body.

Subd. 5. **Nominations.** Nominations for board members may be made by petitions, each signed by ten or more voters residing and owning land in the district, filed with the clerk, recorder, or secretary of the electing body before the election meeting. No person shall sign more than one petition. The electing body shall give due consideration to all such nominations but shall not be limited thereto.

Subd. 6. **Election; single governing body.** In the case of an electing body consisting of a single related governing body, a majority vote of all the members shall be required for an election. In the case of a joint electing body, a majority vote of the members present shall be required for an election. In case of lack of a quorum or failure to elect, a meeting of an electing body may be adjourned to a stated time and place without further notice.

Subd. 7. **Election; multiple governing bodies.** In any district having more than one territorial unit, the related governing bodies, instead of meeting in joint session, may elect a board member by resolutions adopted by all of them separately, concurring in the election of the same person. A majority vote of all the members of each related governing body shall be required for the adoption of any such resolution. The clerks or recorders of the other related governing bodies shall transmit certified copies of such resolutions to the clerk or recorder of the central related governing body. Upon receipt of concurring resolutions from all the related governing bodies, the presiding officer and clerk or recorder of the central related governing body shall certify the results and furnish certificates of election as provided for a joint meeting.

Subd. 8. **Vacancies.** Any vacancy in the membership of a board shall be filled for the unexpired term in like manner as provided for the regular election of board members.

Subd. 9. **Certification of election; temporary chair.** The presiding and recording officers of the electing body shall certify the results of each election to the secretary of the agency, to the county auditor of each county wherein any part of the district is situated, and to the clerk or

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recorder of each related governing body, and shall make and transmit to each board member elected a certificate of the board member's election. Upon electing the first board members of a district, the presiding officer of the electing body shall designate one of them to serve as temporary chair for the purposes of initial organization of the board, and the recording officer of the body shall include written notice thereof to all the board members with their certificates of election.

#### **115.24 ORGANIZATION AND PROCEDURE OF BOARD.**

Subdivision 1. **Initial, annual meetings.** As soon as practicable after the election of the first board members of a district they shall meet at the call of the temporary chair to elect officers and take other appropriate action for organization and administration of the district. Each board shall hold a regular annual meeting at the call of the chair or otherwise as it shall prescribe on or as soon as practicable after the first business day in January of each year, and such other regular and special meetings as it shall prescribe.

Subd. 2. **Officers.** The officers of each district shall be a chair and a vice-chair, who shall be members of the board, and a secretary and a treasurer, who may but need not be members of the board. The board of a new district at its initial meeting or as soon thereafter as practicable shall elect the officers to serve until the first business day in January next following. Thereafter the board shall elect the officers at each regular annual meeting for terms expiring on the first business day in January next following. Each officer shall serve until a successor is elected and has qualified.

Subd. 3. **Meeting place; offices.** The board at its initial meeting or as soon thereafter as practicable shall provide for suitable places for board meetings and for offices of the district officers, and may change the same thereafter as it deems advisable. Such meeting place and offices may be the same as those of any related governing body, with the approval of such body. The secretary of the board shall notify the secretary of state, the secretary of the agency, the county auditor of each county wherein any part of the district is situated, and the clerk or recorder of each related governing body of the locations and post office addresses of such meeting place and offices and any changes therein.

Subd. 4. **Budget.** At any time before the proceeds of the first tax levy in a district become available, the district board may prepare a budget comprising an estimate of the expenses of organizing and administering the district until such proceeds are available, with a proposal for apportionment of the estimated amount among the related governmental subdivisions, and may request the governing bodies thereof to advance funds in accordance with the proposal. Such governing bodies may authorize advancement of the requested amounts, or such part thereof as they respectively deem proper, from any funds available in their respective treasuries. The board shall include in its first tax levy after receipt of any such advancements a sufficient sum to cover the same and shall cause the same to be repaid, without interest, from the proceeds of taxes as soon as received.

#### **115.25 STATUS AND POWERS OF DISTRICT.**

Subdivision 1. **Status.** Every district shall be a public corporation and a governmental subdivision of the state, and shall be deemed to be a municipality or municipal corporation for the purpose of obtaining federal or state grants or loans or otherwise complying with any provision of federal or state law or for any other purpose relating to the powers and purposes of the district for which such status is now or hereafter required by law.

Subd. 2. **Powers and purpose.** Every district shall have the powers and purposes prescribed by sections 115.18 to 115.37 and such others as may now or hereafter be prescribed by law. No express grant of power or enumeration of powers herein shall be deemed to limit the generality or scope of any grant of power.

Subd. 3. **Scope of powers and duties.** Except as otherwise provided, a power or duty vested in or imposed upon a district or any of its officers, agents, or employees shall not be deemed exclusive and shall not supersede or abridge any power or duty vested in or imposed upon any other agency of the state or any governmental subdivision thereof, but shall be supplementary thereto.

Subd. 4. **Exercise of power.** All the powers of a district shall be exercised by its board of managers except so far as approval of any action by popular vote or by any other authority may be expressly required by law.

Subd. 5. **Lawsuits; contracts.** A district may sue and be sued and may enter into any contract necessary or proper for the exercise of its powers or the accomplishment of its purposes.

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Subd. 6. **Property acquisition.** A district may acquire by purchase, gift, or condemnation or may lease or rent any real or personal property within or without the district which may be necessary for the exercise of its powers or the accomplishment of its purposes, may hold such property for such purposes, and may lease or rent out or sell or otherwise dispose of any such property so far as not needed for such purposes.

Subd. 7. **Acceptance of money or property.** A district may accept gifts, grants, or loans of money or other property from the United States, the state, or any person, corporation, or other entity for district purposes, may enter into any agreement required in connection therewith, and may hold, use, and dispose of such money or property in accordance with the terms of the gift, grant, loan, or agreement relating thereto.

#### 115.26 SPECIFIC PURPOSES AND POWERS.

Subdivision 1. **Pollution prevention.** A district may construct, install, improve, maintain, and operate any system, works, or facilities within or without the district required to control and prevent pollution of any waters of the state within its territory.

Subd. 2. **Sewage disposal.** A district may construct, install, improve, maintain, and operate any system, works, or facilities within or without the district required to provide for, regulate, and control the disposal of sewage, industrial waste and other waste originating within its territory. The district may require any person upon whose premises there is any source of sewage, industrial waste, or other waste within the district to connect the same with the disposal system, works, or facilities of the district whenever reasonable opportunity therefor is provided.

Subd. 3. **Garbage, refuse disposal.** A district may construct, install, improve, maintain, and operate any system, works, or facilities within or without the district required to provide for, regulate, and control the disposal of garbage or refuse originating within the district, and may require any person upon whose premises any garbage or refuse is produced or accumulated to dispose thereof through the system, works, or facilities of the district whenever reasonable opportunity therefor is provided.

Subd. 4. **Water supply.** A district may procure supplies of water so far as necessary for any purpose under subdivisions 1, 2, and 3, and may construct, install, improve, maintain, and operate any system, works, or facilities required therefor within or without the district.

Subd. 5. **Roads.** (a) In order to maintain the integrity of and facilitate access to district systems, works, or facilities, the district may maintain and repair a road by agreement with the entity that was responsible for the performance of maintenance and repair immediately prior to the agreement. Maintenance and repair includes, but is not limited to, providing lighting, snow removal, and grass mowing.

(b) A district shall establish a taxing subdistrict of benefited property and shall levy special taxes, pursuant to section 115.33, subdivision 2, for the purposes of paying the cost of improvement or maintenance of a road under paragraph (a).

(c) For purposes of this subdivision, a district shall not be construed as a road authority under chapter 160.

(d) The district and its officers and employees are exempt from liability for any tort claim for injury to person or property arising from travel on a road maintained by the district and related to its maintenance or condition.

#### 115.27 DISTRICT PROJECTS AND FACILITIES.

Subdivision 1. **Public property.** For the purpose of constructing, improving, maintaining, or operating any system, works, or facilities designed or used for any purpose under section 115.26, a district, its officers, agents, employees, and contractors may enter, occupy, excavate, and otherwise operate it, upon, under, through, or along any public highway, including a state trunk highway, or any street, park, or other public grounds so far as necessary for such work, with the approval of the governing body or other authority in charge of the public property affected and on such terms as may be agreed upon with such governing body or authority respecting interference with public use, restoration of previous conditions, compensation for damages, and other pertinent matters. If such an agreement cannot be reached after reasonable opportunity therefor, the district may acquire the necessary rights, easements, or other interests in such public property by condemnation, subject to all applicable provisions of law as in case of taking private property, upon condition that the court shall determine that there is paramount public necessity for such acquisition.

Subd. 2. **Use of other systems.** A district may, upon such terms as may be agreed upon with the respective governing bodies or authorities concerned, provide for connecting with or using or

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may lease or acquire and take over any system, works, or facilities for any purpose under section 115.26 belonging to any other governmental subdivision or other public agency.

Subd. 3. **Use by other governmental bodies.** A district may, upon such terms as may be agreed upon with the respective governing bodies or authorities concerned, authorize the use by any other governmental subdivision or other public agency of any system, works, or facilities of the district constructed for any purpose under section 115.26 so far as the capacity thereof is sufficient beyond the needs of the district. A district may extend any such system, works, or facilities and permit the use thereof by persons outside the district, so far as the capacity thereof is sufficient beyond the needs of the district, upon such terms as the board may prescribe.

Subd. 4. **Joint projects.** A district may be a party to a joint cooperative project, undertaking, or enterprise with any one or more other governmental subdivisions or other public agencies for any purpose under section 115.26 upon such terms as may be agreed upon between the governing bodies or authorities concerned. Without limiting the effect of the foregoing provision or any other provisions of sections 115.18 to 115.37, a district, with respect to any of said purposes, may act under and be subject to the provisions of section 471.59, as now in force or hereafter amended, or any other appropriate law now in force or hereafter enacted providing for joint or cooperative action between governmental subdivisions or other public agencies.

#### **115.28 CONTROL OF SANITARY FACILITIES.**

A district may regulate and control the construction, maintenance, and use of privies, cesspools, septic tanks, toilets, and other facilities and devices for the reception or disposal of human or animal excreta or other domestic wastes within its territory so far as necessary to prevent nuisances or pollution or to protect the public health, safety, and welfare, and may prohibit the use of any such facilities or devices not connected with a district disposal system, works, or facilities whenever reasonable opportunity for such connection is provided; provided, that the authority of a district under this section shall not extend or apply to the construction, maintenance, operation, or use by any person other than the district of any disposal system or part thereof within the district under and in accordance with a valid and existing permit heretofore or hereafter issued by the agency.

#### **115.29 DISTRICT PROGRAMS, SURVEYS, AND STUDIES.**

A district may develop general programs and particular projects within the scope of its powers and purposes, and may make all surveys, studies, and investigations necessary therefor.

#### **115.30 GENERAL AND STATUTORY CITY POWERS.**

A district may do and perform all other acts and things necessary or proper for the effectuation of its powers and the accomplishment of its purposes. Without limiting the effect of the foregoing provision or any other provision of sections 115.18 to 115.37, a district, with respect to each and all of said powers and purposes, shall have like powers as are vested in statutory cities with respect to any similar purposes, and the exercise of such powers by a district and all matters pertaining thereto shall be governed by the provisions of law relating to the exercise of similar powers by statutory cities and matters pertaining thereto, so far as applicable, with like force and effect, except as otherwise provided.

#### **115.31 ADVISORY COMMITTEE.**

The board may appoint an advisory committee with such membership and duties as it may prescribe.

#### **115.32 POWERS OF BOARD.**

Subdivision 1. **Generally.** The board of managers of every district shall have charge and control of all the funds, property, and affairs of the district. With respect thereto, the board shall have like powers and duties as are provided by law for a statutory city council with respect to similar statutory city matters, except as otherwise provided. Except as otherwise provided, the chair, vice-chair, secretary, and treasurer of the district shall have like powers and duties, respectively, as the mayor, acting mayor, clerk, and treasurer of a statutory city. Except as otherwise provided the exercise of the powers and the performance of the duties of the board and officers of the district and all other activities, transactions, and procedures of the district or any of

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its officers, agents, or employees, respectively, shall be governed by the provisions of law relating to similar matters in a statutory city, so far as applicable, with like force and effect.

Subd. 2. **Regulation of district.** The board may enact ordinances, prescribe regulations, adopt resolutions, and take other appropriate action relating to any matter within the powers and purposes of the district, and may do and perform all other acts and things necessary or proper for the effectuation of said powers and the accomplishment of said purposes. The board may provide that violation of any ordinance shall be a penal offense and may prescribe penalties therefor, not exceeding those prescribed by law for violation of statutory city ordinances.

Subd. 3. **Arrest; prosecution.** Violations of district ordinances may be prosecuted before any court having jurisdiction of misdemeanors. Any peace officer may make arrests for violations committed anywhere within the district in the same manner as for violations of city ordinances or for statutory misdemeanors.

All fines collected shall be deposited in the treasury of the district.

### **115.33 TAX LEVIES, ASSESSMENTS, AND SERVICE CHARGES.**

Subdivision 1. **Tax levies.** The board may levy taxes for any district purpose on all property taxable within the district, and for a period of five years from June 5, 1971, the same shall not be subject to any limitation and shall be excluded in computing amounts subject to any limitation on tax levies.

Subd. 2. **Particular area.** In the case where a particular area within the district, but not the entire district, is benefited by a system, works, or facilities of the district, the board, after holding a public hearing as provided by law for levying assessments on benefited property, shall by ordinance establish such area as a taxing subdistrict, to be designated by number, and shall levy special taxes on all the taxable property therein, to be accounted for separately and used only for the purpose of paying the cost of construction, improvement, acquisition, maintenance, or operation of such system, works, or facilities, or paying the principal and interest on bonds issued to provide funds therefor and expense incident thereto. Such hearing may be held jointly with a hearing for the purpose of levying assessments on benefited property within the proposed taxing subdistrict.

Subd. 3. **Benefited property.** The board shall levy assessments on benefited property to provide funds for payment of the cost of construction, improvement, or acquisition of any system, works, or facilities designed or used for any district purpose, or for payment of the principal of and interest on any bonds issued therefor and expenses incident thereto.

Subd. 4. **Service charges.** The board shall prescribe service, use, or rental charges for persons or premises connecting with or making use of any system, works, or facilities of the district, prescribe the method of payment and collection of such charges, and provide for the collection thereof for the district by any related governmental subdivision or other public agency on such terms as may be agreed upon with the governing body or other authority thereof.

### **115.34 BORROWING POWERS; BONDS.**

Subdivision 1. **Borrowing power.** The board may authorize the borrowing of money for any district purpose and provide for the repayment thereof, subject to chapter 475. The taxes initially levied by any district in accordance with section 475.61 for the payment of its bonds, upon property within each municipality included in the district, shall be included in computing the levy of such municipality.

Subd. 2. **Bond issuance.** The board may authorize the issuance of bonds or obligations of the district to provide funds for the construction, improvement, or acquisition of any system, works, or facilities for any district purpose, or for refunding any prior bonds or obligations issued for any such purpose, and may pledge the full faith and credit of the district or the proceeds of tax levies or assessments or service, use, or rental charges, or any combination thereof, to the payment of such bonds or obligations and interest thereon or expenses incident thereto. An election or vote of the people of the district shall be required to authorize the issuance of any such bonds or obligations. Except as otherwise provided in sections 115.18 to 115.37, the forms and procedures for issuing and selling bonds and provisions for payment thereof shall comply with the provisions of chapter 475, as now in force or hereafter amended.

### **115.35 FUNDS; DISTRICT TREASURY.**

The proceeds of all tax levies, assessments, service, use, or rental charges, and other income of the district shall be deposited in the district treasury and shall be held and disposed of as the board may direct for district purposes, subject to any pledges or dedications made by

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the board for the use of particular funds for the payment of bonds or interest thereon or expenses incident thereto or for other specific purposes.

#### **115.36 EFFECT OF DISTRICT ORDINANCES AND FACILITIES.**

In any case where an ordinance is enacted or a regulation adopted by a district board relating to the same subject matter and applicable in the same area as an existing ordinance or regulation of a related governmental subdivision for the district, the district ordinance or regulation, to the extent of its application, shall supersede the ordinance or regulation of the related governmental subdivision. In any case where an area within a district is served for any district purpose by a system, works, or facilities of the district, no system, works, or facilities shall be constructed, maintained, or operated for the same purpose in the same area by any related governmental subdivision or other public agency except as approved by the district board.

#### **115.37 APPLICATION.**

The provisions of sections 115.18 to 115.37 shall not abridge or supersede any provision of sections 115.01 to 115.09, or any authority of the Minnesota Pollution Control Agency or the state commissioner of health, but shall be subject and supplementary thereto. Districts and members of district boards shall be subject to the authority of the agency and shall have no power or authority to abate or control pollution which is permitted by and in accord with any classification of waters, standards of water quality, or permit established, fixed, or issued by the agency.

#### **116W.01 MINNESOTA SCIENCE AND TECHNOLOGY AUTHORITY ACT.**

This chapter may be cited as the "Minnesota Science and Technology Authority Act."

#### **116W.02 DEFINITIONS.**

Subdivision 1. **Applicability.** For the purposes of this chapter, the terms in this section have the meanings given them.

Subd. 2. **Authority.** "Authority" means the Minnesota Science and Technology Authority.

Subd. 3. **Eligible recipient.** "Eligible recipient" means an entity primarily operating to create and retain jobs in the state's industrial base and maximize the economic growth of the state through:

- (1) high-technology research and development capabilities;
- (2) product and process innovation and commercialization;
- (3) high-technology manufacturing capabilities;
- (4) science and technology business environment; or
- (5) science and technology workforce preparation.

Subd. 4. **Advisory commission.** "Advisory commission" means the advisory commission under section 116W.051.

#### **116W.03 MINNESOTA SCIENCE AND TECHNOLOGY AUTHORITY.**

Subdivision 1. **Membership.** The Minnesota Science and Technology Authority consists of the commissioner of employment and economic development, the commissioner of management and budget, the commissioner of revenue, the commissioner of commerce, and the commissioner of agriculture.

Subd. 2. **Chair; other officers.** The commissioner of employment and economic development shall serve as the chair and chief executive officer of the authority. The authority shall rotate the position of vice-chair annually among its members. The commissioner of employment and economic development shall convene the first meeting of the authority no later than July 1, 2010. In the absence of the chair or vice-chair at meetings of the authority members may elect a chair for the meeting, and may elect other officers as necessary from its members.

Subd. 3. **Delegation.** In addition to any powers to delegate that members of the authority have as commissioners, they may delegate to the chair, vice-chair, or executive director their responsibilities as members of the authority for reviewing and approving financing of eligible projects, projects that have been authorized by law, or programs specifically authorized by resolution of the authority.

Subd. 4. **Actions.** (a) A majority of the authority, excluding vacancies, constitutes a quorum to conduct its business, to exercise its powers, and for all other purposes.

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(b) The authority may conduct its business by any technological means available, including teleconference calls or interactive video, that allows for an interaction between members. If a meeting is conducted under this paragraph, a specific location must be available for the public to attend the meeting and at least one member must be present at that location.

Subd. 5. **Executive director; staffing.** The authority shall employ an executive director in the unclassified service. The initial executive director must be the individual in the position of director of the Office of Science and Technology as of January 1, 2010, under Minnesota Statutes 2008, section 116J.657. The executive director is responsible for hiring staff necessary to assist the executive director to carry out the duties and responsibilities of the authority. The executive director shall perform duties that the authority may require in carrying out its responsibilities to manage and implement the funds and programs in this chapter, and comply with all state and federal program requirements, and state and federal securities and tax laws and regulations. The executive director shall assist the advisory board in fulfilling its duties under this chapter.

Subd. 6. **Administrative services.** The authority shall enter into agreements for administrative and professional services and technical support.

Subd. 7. **Expiration.** This section expires June 30, 2018. Section 15.059, subdivision 5, does not apply to the authority.

### **116W.035 INFORMATION TECHNOLOGY.**

To the extent the projects or grants approved by the authority or other work of the authority impact state information systems, these information systems are subject to the jurisdiction of the Office of Enterprise Technology in chapter 16E, including, but not limited to:

- (1) evaluation and approval as specified in section 16E.03, subdivisions 3 and 4;
- (2) review to ensure compliance with security policies, guidelines, and standards as specified in section 16E.03, subdivision 7; and
- (3) assurance of compliance with accessibility standards developed under section 16E.03, subdivision 9.

### **116W.04 POWERS AND DUTIES.**

Subdivision 1. **Duties.** The Science and Technology Authority shall:

- (1) coordinate public and private efforts to procure federal funding for collaborative research and development projects of primary benefit to small-sized and medium-sized businesses;
- (2) promote contractual relationships between Minnesota businesses that are recipients of federal grants and prime contractors, and Minnesota-based subcontractors;
- (3) work with Minnesota nonprofit institutions including the University of Minnesota, Minnesota State Colleges and Universities, and the Mayo Clinic in promoting collaborative efforts to respond to federal funding opportunities;
- (4) develop a framework for Minnesota companies to establish sole-source relationships with federal agencies;
- (5) provide grants or other forms of financial assistance to eligible recipients for purposes of this chapter;
- (6) coordinate workshops, assistance with business proposals, licensing, intellectual property protection, commercialization, and government auditing with the University of Minnesota and Minnesota State Colleges and Universities; and
- (7) develop and implement a comprehensive science and technology economic development strategy for the state.

Subd. 2. **Technology matchmaking.** The authority must assist businesses in identifying qualified suppliers and vendors through a program to serve as a conduit for Minnesota-based companies to network with firms able to support their success. Firms outside Minnesota can participate in the technology matchmaking network if one of the participating companies is located in Minnesota.

Subd. 3. **Commercialization assistance.** The authority must provide commercialization assistance to Minnesota firms that have received a Phase I Small Business Innovation Research (SBIR) or a Phase I Small Business Technology Transfer (STTR) award and are submitting a Phase II proposal. Local service providers must assist the applicant with developing and reviewing the required commercialization plan prior to Phase II submission. The authority may provide SBIR Phase I proposal technical review.

Subd. 4. **Power to sue; enter contracts.** The authority may sue and be sued. The authority may make and enter into contracts, leases, and agreements necessary to perform its duties and exercise its powers.

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Subd. 5. **Gifts; grants.** The authority may apply for, accept, and disburse gifts, grants, loans, or other property from the United States, the state, private sources, or any other source for any of its purposes. Money received by the authority under this subdivision must be deposited in the state treasury and is appropriated to the authority to carry out its duties.

Subd. 6. **Contract for services.** The authority may retain or contract for the services of accountants, financial advisors, and other consultants or agents needed to perform its duties and exercise its powers.

Subd. 7. **Fees.** The authority may set and collect fees for costs incurred by the authority, the Department of Employment and Economic Development, the Department of Management and Budget, the Department of Revenue, the Department of Commerce, the Department of Labor and Industry, and the Department of Agriculture, including costs for personnel, professional, and administrative services.

Subd. 8. **Reports.** (a) The authority shall report by February 1 each year to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over finance and economic development on its progress to design, coordinate, and administer a strategic science and technology program for the state to promote the welfare of the people of the state, maximize the economic growth of the state, and create and retain jobs in the state's industrial base through enhancement of Minnesota's:

- (1) high-technology research and development capabilities;
- (2) product and process innovation and commercialization;
- (3) high-technology manufacturing capabilities;
- (4) science and technology business environment; and
- (5) science and technology workforce preparation.

(b) The report must include a complete operating and financial statement covering the authority's operations during the year, including amounts of income from all sources. Books and records of the authority are subject to audit by the legislative auditor in the manner prescribed for state agencies.

Subd. 9. **Consultative and technical services.** The authority may provide general consultative and technical services to assist eligible projects and enter into agreements or other transactions concerning the receipt or provision of those services.

Subd. 10. **Financial information.** Financial information, including credit reports, financial statements, and net worth calculations, received or prepared by the authority regarding financial assistance, is private data with regard to data on individuals as defined in section 13.02, subdivision 12, and nonpublic data with regard to data not on individuals as defined in section 13.02, subdivision 9.

Subd. 11. **General.** The authority shall have all powers necessary and appropriate to fulfill its responsibilities under this chapter.

#### **116W.05 PROJECT FINANCIAL ASSISTANCE.**

Subdivision 1. **Determination of financial assistance.** The authority shall assist eligible recipients in identifying grants or other sources of financial assistance available to finance projects and may assist eligible recipients in applying for and obtaining grants and other forms of assistance.

Subd. 2. **Financial feasibility review.** (a) The authority shall review the proposed financing for each project submitted to the authority to determine whether: (1) the proposed project and financing plan is an eligible use of the money; and (2) the proposal is in compliance with applicable state and federal tax and securities laws and regulations. Grants in excess of \$50,000 must be approved by the authority. Grants of \$50,000 or less may be authorized by the executive director. All grant approvals or disapprovals must be completed within 30 days of submission to the authority. Grants approved by the executive director must be reviewed by the authority each month.

(b) Unless a project is specifically authorized by law, the authority may reject the proposed financing for a project meeting the requirements in paragraph (a) if there are not sufficient funds available or if a majority of members believe the financing of the project would not be in the best interests of the state or would be detrimental to the authority's funds or programs. A determination to reject a proposed project must not be made in an arbitrary and capricious manner and must be supported by substantive evidence and documented by a resolution of the authority stating its findings.

#### **116W.06 ADVISORY COMMISSION.**

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Subdivision 1. **Advisory commission membership.** A Science and Technology Initiative Advisory Commission of 18 members is established and is comprised of:

- (1) two representatives of the University of Minnesota, selected by the president of the university, including a faculty member actively involved in science and technology research;
- (2) two representatives of the Minnesota State Colleges and Universities, selected by the chancellor, including a faculty member actively involved in science and technology research;
- (3) the chief executive officer of Mayo Clinic or a designee;
- (4) six chief executive officers or designees from science-oriented or technology-oriented companies;
- (5) four representatives from science-oriented and technology-oriented organizations;
- (6) one representative of organized labor;
- (7) a venture capital representative; and
- (8) a representative of angel investors.

A member must have experience in science or technology in order to serve on the commission.

Members of the commission listed in clauses (4) to (8) shall be appointed by the authority.

Subd. 2. **Advisory commission duties.** The advisory commission must assist the authority in developing a comprehensive science and technology economic development plan to be presented to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over economic development and higher education by January 15, 2011. The plan must include recommendations in strategic areas for science and technology investments, recommendations on additional programs to support science and technology focused economic development activities in the state, selection of specific programs and grantees for support from program funds authorized by the advisory commission and ongoing assessment of the effectiveness of programmatic elements according to metrics to be developed by the authority in consultation with the advisory commission. The advisory commission may also advise and assist the authority in fulfilling its duties under section 116W.04.

Subd. 3. **Membership terms; vacancies; compensation.** The membership terms, removal of members, and filling of vacancies are as provided under section 15.059. The executive director may provide compensation to members if funds are available.

Subd. 4. **Expiration.** The advisory commission expires June 30, 2013.

Subd. 5. **Convening of meetings; staffing.** The executive director of the authority must convene the first meeting of the commission by August 1, 2010. The executive director must provide administrative support and staff to the commission.

### **116W.20 MONEY OF THE AUTHORITY.**

Subdivision 1. **Functions of commissioner of management and budget.** Except as otherwise provided in this section, money of the authority must be paid to the commissioner of management and budget as agent of the authority and the commissioner shall not commingle the money with other money. The money in the accounts of the authority must be paid out only on warrants drawn by the commissioner of management and budget on requisition of the executive director of the authority or of another officer or employee as the authority authorizes. Deposits of the authority's money must, if required by the commissioner or the authority, be secured by obligations of the United States or of the state of a market value equal at all times to the amount of the deposit and all banks and trust companies are authorized to give security for the deposits. All money paid to the commissioner as agent of the authority is appropriated to the authority. The commissioner must annually report to the committees of the legislature with responsibility for economic development and management and budget on the use of appropriations under this section.

Subd. 2. **System of accounts.** The commissioner of management and budget shall prescribe a system of accounts.

### **116W.21 NONLIABILITY.**

Subdivision 1. **Nonliability of individuals.** No member of the authority, staff of the authority, or other person executing other agreements or contracts of the authority is liable personally or is subject to any personal liability or accountability by reason of their issuance, execution, delivery, or performance.

Subd. 2. **Nonliability of state.** The state is not liable on loans or other agreements or contracts of the authority issued or entered into under this chapter and the loans or other

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agreements or contracts of the authority are not a debt of the state. The loans or other agreements or contracts of the authority must contain on their face a statement to that effect.

#### **116W.23 STATE PLEDGE AGAINST IMPAIRMENT OF CONTRACTS.**

The state pledges and agrees with parties to any loans or other agreements or contracts of the authority that the state will not: (1) limit or alter the rights vested in the authority to fulfill the terms of any agreements made with the parties to any loans or other agreements or contracts of the authority; or (2) in any way impair the rights and remedies of the parties to any loans or other agreements or contracts of the authority. The authority may include this pledge and agreement of the state in any agreement with the parties in any loans or other agreements or contracts of the authority.

#### **116W.24 RESERVES; FUNDS; ACCOUNTS.**

The authority may establish reserves, funds, or accounts necessary to carry out the purposes of the authority or to comply with any agreement made by or any resolution passed by the authority.

#### **116W.25 CITATION.**

Sections 116W.26 to 116W.34 may be cited as the "Minnesota science and technology program."

#### **116W.26 DEFINITIONS.**

Subdivision 1. **Applicability.** For the purposes of sections 116W.26 to 116W.34, the terms in this section have the meanings given them.

Subd. 2. **Authority.** "Authority" means the Minnesota Science and Technology Authority established under this chapter.

Subd. 3. **College or university.** "College or university" means an institution of postsecondary education, public or private, that grants undergraduate or postgraduate academic degrees, and conducts significant research or development activities in the areas of science and technology.

Subd. 4. **Commercialization.** "Commercialization" means any of the full spectrum of activities required for a new technology, product, or process to be developed from its basic research of conceptual stage through applied research or development to the marketplace including, without limitation, the steps leading up to and including licensure, sales, and services.

Subd. 5. **Commercialized research project.** "Commercialized research project" means research conducted within a college or university or nonprofit research institution or by a qualified science and technology company that has shown advanced commercial potential through license agreements, patents, or other forms of invention disclosure, and by which a qualified science and technology company has been or is being currently formed.

Subd. 6. **Fund.** "Fund" means the Minnesota science and technology fund.

Subd. 7. **Nonprofit research institution.** "Nonprofit research institution" means an entity with its principle place of business in Minnesota, that qualifies under section 501(c) of the Internal Revenue Code, and that conducts significant research or development activities in this state in the areas of science and technology.

Subd. 8. **Program.** "Program" means the Minnesota science and technology program.

Subd. 9. **Qualified science and technology company.** "Qualified science and technology company" means a corporation, limited liability company, S corporation, partnership, limited liability partnership, or sole proprietorship with fewer than 100 employees that is engaged in research, development, or production of science or technology in this state including, without limitation, research, development, or production directed toward developing or providing science and technology products, processes, or services for specific commercial or public purposes.

#### **116W.27 MINNESOTA SCIENCE AND TECHNOLOGY FUND.**

A Minnesota science and technology fund is created in the state treasury. The fund is a direct-appropriated special revenue fund. Money of the authority must be paid to the commissioner of management and budget as agent of the authority and the commissioner shall not commingle the money with other money. The money in the fund must be paid out only on

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warrants drawn by the commissioner of management and budget on requisition of the executive director of the authority or designee.

**116W.28 MINNESOTA SCIENCE AND TECHNOLOGY FUND; AUTHORIZED USES.**

The Minnesota science and technology fund may be used for the following to:

- (1) establish the commercialized research program authorized under section 116W.29;
- (2) establish the federal research and development support program under section 116W.30;
- (3) establish the industry technology and competitiveness program under section 116W.31; and
- (4) carry out the powers of the authority authorized under sections 116W.04 and 116W.32 that are in support of the programs in clauses (1) to (3).

**116W.29 COMMERCIALIZED RESEARCH PROGRAM.**

(a) The authority may establish a commercialized research program. The purpose of the program is to accelerate the commercialization of science and technology products, processes, or services from colleges or universities, nonprofit research institutions, or qualified science and technology companies that lead to an increase in science and technology businesses and jobs. The program shall:

(1) provide science and technology gap funding of up to \$250,000 per science and technology research project to assist in the commercialization and transfer of science and technology research projects from a college or university or nonprofit research institution to a qualified science and technology company; and

(2) provide funding of up to \$250,000 for early stage development for qualified science and technology companies to conduct commercialized research projects.

(b) All activities under the commercialized research program must require:

- (1) written criteria set by the authority for the application, award, and use of the funds;
- (2) matching funds by the participating qualified science and technology company, college or university, or nonprofit research institution;
- (3) no more than 15 percent of the funds awarded by the authority may be used for overhead costs; and
- (4) a report by the participating qualified science and technology company, college or university, or nonprofit research institution that provides documentation of the use of funds and outcomes of the award. The report must be submitted to the authority within one calendar year of the date of the award.

**116W.30 FEDERAL RESEARCH AND DEVELOPMENT SUPPORT PROGRAM.**

The authority may establish a federal research and development support program. The purpose of the program is to increase and coordinate efforts to procure federal funding for research projects of primary benefit to qualified science and technology companies, colleges or universities, and nonprofit research institutions. The program shall:

(1) develop and execute a strategy to identify specific federal agencies and programs that support the growth of science and technology industries in this state; and

(2) provide grants to qualified science and technology companies:

(i) to assist in the development of federal Small Business Innovation (SBIR) or Small Business Technology Transfer (STTR) proposals; and

(ii) to match funds received through SBIR or STTR awards. No more than \$1,500,000 may be awarded in a year for matching grants under this clause.

**116W.31 INDUSTRY INNOVATION AND COMPETITIVENESS PROGRAM.**

(a) The authority may establish an industry technology and competitiveness program. The purpose of the program is to advance the technological capacity and competitiveness of existing and emerging science and technology industries. The program shall:

(1) provide matching funds to programs and organizations that assist entrepreneurs in starting and growing qualified science and technology companies including, but not limited to, matching funds for mentoring programs, consulting and technical services, and related activities;

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(2) fund initiatives that retain engineering, science, technology, and mathematical occupations in the state including, but not limited to, internships, mentoring, and support of industry and professional organizations; and

(3) fund initiatives that support the growth of targeted industry clusters and the competitiveness of existing qualified science and technology companies in developing and marketing new products and services.

(b) All activities under the industry innovation and competitiveness program shall require:

(1) written criteria set by the authority for the application, award, and use of the funds;

(2) matching funds by the participating qualified science and technology company, college or university, or nonprofit research institution; and

(3) a report by the participating qualified science and technology company, college or university, or nonprofit research institution providing documentation on the use of the funds and outcomes of the award. The report must be submitted to the authority within one calendar year from the date of the award.

### **116W.32 MINNESOTA SCIENCE AND TECHNOLOGY AUTHORITY; POWERS UNDER FUND.**

Subdivision 1. **General powers.** The authority shall have all of the powers necessary to carry out the purposes and provisions of sections 116W.26 to 116W.34, including, but not limited to, those provided under section 116W.04 and the following:

(1) The authority may make awards in the forms of grants or loans, and charge and receive a reasonable interest for the loans, or take an equity position in form of stock, a convertible note, or other securities in consideration of an award. Interests, revenues, or other proceeds received as a result of a transaction authorized by use of this fund shall be deposited to the corpus of the fund and used in the same manner as the corpus of the fund.

(2) In awarding money from the fund, priority shall be given to proposals from qualified science and technology companies that have demonstrable economic benefit to the state in terms of the formation of a new private sector business entity, the creation of jobs, or the attraction of federal and private funding.

(3) In awarding money from the fund, priority shall be given to proposals from colleges or universities and nonprofit research institutions that:

(i) promote collaboration between any combination of colleges or universities, nonprofit research institutions, and private industry;

(ii) enhance existing research superiority by attracting new research entities, research talent, or resources to the state; and

(iii) create new research superiority that attracts significant researchers and resources from outside the state.

(4) Subject to the limits in this clause, money within the fund may be used for reasonable administrative expenses by the authority including staffing and direct operational expenses, and professional fees for accounting, legal, and other technical services required to carry out the intent of the program and administration of the fund. Administrative expenses may not exceed five percent of the first \$5,000,000 in the fund and two percent of any amount in excess of \$5,000,000.

(5) Before making an award, the authority shall enter into a written agreement with the entity receiving the award that specifies the uses of the award.

(6) If the award recipient has not used the award received for the purposes intended, as of the date provided in the agreement, the recipient shall repay that amount and any interest applicable under the agreement to the authority. All repayments must be deposited to the corpus of the fund.

Subd. 2. **Rules.** The authority may adopt rules to implement the programs authorized under sections 116W.29 to 116W.31.

### **116W.33 REPAYMENT.**

An entity must repay all or a portion of the amount of any award, grant, loan, or financial assistance of any type paid by the authority under sections 116W.29 to 116W.32 if the entity relocates outside the state or ceases operation in Minnesota within four years from the date the authority provided the financial award. If the entity relocates outside of this state or ceases operation in Minnesota within three years of the financial award, the entity must repay 100 percent of the award. If the entity relocates or ceases operation in Minnesota after a period of

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three years but before four years from the date of the financial award, the entity must repay 75 percent of the financial award.

#### **116W.34 EXPIRATION.**

Sections 116W.26 to 116W.33 expire on the expiration date of the authority under section 116W.03, subdivision 7. Any unused money in the fund shall be deposited in the general fund.

#### **326B.31 DEFINITIONS.**

Subd. 18. **Elevator constructor.** "Elevator constructor" means an individual having the necessary qualifications, training, experience, and technical knowledge to wire for, install, maintain, and repair electrical wiring, apparatus, and equipment for elevators and escalators and who is licensed as an elevator constructor by the commissioner.

Subd. 19. **Elevator contractor.** "Elevator contractor" means a licensed contractor whose responsible licensed individual is a licensed master elevator constructor. An elevator contractor license does not itself qualify its holder to perform or supervise the electrical or elevator work authorized by holding a personal license issued by the commissioner.

Subd. 22. **Master elevator constructor.** "Master elevator constructor" means an individual having the necessary qualifications, training, experience, and technical knowledge to properly plan, lay out, and supervise the installation, maintenance, and repair of wiring, apparatus, and equipment for elevators and escalators and who is licensed as a master elevator constructor by the commissioner.

#### **507.235 FILING CONTRACTS FOR DEED.**

Subd. 4. **Criminal penalty.** A person who is required to record a contract for deed or an assignment of a contract for deed under subdivision 1 and who fails to record the contract for deed or assignment within 14 days of receipt of the notice required under subdivision 5 is guilty of a misdemeanor. A city in which the land is located or, if the land is not located within a city, the county in which the land is located, may prosecute criminal violations of this section. This criminal liability is in addition to civil liability imposed under this section.

*Laws 2011, First Special Session chapter 2, article 4, section 30*

**Sec. 30. STATE TREE NURSERY PROGRAM RESTRUCTURING; REPORT REQUIRED.**

(a) Beginning July 1, 2011, the commissioner of natural resources shall limit all new plantings at the Badoura State Nursery to the planting of stock for research or use on public lands or private conservation lands with permanent protection. Excess plant material may be sold or traded to private wholesale nurseries.

(b) By January 15, 2012, the commissioner of natural resources shall submit a budget and financial plan for the state nurseries to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over environment and natural resources policy and finance. The plan shall include a long-term business plan to operate the Badoura State Nursery in a manner that is self-sufficient. The plan shall also include options for the General C.C. Andrews State Nursery.

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**1307.0032 FEES.**

Subpart 1. **Jurisdiction.** Fees for the installation, alteration, repair, or removal of devices or for routine or periodic inspections covered in this part are as set forth in the fee schedule adopted by the jurisdiction or, in cases under permit issuance by the Department of Labor and Industry, as established in this part.

Subp. 2. **Establishment.** The Department of Labor and Industry's fees for a permit to install, alter, or remove devices within the scope of this code are:

A. A permit fee to install, alter, or remove an elevator is \$100, and \$500 if work that requires a permit is begun without a permit.

B. Inspection fees for installation and alteration of permitted elevator work are 1-1/2 percent of the total cost of the permitted work for labor and materials including related electrical and mechanical equipment. The total inspection fee shall not exceed \$1,000 per permit. The inspection fee covers two inspections. Additional inspections shall cost \$45 per hour, in accordance with part 1302.0600. The cost of special decorative fixtures in the permitted work may be deducted from the cost of the permitted elevator work up to a maximum of five percent of the total cost of the permitted work upon approval of the commissioner.

C. An elevator that passes Department of Labor and Industry's inspection will be issued an operating permit by the department.

Subp. 3. **Inspection fees.** The fees for a requested inspection of existing elevators by the Department of Labor and Industry are:

- A. two stop elevators, \$50;
- B. three stop elevators, \$75;
- C. four stop elevators, \$100;
- D. five stop elevators, \$125;
- E. six or more stop elevators, \$150; and
- F. escalators and moving walks, \$100.

Subp. 4. **Vertical reciprocating conveyor inspection fees.** Vertical reciprocating conveyors (ASME Standard B20.1) are subject to filing and inspection fees for new and altered installations, but are exempt from routine inspections by an elevator inspector.

**6115.0190 FILLING INTO PUBLIC WATERS.**

Subp. 3. **Prohibited placement.** Placement is prohibited in the following cases:

- A. to achieve vegetation control;
- B. to create upland areas, except where expressly provided herein;
- C. to stabilize beds of public waters which cannot support fill materials because of excessive depths of muck, steep bank, bed slope, or other conditions;
- D. to stabilize or impound the site of active springs;
- E. to dispose of rock, sand, gravel, or any other solid material resulting from activities carried out above the ordinary high water level;
- F. to construct a roadway or pathway, or create or improve land accesses from peripheral shorelands to islands, or to facilitate land transportation across the waters; however, when a project is proposed by a federal, state, or local government agency and this provision would prevent or restrict the project, or create a major conflict with other public purposes or interests, the commissioner may waive this provision if:
  - (1) there is no other feasible and practical alternative to the project that would have less environmental impact; and
  - (2) the public need for the project rules out the no-build alternative; or
- G. filling posted fish spawning areas.

**6115.0190 FILLING INTO PUBLIC WATERS.**

Subp. 5. **Permits required.** Permits are required for the placement of fill in public waters, except as provided under subparts 3 and 4, and a project must meet all of the following requirements:

- A. the project does not exceed more than a minimum encroachment, change, or damage to the environment, particularly the ecology of the waters;

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- B. the fill consists of clean inorganic material that is free of pollutants and nutrients;
- C. the existence of a stable, supporting foundation is established by appropriate means, including soil boring data where deemed necessary by the commissioner;
- D. where erosion protection is deemed necessary by the commissioner, the site conditions and fill material are capable of being stabilized by an approved erosion control method such as riprap, retaining wall, or other method which is consistent with existing land uses on the affected public water;
- E. the proposed project represents the minimal impact solution to a specific need with respect to all other reasonable alternatives;
- F. the size, shape, depths, shoreline, and bottom character and topography, and susceptibility of the beds of public waters to actions of wind, waves, and currents are such that the fill will be stable;
- G. adverse effects on the physical or biological character of the waters are subject to feasible and practical measures to mitigate the effects;
- H. the proposed filling is consistent with applicable floodplain, shoreland, and wild and scenic rivers management standards and ordinances for the waters involved; and
- I. the proposed filling is consistent with water and related land management plans and programs of local and regional governments, provided such plans and programs are consistent with state plans and programs.

**6115.0191 SPECIFIC STANDARDS; FILLING. Subp. 8. Other purposes.**

- A. the intended purpose of the fill is reasonable with respect to all other alternatives and there are no feasible and practical means to attain the intended purpose without filling; and

**7021.0010 DEFINITIONS.**

Subpart 1. **Scope.** The definitions in part 7005.0100 apply to the terms used in parts 7021.0010 to 7021.0050 unless the terms are defined in this part.

**7021.0010 DEFINITIONS.**

Subp. 2. **Electric utility.** "Electric utility" means persons, corporations, or other legal entities, their lessees, trustees, and receivers operating, maintaining, or controlling in Minnesota facilities used for the generation of electricity.

**7021.0010 DEFINITIONS.**

Subp. 4. **Reasonably available control technology (RACT).** "Reasonably available control technology (RACT)" means the lowest emission limit that a particular source is capable of meeting by the application of control technology that is reasonably available considering technological and economic feasibility.

**7021.0010 DEFINITIONS.**

Subp. 5. **Sensitive areas.** "Sensitive areas" means the areas listed by the agency pursuant to Minnesota Statutes, section 116.44 because the agency has determined these areas contain natural resources sensitive to the impacts of acid deposition.

**7021.0020 APPLICABILITY.**

The acid deposition standard established in part 7021.0030 applies only in sensitive areas.

**7021.0030 ACID DEPOSITION STANDARD.**

The acid deposition standard is an annual average of 11 kilograms of wet sulfate deposition per hectare.

**7021.0040 MEASUREMENT METHODOLOGY FOR SULFATE.**

Subpart 1. **Incorporation by reference.** Quality Assurance Handbook for Air Pollution Measurement Systems (EPA-600/4-82-042 a & b), as amended, is incorporated by reference. This publication is available from the United States Environmental Protection Agency, Office of Research and Development, 26 West St. Clair, Cincinnati, Ohio 45268 and can be found at the offices of the agency, 1935 West County Road B-2, Roseville, Minnesota 55113, the Government Documents Section, Room 409, Wilson Library, University of Minnesota, 309

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19th Avenue South, Minneapolis, Minnesota 55454, and the State of Minnesota Law Library, 25 Rev. Dr. Martin Luther King Jr. Blvd., St. Paul, Minnesota 55155. This document is not subject to frequent change.

Subp. 2. **Measurement procedure.** For sulfate, measurements made to determine compliance with the standard contained in part 7021.0030 shall be performed in accordance with the Quality Assurance Handbook for Air Pollution Measurement Systems: Volume V, Manual for Precipitation Measurement Systems (EPA-600/4-82-042 a & b). A person seeking to make measurements to determine compliance with the acid deposition standard shall develop and submit to the commissioner for approval a quality assurance plan containing equipment specifications and procedures for operation, maintenance, and internal quality control of the measurement system.

**7021.0050 ACID DEPOSITION CONTROL REQUIREMENTS IN MINNESOTA.**

Subp. 5. **Requirement for application of reasonably available control technology.** On and after January 1, 1990, the owner or operator of any electric generating facility that contains indirect heating equipment with a rated heat input of greater than 5,000 million BTU per hour shall reduce sulfur dioxide emissions at the facility to a level consistent with RACT.

**9210.0300 DEFINITIONS.**

Subpart 1. **Scope.** For the purposes of parts 9210.0300 to 9210.0380, the following terms have the meanings given them, unless the context requires otherwise.

Subp. 2. **Agency.** "Agency" means the Minnesota Pollution Control Agency.

Subp. 3. **Commissioner.** "Commissioner" means the commissioner of the Minnesota Pollution Control Agency.

Subp. 4. **Cities.** "Cities" has the meaning given it in Minnesota Statutes, section 115A.03, subdivision 4.

Subp. 5. **Comprehensive solid waste management plan.** "Comprehensive solid waste management plan" means a written plan prepared under Minnesota Statutes, section 115A.46.

Subp. 6. **Disposal.** "Disposal" has the meaning given it in Minnesota Statutes, section 115A.03, subdivision 9.

Subp. 7. **Final design and engineering/architectural plans.** "Final design and engineering/architectural plans" means those engineering drawings and specifications used to secure bids for construction or equipment.

Subp. 8. **Institutional arrangements.** "Institutional arrangements" means methods of financing, marketing, procurement, securing the waste supply, or joint efforts by more than one local government unit.

Subp. 9. **Mixed municipal solid waste.** "Mixed municipal solid waste" has the meaning given it in Minnesota Statutes, section 115A.03, subdivision 21.

Subp. 10. **On-site utilities.** "On-site utilities" means gas, electrical, water, and sewer facilities within the geographic boundaries of the waste processing facility.

Subp. 11. **Preliminary design and engineering/architectural plans.** "Preliminary design and engineering/architectural plans" means conceptual plans adequate to obtain preconstruction permits and to meet the needs of an environmental assessment.

Subp. 12. **Processing.** "Processing" has the meaning given it in Minnesota Statutes, section 115A.03, subdivision 25.

Subp. 13. **Project.** "Project" means a processing facility, together with any transfer stations, transmission facilities, and other related and appurtenant facilities primarily serving the processing facility.

Subp. 14. **Recipient.** "Recipient" means an applicant who has received a grant or loan under the solid waste processing facilities demonstration program.

Subp. 15. **Recyclable materials.** "Recyclable materials" has the meaning given it in Minnesota Statutes, section 115A.03, subdivision 25a.

Subp. 16. **Recycling.** "Recycling" has the meaning given it in Minnesota Statutes, section 115A.03, subdivision 25b.

Subp. 17. **Resource recovery.** "Resource recovery" has the meaning given it in Minnesota Statutes, section 115A.03, subdivision 27.

Subp. 18. **Resource recovery facility.** "Resource recovery facility" has the meaning given it in Minnesota Statutes, section 115A.03, subdivision 28.

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Subp. 19. **Solid waste.** "Solid waste" has the meaning given it in Minnesota Statutes, section 116.06, subdivision 22.

Subp. 20. **Solid waste disposal facilities and equipment.** "Solid waste disposal facilities and equipment" means structures, machinery, or devices at a disposal site necessary for efficient land disposal of solid wastes, including machinery or devices designed to move earth during burial of wastes or to increase the density of wastes buried or to be buried, and facilities in which solid waste is temporarily stored and concentrated prior to transport to a disposal site.

Subp. 21. **Solid waste management district.** "Solid waste management district" has the meaning given it in Minnesota Statutes, section 115A.03, subdivision 32.

Subp. 22. **Special waste stream.** "Special waste stream" means materials that are normally found in the solid waste stream in sufficient quantity to be recovered for subsequent use, if separated from the solid waste stream and processed separately. Examples of special waste streams include waste tires, wood wastes, and agricultural wastes.

Subp. 23. **Transfer station.** "Transfer station" has the meaning given it in Minnesota Statutes, section 115A.03, subdivision 33.

Subp. 24. **Waste processing equipment.** "Waste processing equipment" means machinery or devices acquired and used as an integral component of a waste processing facility.

Subp. 25. **Waste processing facility.** "Waste processing facility" means structures and equipment singly or in combination, designed, constructed, and used to separate, modify, convert, heat, prepare, or otherwise process solid waste so that materials, substances, or energy contained within the waste may be recovered for subsequent use.

**9210.0310 SOLID WASTE PROCESSING FACILITIES DEMONSTRATION PROGRAM.**

Parts 9210.0300 to 9210.0380 implement the solid waste processing facilities demonstration program created and described in Minnesota Statutes, sections 115A.49 to 115A.54, by establishing the substantive criteria and procedural conditions under which the agency may award grants and loans for capital costs of waste processing facilities.

**9210.0320 ELIGIBILITY CRITERIA.**

Subpart 1. **Eligible applicants.** Eligible applicants are limited to cities, counties, and solid waste management districts established pursuant to Minnesota Statutes, sections 115A.62 to 115A.72.

Subp. 2. **Eligible projects.** Only projects that demonstrate feasible and prudent alternatives to disposal are eligible for loans and grants. Three types of projects are eligible for loans and grants: materials recovery; chemical, physical, or biological modifications; and special waste streams. Eligible projects are limited to those in which the land, buildings, and equipment are publicly owned.

Subp. 3. **Eligible costs.** Except as provided in part 9210.0200, eligible costs under parts 9210.0300 to 9210.0380 shall be limited to the costs of land, waste processing equipment, structures necessary to house the waste processing equipment, appropriate and necessary on-site utilities, landscaping; on-site roads and parking; trailers, containers, and rolloff boxes necessary to transport products to market, or to transport residue from the processing facility to a solid waste land disposal facility, and final design and engineering/architectural plans.

Subp. 4. **Ineligible costs.** Except as provided in part 9210.0200, ineligible costs include any costs related to solid waste disposal facilities and equipment, structures for housing and maintenance of rolling stock, or any costs related to resource recovery studies, feasibility analyses, or preliminary design and engineering/architectural plans.

**9210.0330 INFORMATION REQUIRED ON APPLICATION.**

Applications for grants, loans, or grants and loans for waste processing facilities shall include the following information as required in the application forms supplied by the agency:

- A. the name of each applicant making the application;
- B. the name of each political subdivision affected by the project, located in the area studied in the project, or located in the area in which the project is intended to be implemented;
- C. the name, qualifications, and address of the project manager;
- D. the name and qualifications of the facility operator, if available;
- E. the total capital cost of the project;
- F. the total grant- or loan-eligible cost of the project;

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- G. the amount of grant, loan, or grant and loan funding requested;
- H. the amount and sources of all other funding contributions, including the amount of funds to be contributed by the applicant;
- I. the type of assistance applied for (grant, loan, or grant and loan together); and
- J. the type of waste processing facility for which assistance is being requested: materials recovery; chemical, physical, or biological modification; or special waste stream.

**9210.0340 SUPPORTING DOCUMENTATION REQUIRED TO BE SUBMITTED WITH APPLICATION.**

Applications for grants or loans for waste processing facilities shall include the following supporting documentation:

- A. a conceptual and technical feasibility report that includes at least the following: a detailed description of the proposed waste processing facility; a description of the institutional arrangements necessary for project implementation and operation; a description of the method of facility procurement; and an analysis of the waste stream for the facility;
- B. a financial plan that contains:
  - (1) initial capital development costs and the method of financing those costs;
  - (2) annual operating and maintenance costs;
  - (3) projections of total facility costs and revenues over 20 years or for the term of the longest debt obligation, whichever is longer; and
  - (4) total capital costs per ton of installed daily capacity;
- C. a comprehensive solid waste management plan;
- D. preliminary design and engineering/architectural plans and equipment specifications of the proposed waste processing facility;
- E. documentation that waste supplies will be committed to the project and that the applicant has the mechanism to commit the wastes;
- F. a market analysis of recovered materials/energy, including documentation of market commitments such as letters of intent or contracts;
- G. a report on the status of required permits from permitting agencies;
- H. a report on time frames of project development;
- I. resolutions that comply with Minnesota Statutes, section 115A.54, subdivision 3; and
- J. if the applicant requests priority under Minnesota Statutes, section 115A.49, documentation:
  - (1) that the natural geologic and soil conditions are especially unsuitable for land disposal of solid waste;
  - (2) that the available capacity of existing solid waste disposal facilities is less than five years; or
  - (3) that the proposed project would serve more than one local government unit.

**9210.0350 GRANT AND LOAN APPLICATION PROCEDURES.**

Subpart 1. **Applications.** An application may be submitted to the agency when the applicant has met the information and documentation requirements in parts 9210.0330 and 9210.0340. The applicant is encouraged to contact the commissioner and request a preapplication review of the proposed project.

Subp. 2. **Review of applications.** Upon receipt of an application, the commissioner or a designee shall conduct an initial review of the application under part 9210.0360. The agency shall evaluate projects and award grants and loans.

Subp. 3. **Applications accepted.** The agency shall accept applications for funds under the solid waste processing facilities demonstration program until all funds for the program are awarded or until three months before the expiration of the agency pursuant to law, whichever occurs first.

Subp. 4. **Legislative priorities.** The agency shall give priority to projects located in cities, counties, or districts in which:

- A. the natural geologic and soil conditions are especially unsuitable for land disposal of solid waste;
- B. the capacity of existing solid waste disposal facilities is less than five years; or
- C. the project serves more than one local government unit.

**9210.0360 REVIEW AND EVALUATION OF APPLICATIONS.**

Subpart 1. **Determination of eligibility and completeness.** Upon receipt of an application, the commissioner or a designee shall determine the eligibility of the applicant, the eligibility of the costs specified in the application, the eligibility of the project specified in the application, and the completeness of the application.

Subp. 2. **Notice of determination of eligibility and completeness.** Within 14 days after receiving the application, the commissioner shall notify the applicant of the commissioner's determinations of eligibility and completeness. If the commissioner determines that the applicant or the project is ineligible, the commissioner shall reject the application, return it to the applicant, and notify the applicant of the reasons for the rejection. If the commissioner determines that any part of the project costs is ineligible or that the application is incomplete, the commissioner shall notify the applicant of the ineligible portion of the costs or of the deficiency. The applicant has 14 days after receiving the notice to correct inadequacies identified by the commissioner. If the inadequacies are corrected within the time allowed, the application will be further considered.

Subp. 3. **Evaluation of applications.** If the applicant, the costs, and the project are determined to be eligible and the application is complete, the agency shall evaluate the application to determine whether the documentation demonstrates:

- A. that the project is conceptually and technically feasible;
- B. that affected political subdivisions are committed to implementing the project, providing necessary local financing, and accepting and exercising the government powers necessary for project implementation and operation;
- C. that operating revenues from the project, considering the availability and security of sources of solid waste and of markets for recovered resources together with any proposed federal, state, or local financial assistance, will be sufficient to pay all costs over the projected life of the project; and
- D. that the applicant has evaluated the feasible and prudent alternatives to disposal and has compared and evaluated the costs of the alternatives, including capital and operating costs, the effects of the alternatives on the cost to generators, and the effects of the alternatives on the solid waste management and recycling industry within the project's service area.

Subp. 4. **Consultation with other agencies.** In its evaluation of the application, the agency shall consider any recommendations provided by the State Planning Agency and the appropriate regional development commission or the Metropolitan Council.

Subp. 5. **Agency determination.** If the agency determines that the application satisfies the requirements of subpart 3, the agency shall determine the amount of the grant, loan, or grant and loan award and the applicant shall be notified of the grant, loan, or grant and loan awarded. If the agency determines that the application fails to satisfy the requirements of subpart 3, the agency shall reject the application and the commissioner shall return the application to the applicant, together with a statement of the reasons for rejection.

**9210.0370 AWARD OF GRANTS AND LOANS.**

Subpart 1. **Maximum awards.** The maximum loan award shall be 50 percent of the eligible costs specified in the application or \$400,000, whichever is less. Except as provided in part 9210.0200, the maximum grant award shall be 50 percent of the eligible costs specified in the application or \$400,000, whichever is less. Except as provided in part 9210.0200, the maximum combined grant and loan award is \$400,000.

Subp. 2. **Limitations.** The amount of the agency's grant, loan, or grant and loan award shall be limited to an amount needed to complete the project considering all sources of funding presently available to the applicant.

Grants and loans shall not be awarded to cover any cost associated with tasks performed before the award of a grant, loan, or grant and loan or after the expiration of the grant, loan, or grant and loan agreement.

Subp. 3. **Limitations on disbursement of funds.** No funds shall be disbursed until the agency has determined the total estimated capital cost of the project and ascertained that financing of the cost is assured by funds provided by the state, by an agency of the federal government within the amount of funds then appropriated to that agency and allocated by it to projects within the state, by any person, or by the appropriation of proceeds of bonds or other funds of the recipient to a fund for the construction of the project.

**9210.0380 GRANT, LOAN, OR GRANT AND LOAN AGREEMENT.**

Subpart 1. **Requirements.** A grant, loan, or grant and loan agreement shall:

A. include as attachments the resolutions required under Minnesota Statutes, section 115A.54, subdivision 3;

B. incorporate by reference the final application submitted to the agency in accordance with part 9210.0350;

C. establish the term of the grant, loan, or grant and loan. Grants awarded under parts 9210.0300 to 9210.0380 shall have a maximum term of two years. Loans awarded under parts 9210.0300 to 9210.0380 shall have a loan life determined by considering facility type, expected life of equipment, capital cost of the project, and loan amount;

D. in the case of a loan agreement, include schedules for the repayment of principal and interest;

E. allow the recipient to enter into contracts to complete the work specified in the agreement subject to any agency approval that may be required in the agreement;

F. provide that any cost overruns incurred in the development of the proposed facility shall be the sole responsibility of the recipients;

G. provide that the agency will not accept amendments requesting that additional funds be awarded to the recipient except as provided in part 9210.0200;

H. require that the recipient provide periodic reports to the agency on the developmental and operational history of the project so that knowledge and experience gained from the project may be made available to other communities in the state;

I. provide that if the recipient sells the facility to a private enterprise, all outstanding loan obligations to the agency shall become due and payable upon sale to the private enterprise;

J. require total repayment of the grant if the facility is sold to a private enterprise within three years of the effective date of the grant agreement. Beginning on the third anniversary of the grant, the amount of the grant that must be repaid shall be reduced ten percent each year. The sales agreement between the recipient and the private enterprise shall transfer the responsibilities outlined in item H to the private enterprise; and

K. require that the facility may only be sold to a private enterprise in accordance with the constitution of the state of Minnesota and any applicable Minnesota statutes and rules.

Subp. 2. **Rescission of grants and loans.** If projects are not completed and operational in accordance with the terms and conditions of the respective agreements, including time schedules, the grants and loans for those projects shall be rescinded, and the entire amount of grants and loans shall be repaid unless the agency determines that variances from the respective agreements are justified and that the original objectives of the project will be accomplished.

Subp. 3. **Disbursement.** The agency shall disburse grants in accordance with the payment schedule in the grant, loan, or grant and loan agreement.

Subp. 4. **Interest payments.** Interest payments on the loan shall be due annually and shall begin to accrue from the date the loan agreement is signed. The first repayment of the principal amount of the loan shall be due one year after the facility becomes operational or two years after the date the loan agreement is executed, whichever is earlier. The agency shall consider the facility operational at the point where the facility meets all vendor guaranteed operating specifications. Subsequent repayments of principal and interest shall be due annually on the anniversary date of the first repayment.

**9220.0530 WASTE TIRE TRANSPORTATION.**

Subp. 6. **Submittal of operating record.** Transporters shall submit to the commissioner an operating record that identifies the transporter by name and identification number, and that summarizes the information accumulated under subpart 5 for the three months preceding the month the record is to be submitted. This record must be submitted April 10, July 10, October 10, and January 10 of each year.