A bill for an act

relating to state government; appropriating money from constitutionally dedicated funds; modifying certain statutory provisions and laws for environment, natural resources, outdoor heritage, and energy; modifying fees, accounts, disposition of certain receipts, and audit requirements; providing for certain registration, training, and licensing exemptions; modifying outdoor recreation and recreational vehicle provisions; modifying the Water Law; regulating public utilities; modifying and establishing programs; requiring studies and reports; modifying and requiring the transfer of appropriations; appropriating money; amending Minnesota Statutes 2008, sections 3.8851, subdivision 7; 3.9741, by adding a subdivision; 84.025, subdivision 9; 84.027, subdivision 15; 84.0856; 84.0857; 84.415, by adding a subdivision; 84.777, subdivision 2; 84.788, subdivision 2; 84.798, subdivision 2; 84.82, subdivisions 3, 6, by adding a subdivision; 84.8205, subdivision 1; 84.92, subdivisions 9, 10; 84.922, subdivision 5, by adding a subdivision; 84.925, subdivision 1; 84.9256, subdivision 1; 84.928, subdivision 5; 84D.10, by adding a subdivision; 84D.13, subdivision 5; 85.015, subdivision 14; 85.052, subdivision 4; 85.22, subdivision 5; 85.32, subdivision 1; 85.41, subdivision 3; 85.42; 85.43; 85.46, as amended; 86B.301, subdivision 2; 86B.501, by adding a subdivision; 88.17, subdivisions 1, 3; 88.79, subdivision 2; 89.17; 90.041, by adding a subdivision; 90.121; 90.14; 97A.056, subdivision 5, by adding subdivisions; 97B.665, subdivision 2; 103A.305; 103B.702, by adding a subdivision; 103G.271, subdivision 3; 103G.285, subdivision 5; 103G.301, subdivision 6; 103G.305, subdivision 2; 103G.315, subdivision 11; 103G.515, subdivision 5; 103G.615, subdivision 2; 115.55, by adding a subdivision; 116.07, subdivisions 4, 4h; 116C.779, subdivision 1; 116D.04, subdivision 2a, by adding a subdivision; 116J.437, subdivision 1; 216B.16, subdivisions 14, 15; 216B.2401; 216B.62, by adding a subdivision; 290.431; 290.432; 326B.106, subdivision 12; 473.1565, subdivision 2; Minnesota Statutes 2009 Supplement, sections 84.415, subdivision 6; 84.793, subdivision 1; 84.922, subdivision 1a; 84.9275, subdivision 1; 84.928, subdivision 1; 85.015, subdivision 13; 85.053, subdivision 10; 85.53, subdivision 2, by adding a subdivision; 86A.09, subdivision 1; 97A.056, subdivision 3; 103G.201; 114D.50, by adding a subdivision; 129D.17, subdivision 2; Laws 1981, chapter 222, sections 1; 2; 3; 4, subdivision 2; Laws 2009, chapter 37, article 2, section 13; Laws 2009, chapter 138, article 2, section 4; Laws 2009, chapter 172, article 2, section 4; article 5, sections 8; 10; Laws 2010, chapter 215, article 3, section 4, subdivision 10; proposing coding for new law in Minnesota Statutes, chapters 103A; 103G; 116C; 216B; 383B; repealing Minnesota Statutes 2008, sections 90.172; 97B.665, subdivision 1; 103G.295; 103G.650; Minnesota Statutes 2009 Supplement, sections 3.3006;

84.02, subdivisions 4a, 6a, 6b; 88.795; Laws 1981, chapter 222, section 7; Laws 2009, chapter 172, article 5, section 9.

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

ARTICLE 1

OUTDOOR HERITAGE

Section 1. **OUTDOOR HERITAGE APPROPRIATION.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the outdoor heritage fund and are available for the fiscal years indicated for each purpose. The figures "2010" and "2011" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2010, or June 30, 2011, respectively. "The first year" is fiscal year 2010. "The second year" is fiscal year 2011. "The biennium" is fiscal years 2010 and 2011. The appropriations in this article are onetime.

	APPROPRIATIONS Available for the Year Ending June 30	
	2010	**2011**
Sec. 2. **OUTDOOR HERITAGE**		
Subdivision 1. **Total Appropriation**	**$ -0-**	**$ 58,939,000**
This appropriation is from the outdoor heritage fund. The amounts that may be spent for each purpose are specified in the following subdivisions.		
Subd. 2. **Prairies**	-0-	18,093,000
(a) **Accelerated Prairie Grassland Restoration and Enhancement Program on DNR Lands**		
$5,833,000 in fiscal year 2011 is to the commissioner of natural resources to accelerate the protection, restoration, and enhancement of native prairie vegetation. A list of proposed land acquisitions, restorations, and enhancements, describing the types and locations of acquisitions, restorations, and enhancements, must		

be provided as part of the required accomplishment plan. All restorations must comply with subdivision 9, paragraph (b).

(b) **The Green Corridor Legacy Program**

$1,651,000 in fiscal year 2011 is to the commissioner of natural resources for an agreement with the Redwood Area Communities Foundation to acquire and restore land for purposes allowed under the Minnesota Constitution, article XI, section 15, in Redwood, Renville, Brown, Nicollet, Murray, Lyon, Yellow Medicine, Chippewa, and Cottonwood Counties to be added to the state outdoor recreation system as defined in Minnesota Statutes, chapter 86A. A list of proposed fee title acquisitions must be provided as part of the required accomplishment plan. The commissioner of natural resources must agree in writing to each proposed acquisition. All restorations must comply with subdivision 9, paragraph (b).

(c) **Prairie Heritage Fund - Acquisition and Restoration**

$3,015,000 in fiscal year 2011 is to the commissioner of natural resources for an agreement with Pheasants Forever to acquire and restore land to be added to the state wildlife management area system. A list of proposed fee title acquisitions and a list of proposed restoration projects, describing the types and locations of restorations, must be provided as part of the required accomplishment plan. The commissioner of natural resources must agree in writing to

each proposed acquisition. All restorations must comply with subdivision 9, paragraph (b).

(d) **Northern Tallgrass Prairie National Wildlife Refuge Protection**

$2,041,000 in fiscal year 2011 is to the commissioner of natural resources for an agreement with The Nature Conservancy to acquire land or permanent easements within the Northern Tallgrass Prairie Habitat Preservation Area in western Minnesota for addition to the Northern Tallgrass Prairie National Wildlife Refuge. A list of proposed fee title and permanent easement acquisitions must be provided as part of the required accomplishment plan. The accomplishment plan must include an easement stewardship plan.

(e) **Rum River - Cedar Creek Initiative**

$1,900,000 in fiscal year 2011 is to the commissioner of natural resources for an agreement with Anoka County to acquire fee title to land at the confluence of the Rum River and Cedar Creek in Anoka County. Land acquired in fee must remain open to hunting and fishing, consistent with the capacity of the land, during the open season, as determined in writing by the commissioner of natural resources. All restorations must comply with subdivision 9, paragraph (b).

(f) **Minnesota Prairie Recovery Project**

$3,653,000 in fiscal year 2011 is to the commissioner of natural resources for an agreement with The Nature Conservancy for a pilot project to acquire interests in

land and restore and enhance prairie and prairie/wetland habitat in the prairie regions of western and southwestern Minnesota. The Nature Conservancy may acquire land in fee or through permanent conservation easements. A list of proposed fee title and permanent conservation easements, and a list of proposed restorations and enhancements, must be provided as part of the required accomplishment plan. All restorations must comply with subdivision 9, paragraph (b). The commissioner of natural resources must agree in writing to each acquisition of interest in land, restoration project, and enhancement project. The accomplishment plan must include an easement stewardship plan.

Subd. 3. **Forests**	-0-	5,603,000

(a) **Critical Shoreline Habitat Protection Program**

$816,000 in fiscal year 2011 is to the commissioner of natural resources for an agreement with the Minnesota Land Trust to acquire permanent conservation easements protecting critical shoreline habitats in Koochiching, Cook, Lake, and St. Louis County portions of the northern forest area in northern Minnesota and provide stewardship for those easements. A list of proposed conservation easement acquisitions must be provided as part of the required accomplishment plan. The accomplishment plan must include an easement stewardship plan.

(b) **Protect Key Industrial Forest Land Tracts in Central Minnesota**

$594,000 in fiscal year 2011 is to the commissioner of natural resources for an agreement with Cass County to acquire lands that assist with gaining access for restoration and enhancement purposes to existing public land tracts. A list of proposed acquisitions must be provided as part of the required accomplishment plan.

(c) **Little Nokasippi River Wildlife Management Area**

$843,000 in fiscal year 2011 is to the commissioner of natural resources for acceleration of agency programs and cooperative agreements to acquire interests in land within the boundaries of the Minnesota National Guard Army compatible use buffer (ACUB) program. Of this appropriation, $225,000 is for the Department of Natural Resources to acquire land for wildlife management areas and $618,000 is for an agreement with the Board of Water and Soil Resources to acquire permanent conservation easements. A list of proposed acquisitions must be provided as part of the required accomplishment plan.

(d) **Accelerated Forest Wildlife Habitat Program**

$1,791,000 in fiscal year 2011 is to the commissioner of natural resources for acceleration of agency programs to acquire, in fee, land for state forests and restore and enhance state forest habitat. A list of projects including proposed fee title acquisitions and restorations and enhancements must be provided as part of the required

accomplishment plan. All restorations must comply with subdivision 9, paragraph (b).

(e) **Northeastern Minnesota Sharp-Tailed Grouse Habitat**

$1,559,000 in fiscal year 2011 is to the commissioner of natural resources for an agreement with Pheasants Forever to acquire interests in land, and to restore and enhance habitat for sharp-tailed grouse in Kanabec, Aitkin, and St. Louis Counties in cooperation with the Minnesota Sharp-Tailed Grouse Society. A list of proposed acquisitions and a list of proposed restorations and enhancements must be provided as part of the required accomplishment plan. The commissioner of natural resources must agree in writing to each acquisition of interest in land, restoration project, and enhancement project. All restorations must comply with subdivision 9, paragraph (b).

Subd. 4. **Wetlands**	-0-	16,905,000

(a) **Accelerated Shallow Lake and Wetland Enhancement and Restoration Program**

$6,505,000 in fiscal year 2011 is to the commissioner of natural resources to assess, enhance, and restore shallow lake and wetland habitats, to acquire land in fee or through permanent conservation easements for shallow lake program restoration, and to provide stewardship for acquired easements in cooperation with Ducks Unlimited, Inc. Of this appropriation, $1,463,000 is for the Department of Natural Resources agency program acceleration and $5,042,000 is for an agreement with Ducks Unlimited, Inc. A list of proposed projects, describing the types

and locations of land acquisitions, restoration projects, and enhancement projects, must be provided as part of the required accomplishment plan. The commissioner of natural resources must agree in writing to each acquisition, restoration project, and enhancement project. The accomplishment plan must include an easement stewardship plan. All restorations must comply with subdivision 9, paragraph (b).

(b) **Accelerate the Waterfowl Production Area Program in Minnesota**

$3,505,000 in fiscal year 2011 is to the commissioner of natural resources for an agreement with Pheasants Forever to acquire and restore wetland and related upland habitats, in cooperation with the United States Fish and Wildlife Service and Ducks Unlimited, Inc., to be managed as waterfowl production areas. A list of proposed acquisitions and a list of proposed projects, describing the types and locations of restorations, must be provided as part of the required accomplishment plan. All restorations must comply with subdivision 9, paragraph (b).

(c) **Reinvest in Minnesota Wetlands Reserve Program Acquisition and Restoration**

$6,895,000 in fiscal year 2011 is to the Board of Water and Soil Resources to acquire permanent conservation easements and restore wetlands and associated uplands in cooperation with the United States Department of Agriculture Wetlands Reserve Program. A list of proposed acquisitions and a list of proposed projects, describing

the types and locations of restorations, must be provided as part of the required accomplishment plan. All restorations must comply with subdivision 9, paragraph (b).

Subd. 5. **Habitat**	-0-	17,563,000

(a) **Metro Big Rivers Habitat Program**

$2,397,000 in fiscal year 2011 is to the commissioner of natural resources for agreements for projects to protect, restore, and enhance natural systems of the Minnesota River, St. Croix River, Mississippi River, and their major tributaries as follows: $500,000 with Minnesota Valley National Wildlife Refuge Trust, Inc. for fee title land acquisition; $1,500,000 with the Trust for Public Land for fee title land acquisition; $227,300 with the Friends of the Mississippi River for restoration, enhancement, and conservation easement acquisition; and $169,700 with Great River Greening for restoration and enhancement. The accomplishment plan must include an easement stewardship plan. All restorations must comply with subdivision 9, paragraph (b).

(b) **Accelerated Aquatic Management Area Acquisition**

$3,416,000 in fiscal year 2011 is to the commissioner of natural resources to accelerate land acquisition by fee title and easements to be added to the state aquatic management area system as defined in Minnesota Statutes, chapter 86A, and to restore and enhance stream habitat and lake habitat. Land acquired in fee must remain

open to hunting and fishing, consistent with the capacity of the land, during the open season, as determined in writing by the commissioner of natural resources. A list of proposed fee title and easement acquisitions, stream habitat restorations and enhancements, and lake habitat restorations and enhancements must be provided as part of the required accomplishment plan.

(c) **Cold Water River and Stream Restoration, Protection, and Enhancement**

$1,269,000 in fiscal year 2011 is to the commissioner of natural resources for an agreement with Trout Unlimited to restore, enhance, and protect cold water river and stream habitats in Minnesota. A list of proposed acquisitions and a list of proposed projects, describing the types and locations of restorations and enhancements, must be provided as part of the required accomplishment plan. The commissioner of natural resources must agree in writing to each proposed acquisition, restoration, and enhancement. All restorations must comply with subdivision 9, paragraph (b).

(d) **Dakota County Riparian and Lakeshore Protection and Restoration**

$2,097,000 in fiscal year 2011 is to the commissioner of natural resources for an agreement with Dakota County for acquisition of permanent easements and enhancement and restoration of aquatic and associated upland habitat. A list of proposed acquisitions and restorations must be provided as part of the required accomplishment plan. The accomplishment

plan must include an easement stewardship plan. All restorations must comply with subdivision 9, paragraph (b).

(e) **Valley Creek Protection Partnership**

$1,218,000 in fiscal year 2011 is to the commissioner of natural resources for agreements on projects to protect, restore, and enhance natural systems of Valley Creek in Washington County as follows: $838,000 with Minnesota Land Trust; $218,000 with Washington County; $100,000 with the Belwin Conservancy; $50,000 with Trout Unlimited; and $12,000 with the Valley Branch Watershed District. All restorations must comply with subdivision 9, paragraph (b).

(f) **Anoka Sand Plain Restoration and Enhancement**

$747,000 in fiscal year 2011 is to the commissioner of natural resources for an agreement with Great River Greening to restore and enhance habitat on public property in the Anoka Sand Plain in Anoka, Chisago, Isanti, Benton, Washington, Morrison, and Sherburne Counties. All restorations must comply with subdivision 9, paragraph (b).

(g) **Lower Mississippi River Habitat Restoration Acceleration**

$1,000,000 in fiscal year 2011 is to the commissioner of natural resources to accelerate agency programs and for cooperative agreements to acquire land in the Root River watershed. A list of proposed acquisitions must be provided as part of

the required accomplishment plan. The commissioner of natural resources must agree in writing to each proposed acquisition, restoration, and enhancement. All restorations must comply with subdivision 9, paragraph (b).

(h) **Washington County St. Croix River Land Protection**

$1,033,000 in fiscal year 2011 is to the commissioner of natural resources for an agreement with Washington County to acquire permanent easements to protect habitat associated with the St. Croix River Valley. A list of proposed acquisitions must be provided as part of the required accomplishment plan. The accomplishment plan must include an easement stewardship plan.

(i) **Outdoor Heritage Conservation Partners Grant Program**

$4,386,000 in fiscal year 2011 is to the commissioner of natural resources for a program to provide competitive, matching grants of up to $400,000 to local, regional, state, and national organizations, including government, for enhancement, restoration, or protection of forests, wetlands, prairies, and habitat for fish, game, or wildlife in Minnesota. Up to four percent of this appropriation may be used by the commissioner of natural resources for administering the grant program. Grantees may acquire land or interests in land. Easements must be permanent. Land acquired in fee must be open to hunting and fishing during the open season unless

otherwise provided by state law. The commissioner of natural resources must agree in writing to each proposed acquisition of land or interest in land. The program shall require a match of at least ten percent from nonstate sources for grants of $100,000 or less and a match of at least 15 percent from nonstate sources for grants over $100,000. Up to one-third of the match may be in-kind resources. The criteria for evaluating grant applications must include, in a balanced and equally weighted order of precedence, the amount of habitat restored, enhanced, or protected; local support; degree of collaboration; urgency; capacity to achieve multiple benefits; habitat benefits provided; consistency with current conservation science; adjacency to protected lands; full funding of the project; supplementing existing funding; public access for hunting and fishing during the open season; sustainability; and use of native plant materials. All projects must conform to the Minnesota statewide conservation and preservation plan. Wildlife habitat projects must also conform to the Minnesota wildlife action plan. Subject to the evaluation criteria and requirements of this paragraph and Minnesota Statutes, the commissioner of natural resources shall give priority to organizations that have a history or charter to receive private contributions for local conservation or habitat projects when evaluating projects of equal value. Priority may be given to projects acquiring land or easements associated

with existing wildlife management areas. All restoration or enhancement projects must be on land permanently protected by conservation easement or public ownership or in public waters as defined in Minnesota Statutes, section 103G.005, subdivision 15. Subdivision 9 applies to grants awarded under this paragraph. All restorations must comply with subdivision 9, paragraph (b). This appropriation is available until June 30, 2014, at which time all grant project work must be completed and final products delivered, unless an earlier date is specified in the grant agreement. No less than five percent of the amount of each grant must be held back from reimbursement until the grant recipient has completed a grant accomplishment report by the deadline and in the form prescribed by and satisfactory to the Lessard-Sams Outdoor Heritage Council.

Subd. 6. **Administration and Other**	0	775,000

(a) **Contract Management**

$175,000 in fiscal year 2011 is to the commissioner of natural resources for contract management duties assigned in this section.

(b) **Legislative Coordinating Commission**

$600,000 in fiscal year 2011 is to the Legislative Coordinating Commission for administrative expenses of the Lessard-Sams Outdoor Heritage Council and for compensation and expense reimbursement of council members.

Subd. 7. **Availability of Appropriation**

Money appropriated in this section may not be spent on activities unless they are directly related to and necessary for a specific appropriation and are specified in the accomplishment plan. Money appropriated in this section must not be spent on indirect costs or other institutional overhead charges. Unless otherwise provided, the amounts in this section are available until June 30, 2013, when projects must be completed and final accomplishments reported. Funds for restoration or enhancement are available until June 30, 2015, or four years after acquisition, whichever is later, in order to complete restoration or enhancement work. If a project receives federal funds, the time period of the appropriation is extended to equal the availability of federal funding. Funds appropriated for fee title acquisition of land may be used to restore and enhance land acquired with the appropriation.

Subd. 8. **Accomplishment Plans**

It is a condition of acceptance of the appropriations made by this section that the agency or entity using the appropriation shall submit to the council an accomplishment plan and periodic accomplishment reports in the form determined by the Lessard-Sams Outdoor Heritage Council. The accomplishment plan must account for the use of the appropriation and outcomes of the expenditure in measures of wetlands, prairies, forests, and fish, game, and wildlife habitat restored, protected, and enhanced. The plan must include an evaluation of results. None of the money provided in this

section may be expended unless the council has approved the pertinent accomplishment plan.

Subd. 9. **Project Requirements**

(a) As a condition of accepting an appropriation in this section, any agency or entity receiving an appropriation must comply with this subdivision for any project funded in whole or in part with funds from the appropriation.

(b) To the extent possible, a person conducting restoration with money appropriated in this section must plant vegetation or sow seed only of ecotypes native to Minnesota, and preferably of the local ecotype, using a high diversity of species originating from as close to the restoration site as possible, and protect existing native prairies, grasslands, forests, wetlands, and other aquatic systems from genetic contamination.

(c) All conservation easements acquired with money appropriated in this section must: (1) be permanent; (2) specify the parties to an easement; (3) specify all of the provisions of an agreement that are permanent; (4) specify the habitat types and location being protected; (5) where appropriate for conservation or water protection outcomes, require the grantor to employ practices retaining water on the eased land as long as practicable; (6) specify the responsibilities of the parties for habitat enhancement and restoration and the associated costs of these activities; (7) be sent to the office of the

Lessard-Sams Outdoor Heritage Council; (8) include a long-term stewardship plan and identify the sources and amount of funding for monitoring and enforcing the easement agreement; and (9) identify the parties responsible for monitoring and enforcing the easement agreement.

(d) For all restorations, a recipient must prepare and retain an ecological restoration and management plan that, to the degree practicable, is consistent with current conservation science and ecological goals for the restoration site. Consideration should be given to soil, geology, topography, and other relevant factors that would provide the best chance for long-term success of the restoration projects. The plan shall include the proposed timetable for implementing the restoration, including, but not limited to, site preparation, establishment of diverse plant species, maintenance, and additional enhancement to establish the restoration; identify long-term maintenance and management needs of the restoration and how the maintenance, management, and enhancement will be financed; and use the current conservation science to achieve the best restoration.

(e) For new lands acquired, a recipient must prepare a restoration and management plan in compliance with paragraph (d), including identification of sufficient funding for implementation.

(f) To ensure public accountability for the use of public funds, a recipient must provide

to the Lessard-Sams Outdoor Heritage Council documentation of the selection process used to identify parcels acquired in fee or permanent conservation easement and provide the council with documentation of all related transaction costs, including, but not limited to, appraisals, legal fees, recording fees, commissions, other similar costs, and donations. This information must be provided for all parties involved in the transaction. The recipient shall also report to the Lessard-Sams Outdoor Heritage Council any difference between the acquisition amount paid to the seller and the state-certified or state-reviewed appraisal, if a state-certified or state-reviewed appraisal was conducted. Acquisition data such as appraisals may remain private during negotiations but must ultimately be made public according to Minnesota Statutes, chapter 13.

(g) Except as otherwise provided in this section, all restoration and enhancement projects funded with money appropriated in this section must be on land permanently protected by a conservation easement or public ownership or in public waters as defined in Minnesota Statutes, section 103G.005, subdivision 15.

(h) To the extent an appropriation is used to acquire an interest in real property, a recipient of an appropriation under this section must provide to the Lessard-Sams Outdoor Heritage Council and the commissioner of management and budget an analysis of increased operations and maintenance costs

likely to be incurred by public entities as a result of the acquisition and of how these costs are to be paid.

(i) A recipient of money from an appropriation in this section must give consideration to and make timely written contact with the Minnesota Conservation Corps or its successor for consideration of possible use of their services to contract for restoration and enhancement services. A copy of the written contact must be filed with the Lessard-Sams Outdoor Heritage Council within 15 days of execution.

(j) A recipient of money from this section must erect signage according to Laws 2009, chapter 172, article 5, section 10.

Subd. 10. **Payment Conditions and Capital Equipment Expenditures**

All agreements, grants, or contracts referred to in this section must be administered on a reimbursement basis unless otherwise provided in this section. Notwithstanding Minnesota Statutes, section 16A.41, expenditures directly related to each appropriation's purpose made on or after July 1, 2010, are eligible for reimbursement unless otherwise provided in this section. Periodic reimbursement must be made upon receiving documentation that the deliverable items articulated in the approved accomplishment plan have been achieved, including partial achievements as evidenced by approved progress reports. Reasonable amounts may be advanced to projects to accommodate cash flow needs or to match federal share. The advances must be approved as part of

the accomplishment plan. Capital equipment expenditures for specific items in excess of $10,000 must be approved as part of the accomplishment plan.

Subd. 11. **Purchase of Recycled and Recyclable Materials**

A political subdivision, public or private corporation, or other entity that receives an appropriation in this section must use the appropriation in compliance with Minnesota Statutes, section 16B.121, regarding purchase of recycled, repairable, and durable materials, and section 16B.122, regarding purchase and use of paper stock and printing.

Subd. 12. **Accessibility**

Structural and nonstructural facilities must meet the design standards in the Americans with Disabilities Act (ADA) accessibility guidelines.

Subd. 13. **Land Acquisition Restrictions**

(a) An interest in real property, including, but not limited to, an easement or fee title, that is acquired with money appropriated under this section must be used in perpetuity or for the specific term of an easement interest for the purpose for which the appropriation was made.

(b) A recipient of funding who acquires an interest in real property subject to this subdivision may not alter the intended use of the interest in real property or convey any interest in the real property acquired with the appropriation without the prior review and approval of the Lessard-Sams Outdoor Heritage Council or its successor.

The council shall notify the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over the outdoor heritage fund at least 15 business days before approval under this paragraph. The council shall establish procedures to review requests from recipients to alter the use of or convey an interest in real property. These procedures shall allow for the replacement of the interest in real property with another interest in real property meeting the following criteria: (1) the interest is at least equal in fair market value, as certified by the commissioner of natural resources, to the interest being replaced; and (2) the interest is in a reasonably equivalent location and has a reasonably equivalent useful conservation purpose compared to the interest being replaced.

(c) A recipient of funding who acquires an interest in real property under paragraph (a) must separately record a notice of funding restrictions in the appropriate local government office where the conveyance of the interest in real property is filed. The notice of funding agreement must contain: (1) a legal description of the interest in real property covered by the funding agreement; (2) a reference to the underlying funding agreement; (3) a reference to this section; and (4) the following statement: "This interest in real property shall be administered in accordance with the terms, conditions, and purposes of the grant agreement controlling the acquisition of the property. The interest in real property, or any portion of the interest

in real property, shall not be sold, transferred, pledged, or otherwise disposed of or further encumbered without obtaining the prior written approval of the Lessard-Sams Outdoor Heritage Council or its successor. The ownership of the interest in real property shall transfer to the state if: (1) the holder of the interest in real property fails to comply with the terms and conditions of the grant agreement or accomplishment plan; or (2) restrictions are placed on the land that preclude its use for the intended purpose as specified in the appropriation."

Subd. 14. **Real Property Interest Report**

By December 1 each year, a recipient of money appropriated under this section that is used for the acquisition of an interest in real property, including, but not limited to, an easement or fee title, must submit annual reports on the status of the real property to the Lessard-Sams Outdoor Heritage Council or its successor in a form determined by the council. The responsibility for reporting under this section may be transferred by the recipient of the appropriation to another person or entity that holds the interest in the real property. To complete the transfer of reporting responsibility, the recipient of the appropriation must: (1) inform the person to whom the responsibility is transferred of that person's reporting responsibility; (2) inform the person to whom the responsibility is transferred of the property restrictions under subdivision 13; (3) provide written notice to the council of the transfer of reporting responsibility, including contact information

for the person to whom the responsibility is transferred; and (4) provide the Lessard-Sams Outdoor Heritage Council or its successor written documentation from the person or entity holding the interest in real property certifying its acceptance of all reporting obligations and responsibilities previously held by the recipient of the appropriation. After the transfer, the person or entity that holds the interest in the real property is responsible for reporting requirements under this section.

Subd. 15. **Successor Organizations**

The Lessard-Sams Outdoor Heritage council may approve the continuation of a project with an organization that has adopted a new name. Continuation of a project with an organization that has undergone a significant change in mission, structure, or purpose will require: (1) notice to the chairs of committees with relevant jurisdiction; and (2) presentation by the Lessard-Sams Outdoor Heritage Council of proposed legislation either ratifying or rejecting continued involvement with the new organization.

Sec. 3. Minnesota Statutes 2009 Supplement, section 85.53, is amended by adding a subdivision to read:

Subd. 5. **Restoration evaluations.** Beginning July 1, 2011, the commissioner of natural resources shall convene a technical evaluation panel comprised of five members, including one technical representative from the Board of Water and Soil Resources, one technical representative from the Department of Natural Resources, one technical expert from the University of Minnesota or the Minnesota State Colleges and Universities, and two other representatives with expertise related to the project being evaluated. The commissioner may add a technical representative from a unit of federal or local government. The members of the technical evaluation panel may not be associated with

the restoration, may vary depending upon the projects being reviewed, and shall avoid any potential conflicts of interest. Each year, the commissioner shall assign a coordinator to identify a sample of up to ten habitat restoration projects completed with parks and trails funding. The coordinator shall secure the restoration plans for the projects specified and direct the technical evaluation panel to evaluate the restorations relative to the law, current science, and the stated goals and standards in the restoration plan and, when applicable, to the Board of Water and Soil Resources' native vegetation establishment and enhancement guidelines. The coordinator shall summarize the findings of the panel and provide a report to the chairs of the respective house of representatives and senate policy and finance committees with jurisdiction over natural resources and spending from the parks and trails fund. The report shall determine if the restorations are meeting planned goals, any problems with the implementation of restorations, and, if necessary, recommendations on improving restorations. The report shall be focused on improving future restorations. Up to one-tenth of one percent of forecasted receipts from the parks and trails fund may be used for restoration evaluations under this section.

Sec. 4. Minnesota Statutes 2009 Supplement, section 97A.056, subdivision 3, is amended to read:

Subd. 3. **Council recommendations.** (a) The council shall make recommendations to the legislature on appropriations of money from the outdoor heritage fund that are consistent with the Constitution and state law and that will achieve the outcomes of existing natural resource plans, including, but not limited to, the Minnesota Statewide Conservation and Preservation Plan, that directly relate to the restoration, protection, and enhancement of wetlands, prairies, forests, and habitat for fish, game, and wildlife, and that prevent forest fragmentation, encourage forest consolidation, and expand restored native prairie. In making recommendations, the council shall consider a range of options that would best restore, protect, and enhance wetlands, prairies, forests, and habitat for fish, game, and wildlife, and shall not adopt definitions of "restore", "protect", or "enhance" that would limit the council from considering options that are consistent with the Constitution. The council shall submit its initial recommendations to the legislature no later than April 1, 2009. Subsequent recommendations shall be submitted no later than January 15 each year. The council shall present its recommendations to the senate and house of representatives committees with jurisdiction over the environment and natural resources budget by February 15 in odd-numbered years, and within the first four weeks of the legislative session in even-numbered years. The council's budget recommendations to the legislature shall be separate from the Department of Natural Resource's budget recommendations.

(b) To encourage and support local conservation efforts, the council shall establish a conservation partners program. Local, regional, state, or national organizations may apply for matching grants for restoration, protection, and enhancement of wetlands, prairies, forests, and habitat for fish, game, and wildlife, prevention of forest fragmentation, encouragement of forest consolidation, and expansion of restored native prairie.

(c) The council may work with the Clean Water Council to identify projects that are consistent with both the purpose of the outdoor heritage fund and the purpose of the clean water fund.

(d) The council may make recommendations to the Legislative-Citizen Commission on Minnesota Resources on scientific research that will assist in restoring, protecting, and enhancing wetlands, prairies, forests, and habitat for fish, game, and wildlife, preventing forest fragmentation, encouraging forest consolidation, and expanding restored native prairie.

(e) Recommendations of the council, including approval of recommendations for the outdoor heritage fund, require an affirmative vote of at least nine members of the council.

(f) The council may work with the Clean Water Council, the Legislative-Citizen Commission on Minnesota Resources, the Board of Water and Soil Resources, soil and water conservation districts, and experts from Minnesota State Colleges and Universities and the University of Minnesota in developing the council's recommendations.

(g) The council shall develop and implement a process that ensures that citizens and potential recipients of funds are included throughout the process, including the development and finalization of the council's recommendations. The process must include a fair, equitable, and thorough process for reviewing requests for funding and a clear and easily understood process for ranking projects.

(h) The council shall use the regions of the state based upon the ecological regions and subregions developed by the Department of Natural Resources and establish objectives for each region and subregion to achieve the purposes of the fund outlined in the state constitution.

(i) The council shall develop and submit to the Legislative Coordinating Commission plans for the first ten years of funding, and a framework for 25 years of funding, consistent with statutory and constitutional requirements. The council may use existing plans from other legislative, state, and federal sources, as applicable.

Sec. 5. Minnesota Statutes 2008, section 97A.056, subdivision 5, is amended to read:

Subd. 5. **Open meetings.** (a) Meetings of the council and other groups the council may establish are subject to chapter 13D. Except where prohibited by law, the council

shall establish additional processes to broaden public involvement in all aspects of its deliberations, including recording meetings, video conferencing, and publishing minutes. For the purposes of this subdivision, a meeting occurs when a quorum is present and the members receive information or take action on any matter relating to the duties of the council. The quorum requirement for the council shall be seven members.

(b) Travel to and from scheduled and publicly noticed site visits by council members for the purposes of receiving information is not a violation of paragraph (a). Any decision or agreement to make a decision during the travel is a violation of paragraph (a).

(c) For legislative members of the council, enforcement of this subdivision is governed by section 3.055, subdivision 2. For nonlegislative members of the council, enforcement of this subdivision is governed by section 13D.06, subdivisions 1 and 2.

Sec. 6. Minnesota Statutes 2008, section 97A.056, is amended by adding a subdivision to read:

Subd. 8. **Revenues.** When a parcel of land that was previously purchased with outdoor heritage funds is transferred to the state, the owner of the land shall disclose to the council and commissioner of natural resources:

(1) all revenues generated from activities on the land from the time the land was purchased with outdoor heritage funds until the land was transferred to the state;

(2) all holding costs associated with managing the land between the time of purchase with outdoor heritage funds and the time the land was transferred to the state; and

(3) the total net revenues as determined by subtracting the costs described in clause (2) from the revenues described in clause (1).

Sec. 7. Minnesota Statutes 2008, section 97A.056, is amended by adding a subdivision to read:

Subd. 9. **Lands in public domain.** Money appropriated from the outdoor heritage fund shall not be used to purchase any land in fee title or a permanent conservation easement if the land in question is fully or partially owned by the state of Minnesota or a political subdivision of the state, unless: (1) the purchase creates additional direct benefit to protect, restore, or enhance the state's wetlands, prairies, forests, or habitat for fish, game, and wildlife; and (2) the purchase is approved by an affirmative vote of at least nine members of the council. At least 15 business days prior to a decision under this subdivision, the council shall submit the planned decision item to the Legislative Coordinating Commission. The planned decision item takes effect 15 business days after it is submitted by the council.

EFFECTIVE DATE. This section is effective July 1, 2010, and applies only to projects proposed after that date.

Sec. 8. Minnesota Statutes 2008, section 97A.056, is amended by adding a subdivision to read:

Subd. 10. **Restoration evaluations.** Beginning July 1, 2011, the commissioner of natural resources and the Board of Water and Soil Resources shall convene a technical evaluation panel comprised of five members, including one technical representative from the Board of Water and Soil Resources, one technical representative from the Department of Natural Resources, one technical expert from the University of Minnesota or the Minnesota State Colleges and Universities, and two representatives with expertise in the project being evaluated. The board and the commissioner may add a technical representative from a unit of federal or local government. The members of the technical evaluation panel may not be associated with the restoration, may vary depending upon the projects being reviewed, and shall avoid any potential conflicts of interest. Each year, the board and the commissioner shall assign a coordinator to identify a sample of up to ten habitat restoration projects completed with outdoor heritage funding. The coordinator shall secure the restoration plans for the projects specified and direct the technical evaluation panel to evaluate the restorations relative to the law, current science, and the stated goals and standards in the restoration plan and, when applicable, to the Board of Water and Soil Resources' native vegetation establishment and enhancement guidelines. The coordinator shall summarize the findings of the panel and provide a report to the chair of the Lessard-Sams Outdoor Heritage Council and the chairs of the respective house of representatives and senate policy and finance committees with jurisdiction over natural resources and spending from the outdoor heritage fund. The report shall determine if the restorations are meeting planned goals, any problems with the implementation of restorations, and, if necessary, recommendations on improving restorations. The report shall be focused on improving future restorations. Up to one-tenth of one percent of forecasted receipts from the outdoor heritage fund may be used for restoration evaluations under this section.

Sec. 9. Minnesota Statutes 2009 Supplement, section 114D.50, is amended by adding a subdivision to read:

Subd. 6. **Restoration evaluations.** Beginning July 1, 2011, the Board of Water and Soil Resources shall convene a technical evaluation panel comprised of five members, including one technical representative from the Board of Water and Soil Resources, one

technical representative from the Department of Natural Resources, one technical expert from the University of Minnesota or the Minnesota State Colleges and Universities, and two representatives with expertise related to the project being evaluated. The board may add a technical representative from a unit of federal or local government. The members of the technical evaluation panel may not be associated with the restoration, may vary depending upon the projects being reviewed, and shall avoid any potential conflicts of interest. Each year, the board shall assign a coordinator to identify a sample of up to ten habitat restoration projects completed with clean water funding. The coordinator shall secure the restoration plans for the projects specified and direct the technical evaluation panel to evaluate the restorations relative to the law, current science, and the stated goals and standards in the restoration plan and, when applicable, to the Board of Water and Soil Resources' native vegetation establishment and enhancement guidelines. The coordinator shall summarize the findings of the panel and provide a report to the chairs of the respective house of representatives and senate policy and finance committees with jurisdiction over natural resources and spending from the clean water fund. The report shall determine if the restorations are meeting planned goals, any problems with the implementation of restorations, and, if necessary, recommendations on improving restorations. The report shall be focused on improving future restorations. Up to one-tenth of one percent of forecasted receipts from the clean water fund may be used for restoration evaluations under this section.

Sec. 10. **LAND MANAGEMENT RECOMMENDATIONS.**

The commissioner of management and budget, in consultation with the commissioner of natural resources and the Board of Water and Soil Resources, shall prepare recommendations to the legislature on methods to accomplish the reasonable management, care, restoration, and protection of land acquired in fee title or easement. The commissioner of management and budget shall submit a report to the chairs of the house of representatives and senate committees and divisions with jurisdiction over environment and natural resources finance and cultural and outdoor resources finance by January 15, 2011.

Sec. 11. **REPEALER.**

Minnesota Statutes 2009 Supplement, sections 3.3006; and 84.02, subdivisions 4a, 6a, and 6b, are repealed.

ARTICLE 2

CLEAN WATER FUND

Section 1. Minnesota Statutes 2008, section 473.1565, subdivision 2, is amended to read:

Subd. 2. **Advisory committee.** (a) A Metropolitan Area Water Supply Advisory Committee is established to assist the council in its planning activities in subdivision 1. The advisory committee has the following membership:

(1) the commissioner of agriculture or the commissioner's designee;

(2) the commissioner of health or the commissioner's designee;

(3) the commissioner of natural resources or the commissioner's designee;

(4) the commissioner of the Pollution Control Agency or the commissioner's designee;

(5) two officials of counties that are located in the metropolitan area, appointed by the governor;

(6) five officials of noncounty local governmental units that are located in the metropolitan area, appointed by the governor; ~~and~~

(7) the chair of the Metropolitan Council or the chair's designee, who is chair of the advisory committee; and

(8) one official each from the counties of Chisago, Isanti, Sherburne, and Wright, appointed by the governor.

A local government unit in each of the seven counties in the metropolitan area and Chisago, Isanti, Sherburne, and Wright Counties must be represented in the ~~seven~~ 11 appointments made under clauses (5), ~~and~~ (6), and (8).

(b) Members of the advisory committee appointed by the governor serve at the pleasure of the governor. Members of the advisory committee serve without compensation but may be reimbursed for their reasonable expenses as determined by the Metropolitan Council. The advisory committee expires December 31, ~~2010~~ 2012.

(c) The council must consider the work and recommendations of the advisory committee when the council is preparing its regional development framework.

Sec. 2. Laws 2009, chapter 172, article 2, section 4, is amended to read:

Sec. 4. **POLLUTION CONTROL AGENCY**	**$**	**24,076,000**	**$** ~~**27,285,000**~~ **27,630,000**

(a) $9,000,000 the first year and $9,000,000 the second year are to develop total

maximum daily load (TMDL) studies and TMDL implementation plans for waters listed on the United States Environmental Protection Agency approved impaired waters list in accordance with Minnesota Statutes, chapter 114D. The agency shall complete an average of ten percent of the TMDLs each year over the biennium. Of this amount, $348,000 the first year is to retest the comprehensive assessment of the biological conditions of the lower Minnesota River and its tributaries within the Lower Minnesota River Major Watershed, as previously assessed from 1976 to 1992 under the Minnesota River Assessment Project (MRAP). The assessment must include the same fish species sampling at the same 116 locations and the same macroinvertebrate sampling at the same 41 locations as the MRAP assessment. The assessment must:

(1) include an analysis of the findings; and

(2) identify factors that limit aquatic life in the Minnesota River.

Of this amount, $250,000 the first year is for a pilot project for the development of total maximum daily load (TMDL) studies conducted on a watershed basis within the Buffalo River watershed in order to protect, enhance, and restore water quality in lakes, rivers, and streams. The pilot project shall include all necessary field work to develop TMDL studies for all impaired subwatersheds within the Buffalo River watershed and provide information necessary to complete reports for most of the

remaining watersheds, including analysis of water quality data, identification of sources of water quality degradation and stressors, load allocation development, development of reports that provide protection plans for subwatersheds that meet water quality standards, and development of reports that provide information necessary to complete TMDL studies for subwatersheds that do not meet water quality standards, but are not listed as impaired.

(b) $500,000 the first year is for development of an enhanced TMDL database to manage and track progress. Of this amount, $63,000 the first year is to promulgate rules. By November 1, 2010, the commissioner shall submit a report to the chairs of the house of representatives and senate committees with jurisdiction over environment and natural resources finance on the outcomes achieved with this appropriation.

(c) $1,500,000 the first year and $3,169,000 the second year are for grants under Minnesota Statutes, section 116.195, to political subdivisions for up to 50 percent of the costs to predesign, design, and implement capital projects that use treated municipal wastewater instead of groundwater from drinking water aquifers, in order to demonstrate the beneficial use of wastewater, including the conservation and protection of water resources. Of this amount, $1,000,000 the first year is for grants to ethanol plants that are within one and one-half miles of a city for improvements that reuse greater than 300,000 gallons of wastewater per day.

(d) $1,125,000 the first year and $1,125,000 the second year are for groundwater assessment and drinking water protection to include:

(1) the installation and sampling of at least 30 new monitoring wells;

(2) the analysis of samples from at least 40 shallow monitoring wells each year for the presence of endocrine disrupting compounds; and

(3) the completion of at least four to five groundwater models for TMDL and watershed plans.

(e) $2,500,000 the first year is for the clean water partnership program. Priority shall be given to projects preventing impairments and degradation of lakes, rivers, streams, and groundwater in accordance with Minnesota Statutes, section 114D.20, subdivision 2, clause (4). Any balance remaining in the first year does not cancel and is available for the second year.

(f) $896,000 the first year is to establish a network of water monitoring sites, to include at least 20 additional sites, in public waters adjacent to wastewater treatment facilities across the state to assess levels of endocrine-disrupting compounds, antibiotic compounds, and pharmaceuticals as required in this article. The data must be placed on the agency's Web site.

(g) $155,000 the first year is to provide notification of the potential for coal tar contamination, establish a storm water pond inventory schedule, and develop best

management practices for treating and cleaning up contaminated sediments as required in this article. ~~$345,000~~ $490,000 the second year is ~~to develop a model ordinance for the restricted use of undiluted coal tar sealants and~~ to provide grants to local units of government for up to 50 percent of the costs to implement best management practices to treat or clean up contaminated sediments in storm water ponds and other waters as defined under this article. Local governments must have adopted an ordinance for the restricted use of undiluted coal tar sealants in order to be eligible for a grant, unless a statewide restriction has been implemented. A grant awarded under this paragraph must not exceed $100,000. Up to $145,000 of the appropriation in the second year may be used to complete work required under section 28, paragraph (c).

(h) $350,000 the first year and ~~$400,000~~ $600,000 the second year are for a restoration project in the lower St. Louis River and Duluth harbor in order to improve water quality. This appropriation must be matched by nonstate money at a rate of at least $2 for every $1 of state money.

(i) $150,000 the first year and $196,000 the second year are for grants to the Red River Watershed Management Board to enhance and expand existing river watch activities in the Red River of the North. The Red River Watershed Management Board shall provide a report that includes formal evaluation results from the river watch program to the commissioners of education and the Pollution

Control Agency and to the legislative natural resources finance and policy committees and K-12 finance and policy committees by February 15, 2011.

(j) $200,000 the first year and $300,000 the second year are for coordination with the state of Wisconsin and the National Park Service on comprehensive water monitoring and phosphorus reduction activities in the Lake St. Croix portion of the St. Croix River. The Pollution Control Agency shall work with the St. Croix Basin Water Resources Planning Team and the St. Croix River Association in implementing the water monitoring and phosphorus reduction activities. This appropriation is available to the extent matched by nonstate sources. Money not matched by November 15, 2010, cancels for this purpose and is available for the purposes of paragraph (a).

(k) $7,500,000 the first year and $7,500,000 the second year are for completion of 20 percent of the needed statewide assessments of surface water quality and trends. Of this amount, $175,000 the first year and $200,000 the second year are for monitoring and analyzing endocrine disruptors in surface waters.

(l) $100,000 the first year and $150,000 the second year are for civic engagement in TMDL development. The agency shall develop a plan for expenditures under this paragraph. The agency shall give consideration to civic engagement proposals from basin or sub-basin organizations,

including the Mississippi Headwaters Board, the Minnesota River Joint Powers Board, Area II Minnesota River Basin Projects, and the Red River Basin Commission. By November 15, 2009, the plan shall be submitted to the house and senate chairs and ranking minority members of the environmental finance divisions.

(m) $5,000,000 the second year is for groundwater protection or prevention of groundwater degradation activities. By January 15, 2010, the commissioner, in consultation with the commissioner of natural resources, the Board of Water and Soil Resources, and other agencies, shall submit a report to the chairs of the house of representatives and senate committees with jurisdiction over the clean water fund on the intended use of these funds. The legislature must approve expenditure of these funds by law.

(n) $100,000 the first year and $100,000 the second year are for grants to the Star Lake Board established under Minnesota Statutes, section 103B.702. The appropriation is a pilot program to focus on engaging citizen participation and fostering local partnerships by increasing citizen involvement in water quality enhancement by designating star lakes and rivers. The board shall include information on the results of this pilot program in its next biennial report under Minnesota Statutes, section 103B.702. The second year grants are available only if the Board of Water and Soil Resources determines that the money granted in the first

year furthered the water quality goals in the star lakes program in Minnesota Statutes, section 103B.701. *** (The preceding paragraph beginning "(n) $100,000 the first year" was indicated as vetoed by the governor.)**

Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered on or before June 30, 2011, as grants or contracts in this section are available until June 30, 2013.

Sec. 3. **CLEAN WATER FUND; 2009 APPROPRIATION ADJUSTMENTS.**

The appropriations in fiscal years 2011 and 2012 to the Department of Natural Resources for high-resolution digital elevation data in Laws 2009, chapter 172, article 2, section 5, paragraph (d), are available until June 30, 2012.

Sec. 4. **CLEAN WATER FUND APPROPRIATIONS.**

Subdivision 1. **Pollution Control Agency.** $600,000 in fiscal year 2011 is appropriated from the clean water fund to the commissioner of the Pollution Control Agency to continue rulemaking to establish water quality standards for total nitrogen and nitrate nitrogen. This is a onetime appropriation.

Subd. 2. **Department of Natural Resources.** The $5,000,000 appropriated in Laws 2009, chapter 172, article 2, section 4, paragraph (m), for activities relating to groundwater protection or prevention of groundwater degradation is canceled and $4,000,000 is appropriated in fiscal year 2011 to the commissioner of natural resources for the following purposes:

(1) establish a groundwater monitoring network in the 11-county metropolitan area that monitors non-stressed systems to provide information on aquifer characteristics and natural water level trends; and

(2) develop an automated data system to capture groundwater level and water use data to enhance the evaluation of water resource changes in aquifer systems that are stressed by pumping of existing wells. This is a onetime appropriation and is available until spent. The base funding for this program in fiscal year 2012 is $1,000,000 and $0 in fiscal year 2013.

Sec. 5. **APPROPRIATION; WATER SUPPLY PLANNING ACTIVITIES.**

$400,000 is appropriated in fiscal year 2011 from the clean water fund, pursuant to Minnesota Statutes, section 114D.50, to the Metropolitan Council to fund Metropolitan Council water supply planning activities under section 473.1565, for projects that include, but are not limited to, protection of the Seminary Fen and Valley Branch Trout Stream; lessening groundwater vulnerability by mapping glacial aquifers; creation of a comprehensive map of known groundwater contaminant plumes; and the design of plans that can be used by communities for reusing storm water. By January 15, 2011, the council shall report to the chairs and ranking minority members of the legislative committees and divisions that make recommendations for appropriations from the clean water fund on the outcomes of the council's water supply planning activities. This appropriation is onetime and available until expended.

Sec. 6. **APPROPRIATIONS; BOARD OF WATER AND SOIL RESOURCES.**

(a) $100,000 in fiscal year 2011 is appropriated from the clean water fund to the Board of Water and Soil Resources for the purpose of establishing a micro-grants pilot program to engage citizen volunteers and to match private sector resources to complete projects with long-term water quality restoration or protection benefits for Minnesota lakes and rivers.

(b) $400,000 in fiscal year 2011 is appropriated from the clean water fund to the Board of Water and Soil Resources to purchase and restore permanent conservation easements on riparian buffers of up to 120 feet adjacent to public waters, excluding wetlands, to keep water on the land in order to decrease sediment, pollutant, and nutrient transport, reduce hydrologic impacts to surface waters, and increase infiltration for groundwater recharge. The riparian buffers must be at least 50 feet unless there is a natural impediment, a road, or other impediment beyond the control of the landowner. This appropriation may be used for restoration of riparian buffers protected by easements purchased with this appropriation and for stream bank restorations when the riparian buffers have been restored. Up to five percent may be used for administration of this program and up to five percent may be used for technical design, construction, and project oversight.

(c) $400,000 in fiscal year 2011 is appropriated from the clean water fund to the Board of Water and Soil Resources for grants to watershed districts and watershed management organizations for: (1) structural or vegetative management practices that reduce storm water runoff from developed or disturbed lands to reduce the movement of sediment, nutrients, and pollutants or to leverage federal funds for restoration, protection,

or enhancement of water quality in lakes, rivers, and streams and to protect groundwater and drinking water; and (2) the installation of proven and effective water retention practices including, but not limited to, rain gardens and other vegetated infiltration basins and sediment control basins in order to keep water on the land. The projects must be of long-lasting public benefit, include a local match, and be consistent with TMDL implementation plans or local water management plans. Watershed district and watershed management organization staff and administration may be used for the local match. Priority may be given to school projects that can be used to demonstrate water retention practices. Up to five percent may be used for administering the grants and up to five percent may be used for technical design, construction, and project oversight.

(d) $300,000 in fiscal year 2011 is appropriated from the clean water fund to the Board of Water and Soil Resources for permanent conservation easements on wellhead protection areas under Minnesota Statutes, section 103F.515, subdivision 2, paragraph (d). Priority must be placed on land that is located where the vulnerability of the drinking water supply management area, as defined under Minnesota Rules, part 4720.5100, subpart 13, is designated as high or very high by the commissioner of health. Up to five percent may be used for administration of this program and up to five percent may be used for technical design, construction, and project oversight.

(e) The appropriations in fiscal year 2011 to the Board of Water and Soil Resources in Laws 2009, chapter 172, article 2, section 6, are available until June 30, 2012, and, unless otherwise specified, may utilize up to five percent for administration of grant and easement programs and up to five percent for technical design, construction, and project oversight.

ARTICLE 3

GENERAL PROVISIONS

Section 1. Minnesota Statutes 2008, section 3.9741, is amended by adding a subdivision to read:

Subd. 3. **Legacy funds.** The outdoor heritage fund, the clean water fund, the parks and trails fund, and the arts and cultural heritage fund must each reimburse the general fund, in the manner prescribed in section 16A.127, for costs incurred by the legislative auditor in examining financial activities relating to each fund.

Sec. 2. Minnesota Statutes 2009 Supplement, section 85.53, subdivision 2, is amended to read:

Subd. 2. **Expenditures; accountability.** (a) A project or program receiving funding from the parks and trails fund must meet or exceed the constitutional requirement to

support parks and trails of regional or statewide significance. A project or program receiving funding from the parks and trails fund must include measurable outcomes, as defined in section 3.303, subdivision 10, and a plan for measuring and evaluating the results. A project or program must be consistent with current science and incorporate state-of-the-art technology, except when the project or program is a portrayal or restoration of historical significance.

(b) Money from the parks and trails fund shall be expended to balance the benefits across all regions and residents of the state.

(c) All information for funded projects, including the proposed measurable outcomes, must be made available on the Web site required under section 3.303, subdivision 10, as soon as practicable. Information on the measured outcomes and evaluation must be posted as soon as it becomes available.

(d) Grants funded by the parks and trails fund must be implemented according to section 16B.98 and must account for all expenditures. Proposals must specify a process for any regranting envisioned. Priority for grant proposals must be given to proposals involving grants that will be competitively awarded.

(e) ~~A recipient of money from the parks and trails fund must display a sign on lands and capital improvements purchased, restored, or protected with money from the parks and trails fund that includes the logo developed by the commissioner of natural resources to identify it as a project funded with money from the vote of the people of Minnesota on November 4, 2008.~~

~~(f)~~ Money from the parks and trails fund may only be spent on projects located in Minnesota.

Sec. 3. Minnesota Statutes 2009 Supplement, section 129D.17, subdivision 2, is amended to read:

Subd. 2. **Expenditures; accountability.** (a) Funding from the arts and cultural heritage fund may be spent only for arts, arts education, and arts access, and to preserve Minnesota's history and cultural heritage. A project or program receiving funding from the arts and cultural heritage fund must include measurable outcomes, and a plan for measuring and evaluating the results. A project or program must be consistent with current scholarship, or best practices, when appropriate and incorporate state-of-the-art technology when appropriate.

(b) Funding from the arts and cultural heritage fund may be granted for an entire project or for part of a project so long as the recipient provides a description and cost for

the entire project and can demonstrate that it has adequate resources to ensure that the entire project will be completed.

(c) Money from the arts and cultural heritage fund shall be expended for benefits across all regions and residents of the state.

(d) All information for funded projects, including the proposed measurable outcomes, must be made available on the Legislative Coordinating Commission Web site, as soon as practicable. Information on the measured outcomes and evaluation must be posted as soon as it becomes available.

(e) Grants funded by the arts and cultural heritage fund must be implemented according to section 16B.98 and must account for all expenditures of funds. Priority for grant proposals must be given to proposals involving grants that will be competitively awarded.

(f) ~~A recipient of money from the arts and cultural heritage fund must display a sign on capital projects during construction and an acknowledgment in a printed program or other material funded with money from the arts and cultural heritage fund that identifies it as a project funded with money from the vote of the people of Minnesota on November 4, 2008.~~

~~(g)~~ All money from the arts and cultural heritage fund must be for projects located in Minnesota.

Sec. 4. Laws 2009, chapter 172, article 5, section 8, is amended to read:

Sec. 8. ~~**LEGISLATIVE**~~ **COMMITTEE GUIDE.**

A ~~legislative~~ committee guide ~~shall be recommended~~ may be developed by the house of representatives committee with jurisdiction over cultural and outdoor resources expenditures stating principles for the use and expected outcomes of all funds from dedicated sales taxes pursuant to the Minnesota Constitution, article XI, section 15. ~~The guide shall include principles for managing future state obligations, including payment in lieu of taxes and land management and monitoring necessary for lands acquired in fee or easement. This guide shall be recommended jointly by the Cultural and Outdoor Resources Division of the house of representatives, the appropriate senate committees as designated by the majority leader of the senate, and the Lessard Outdoor Heritage Council. The recommendations must be presented to the legislature by January 15, 2010, and acted on by the legislature.~~

~~The legislative guide required by this section shall be for the years 2010 to 2015 and shall include the following provisions:~~

~~(1) principles by which to guide future expenditures for each fund;~~

~~(2) desired outcomes for the expenditures;~~

~~(3) a general statement applicable to later years for these funds; and~~

~~(4) consideration of financial methods such as revolving loan funds that may be used in future appropriations.~~

Sec. 5. Laws 2009, chapter 172, article 5, section 10, is amended to read:

Sec. 10. **LOGO.**

(a) By September 1, 2010, the Minnesota Board of the Arts, in consultation with the Department of Natural Resources, shall sponsor a contest for selecting the design of a logo to use on signage for projects receiving money from the outdoor heritage fund, clean water fund, parks and trails fund, and the arts and cultural heritage fund. If, by September 15, 2010, the Minnesota Board of the Arts has not selected a logo design, the Department of Natural Resources shall assume the task of sponsoring the logo contest and design selection solely.

(b) A recipient of funds from the outdoor heritage fund, parks and trails fund, clean water fund, or arts and cultural heritage fund shall display, where practicable, a sign with the logo developed under this section on construction projects and at access points to any land or water resources acquired in fee or an interest in less than fee title, or that were restored, protected, or enhanced, and incorporate the logo, where practicable, into printed and other materials funded with money from one or more of the funds.

Sec. 6. **FUNDS CARRYOVER.**

Unless otherwise provided, the amounts appropriated in Laws 2009, chapter 172, are available until June 30, 2011. For acquisition of an interest in real property, the amounts in Laws 2009, chapter 172, are available until June 30, 2012. If a project receives federal funds, the time period of the appropriation is extended to equal the availability of federal funding.

Sec. 7. **PARKS.**

The Minneapolis Park and Recreation Board may acquire all or part of the entire property known as the Scherer Brothers Lumber Yard for a metropolitan area regional park and may allocate any future appropriations to the board from the parks and trails fund to acquire the property.

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

Sec. 8. **USE OF CARRYFORWARD.**

The restrictions in Minnesota Statutes, section 16A.281, on the use of money carried forward from one biennium to another shall not apply to money the legislative auditor carried forward from the previous biennium for use in fiscal years 2010 and 2011. The legislative auditor may use the carry forward money for costs related to the conduct of audits related to funds authorized in the Minnesota Constitution, Article XI, section 15.

Sec. 9. **REPEALER.**

Laws 2009, chapter 172, article 5, section 9, is repealed.

ARTICLE 4

ENVIRONMENT AND NATURAL RESOURCES

Section 1. Minnesota Statutes 2008, section 84.025, subdivision 9, is amended to read:

Subd. 9. **Professional services support account.** The commissioner of natural resources may bill other governmental units, including tribal governments, and the various programs carried out by the commissioner for the costs of providing them with professional support services. Except as provided under section 89.421, receipts must be credited to a special account in the state treasury and are appropriated to the commissioner to pay the costs for which the billings were made.

The commissioner of natural resources shall submit to the commissioner of management and budget before the start of each fiscal year a work plan showing the estimated work to be done during the coming year, the estimated cost of doing the work, and the positions and fees that will be necessary. This account is exempted from statewide and agency indirect cost payments.

Sec. 2. Minnesota Statutes 2008, section 84.027, subdivision 15, is amended to read:

Subd. 15. **Electronic transactions.** (a) The commissioner may receive an application for, sell, and issue any license, stamp, permit, pass, sticker, ~~duplicate~~ gift card, safety training certification, registration, or transfer under the jurisdiction of the commissioner by electronic means, including by telephone. Notwithstanding section 97A.472, electronic and telephone transactions may be made outside of the state. The commissioner may:

(1) provide for the electronic transfer of funds generated by electronic transactions, including by telephone;

(2) assign an identification number to an applicant who purchases a hunting or fishing license or recreational vehicle registration by electronic means, to serve as

temporary authorization to engage in the activity requiring a license or registration until the license or registration is received or expires;

(3) charge and permit agents to charge a fee of individuals who make electronic transactions and transactions by telephone or Internet, including issuing fees and an additional transaction fee not to exceed $3.50;

(4) charge and permit agents to charge a convenience fee not to exceed three percent of the cost of the license to individuals who use electronic bank cards for payment. An electronic licensing system agent charging a fee of individuals making an electronic bank card transaction in person must post a sign informing individuals of the fee. The sign must be near the point of payment, clearly visible, include the amount of the fee, and state: "License agents are allowed by state law to charge a fee not to exceed three percent of the cost of state licenses to persons who use electronic bank cards for payment. The fee is not required by state law.";

(5) establish, by written order, an electronic licensing system commission to be paid by revenues generated from all sales made through the electronic licensing system. The commissioner shall establish the commission in a manner that neither significantly overrecovers nor underrecovers costs involved in providing the electronic licensing system; and

(6) adopt rules to administer the provisions of this subdivision.

(b) The fees established under paragraph (a), clauses (3) and (4), and the commission established under paragraph (a), clause (5), are not subject to the rulemaking procedures of chapter 14 and section 14.386 does not apply.

(c) Money received from fees and commissions collected under this subdivision, including interest earned, is annually appropriated from the game and fish fund and the natural resources fund to the commissioner for the cost of electronic licensing.

Sec. 3. Minnesota Statutes 2008, section 84.0856, is amended to read:

84.0856 FLEET MANAGEMENT ACCOUNT.

The commissioner of natural resources may bill organizational units within the Department of Natural Resources <u>and other governmental units, including tribal governments,</u> for the costs of providing them with equipment. Costs billed may include acquisition, licensing, insurance, maintenance, repair, and other direct costs as determined by the commissioner. Receipts and interest earned on the receipts shall be credited to a special account in the state treasury and are appropriated to the commissioner to pay the costs for which the billings were made.

Sec. 4. Minnesota Statutes 2008, section 84.0857, is amended to read:

84.0857 FACILITIES MANAGEMENT ACCOUNT.

(a) The commissioner of natural resources may bill organizational units within the Department of Natural Resources and other governmental units, including tribal governments, for the costs of providing them with building and infrastructure facilities. Costs billed may include modifications and adaptations to allow for appropriate building occupancy, building code compliance, insurance, utility services, maintenance, repair, and other direct costs as determined by the commissioner. Receipts shall be credited to a special account in the state treasury and are appropriated to the commissioner to pay the costs for which the billings were made.

(b) Money deposited in the special account from the proceeds of a sale under section 94.16, subdivision 3, paragraph (b), is appropriated to the commissioner to acquire facilities or renovate existing buildings for administrative use or to acquire land for, design, and construct administrative buildings for the Department of Natural Resources.

Sec. 5. Minnesota Statutes 2008, section 84.415, is amended by adding a subdivision to read:

Subd. 3a. **Joint applications for residential use.** An application for a utility license may cover more than one type of utility if the utility lines are being installed for residential use only. Separate applications submitted by utilities for the same crossing shall be joined together and processed as one application, provided that the applications are submitted within one year of each other and the utility lines are for residential use only. The application fees for a joint application or separate applications subsequently joined together shall be as if only one application was submitted.

Sec. 6. Minnesota Statutes 2009 Supplement, section 84.415, subdivision 6, is amended to read:

Subd. 6. **Supplemental application fee and monitoring fee.** (a) In addition to the application fee and utility crossing fees specified in Minnesota Rules, the commissioner of natural resources shall assess the applicant for a utility license the following fees:

(1) a supplemental application fee of ~~$1,500~~ $1,750 for a public water crossing license and a supplemental application fee of ~~$4,500~~ $3,000 for a public lands crossing license, to cover reasonable costs for reviewing the application and preparing the license; and

(2) a monitoring fee to cover the projected reasonable costs for monitoring the construction of the utility line and preparing special terms and conditions of the license

to ensure proper construction. The commissioner must give the applicant an estimate of the monitoring fee before the applicant submits the fee.

(b) The applicant shall pay fees under this subdivision to the commissioner of natural resources. The commissioner shall not issue the license until the applicant has paid all fees in full.

(c) Upon completion of construction of the improvement for which the license or permit was issued, the commissioner shall refund the unobligated balance from the monitoring fee revenue. The commissioner shall not return the application fees, even if the application is withdrawn or denied.

(d) If the fees collected under paragraph (a), clause (1), are not sufficient to cover the costs of reviewing the applications and preparing the licenses, the commissioner shall improve efficiencies and otherwise reduce department costs and activities to ensure the revenues raised under paragraph (a), clause (1), are sufficient, and that no other funds are necessary to carry out the requirements.

Sec. 7. Minnesota Statutes 2008, section 84.777, subdivision 2, is amended to read:

Subd. 2. **Off-highway vehicle ~~seasons~~ seasonal restrictions.** (a) The commissioner shall prescribe seasons for off-highway vehicle use on state forest lands. Except for designated forest roads, a person must not operate an off-highway vehicle on state forest lands: (1) outside of the seasons prescribed under this paragraph; or (2) during the firearms deer hunting season in areas of the state where deer may be taken by rifle. This paragraph does not apply to a person in possession of a valid deer hunting license operating an off-highway vehicle before or after legal shooting hours or from 11:00 a.m. to 2:00 p.m.

(b) The commissioner may designate and post winter trails on state forest lands for use by off-highway vehicles.

(c) For the purposes of this subdivision, "state forest lands" means forest lands under the authority of the commissioner as defined in section 89.001, subdivision 13, and lands managed by the commissioner under section 282.011.

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

Sec. 8. Minnesota Statutes 2008, section 84.788, subdivision 2, is amended to read:

Subd. 2. **Exemptions.** Registration is not required for off-highway motorcycles:

(1) owned and used by the United States, an Indian tribal government, the state, another state, or a political subdivision;

(2) registered in another state or country that have not been within this state for more than 30 consecutive days; or

(3) registered under chapter 168, when operated on forest roads to gain access to a state forest campground.

Sec. 9. Minnesota Statutes 2009 Supplement, section 84.793, subdivision 1, is amended to read:

Subdivision 1. **Prohibitions on youthful operators.** (a) ~~After January 1, 1995,~~ A person less than 16 years of age operating an off-highway motorcycle on public lands or waters must possess a valid off-highway motorcycle safety certificate issued by the commissioner.

(b) Except for operation on public road rights-of-way that is permitted under section 84.795, subdivision 1, a driver's license issued by the state or another state is required to operate an off-highway motorcycle along or on a public road right-of-way.

(c) A person under 12 years of age may not:

(1) make a direct crossing of a public road right-of-way;

(2) operate an off-highway motorcycle on a public road right-of-way in the state; or

(3) operate an off-highway motorcycle on public lands or waters unless accompanied by a person 18 years of age or older or participating in an event for which the commissioner has issued a special use permit.

(d) Except for public road rights-of-way of interstate highways, a person less than 16 years of age may make a direct crossing of a public road right-of-way of a trunk, county state-aid, or county highway only if that person is accompanied by a person 18 years of age or older who holds a valid driver's license.

(e) A person less than 16 years of age may operate an off-highway motorcycle on public road rights-of-way in accordance with section 84.795, subdivision 1, paragraph (a), only if that person is accompanied by a person 18 years of age or older who holds a valid driver's license.

(f) Notwithstanding paragraph (a), a nonresident less than 16 years of age may operate an off-highway motorcycle on public lands or waters if the nonresident youth has in possession evidence of completing an off-road safety course offered by the Motorcycle Safety Foundation or another state as provided in section 84.791, subdivision 4.

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

Sec. 10. Minnesota Statutes 2008, section 84.798, subdivision 2, is amended to read:

Subd. 2. **Exemptions.** Registration is not required for an off-road vehicle that is:

(1) owned and used by the United States, an Indian tribal government, the state, another state, or a political subdivision; or

(2) registered in another state or country and has not been in this state for more than 30 consecutive days.

Sec. 11. Minnesota Statutes 2008, section 84.82, subdivision 3, is amended to read:

Subd. 3. **Fees for registration.** (a) The fee for registration of each snowmobile, other than those used for an agricultural purpose, as defined in section 84.92, subdivision 1c, or those registered by a dealer or manufacturer pursuant to clause (b) or (c) shall be as follows: $45 for three years and $4 for a duplicate or transfer.

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

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

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

Sec. 12. Minnesota Statutes 2008, section 84.82, subdivision 6, is amended to read:

Subd. 6. **Exemptions.** Registration is not required under this section for:

(1) a snowmobile owned and used by the United States, an Indian tribal government, another state, or a political subdivision thereof;

(2) a snowmobile registered in a country other than the United States temporarily used within this state;

(3) a snowmobile that is covered by a valid license of another state and has not been within this state for more than 30 consecutive days;

(4) a snowmobile used exclusively in organized track racing events;

(5) a snowmobile in transit by a manufacturer, distributor, or dealer;

(6) a snowmobile at least 15 years old in transit by an individual for use only on land owned or leased by the individual; or

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

Sec. 13. Minnesota Statutes 2008, section 84.82, is amended by adding a subdivision to read:

Subd. 6a. **Exemption; collector unlimited snowmobile use.** Snowmobiles may be issued an exempt registration if the machine is at least 25 years old. Exempt registration is valid from the date of issuance until ownership of the snowmobile is transferred. Exempt registrations are not transferable.

Sec. 14. Minnesota Statutes 2008, section 84.8205, subdivision 1, is amended to read:

Subdivision 1. **Sticker required; fee.** (a) Except as provided in paragraph (b), a person may not operate a snowmobile on a state or grant-in-aid snowmobile trail unless a snowmobile state trail sticker is affixed to the snowmobile. The commissioner of natural resources shall issue a sticker upon application and payment of a $15 fee. The fee for a three-year snowmobile state trail sticker that is purchased at the time of snowmobile registration is $30. In addition to other penalties prescribed by law, a person in violation of this subdivision must purchase an annual state trail sticker for a fee of $30. The sticker is valid from November 1 through June 30. Fees collected under this section, except for the issuing fee for licensing agents, shall be deposited in the state treasury and credited to the snowmobile trails and enforcement account in the natural resources fund and, except for the electronic licensing system commission established by the commissioner under section 84.027, subdivision 15, must be used for grants-in-aid, trail maintenance, grooming, and easement acquisition.

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

(1) a snowmobile owned by the state or a political subdivision of the state that is registered under section 84.82, subdivision 5;

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

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

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

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

(c) A temporary registration permit issued by a dealer under section 84.82, subdivision 2, may include a snowmobile state trail sticker if the trail sticker fee is included with the registration application fee.

Sec. 15. Minnesota Statutes 2008, section 84.92, subdivision 9, is amended to read:

Subd. 9. **Class 1 all-terrain vehicle.** "Class 1 all-terrain vehicle" means an all-terrain vehicle that has a total dry weight of less than ~~900~~ 1,000 pounds.

Sec. 16. Minnesota Statutes 2008, section 84.92, subdivision 10, is amended to read:

Subd. 10. **Class 2 all-terrain vehicle.** "Class 2 all-terrain vehicle" means an all-terrain vehicle that has a total dry weight of ~~900~~ 1,000 to ~~1,500~~ 1,800 pounds.

Sec. 17. Minnesota Statutes 2009 Supplement, section 84.922, subdivision 1a, is amended to read:

Subd. 1a. **Exemptions.** All-terrain vehicles exempt from registration are:

(1) vehicles owned and used by the United States, an Indian tribal government, the state, another state, or a political subdivision;

(2) vehicles registered in another state or country that have not been in this state for more than 30 consecutive days;

(3) vehicles that:

(i) are owned by a resident of another state or country that does not require registration of all-terrain vehicles;

(ii) have not been in this state for more than 30 consecutive days; and

(iii) are operated on state and grant-in-aid trails by a nonresident possessing a nonresident all-terrain vehicle state trail pass;

(4) vehicles used exclusively in organized track racing events; and

(5) vehicles that are 25 years old or older and were originally produced as a separate identifiable make by a manufacturer.

Sec. 18. Minnesota Statutes 2008, section 84.922, is amended by adding a subdivision to read:

Subd. 2b. **Collector unlimited use; exempt registration.** All-terrain vehicles may be issued an exempt registration if requested and the machine is at least 25 years old. Exempt registration is valid from the date of issuance until ownership of the all-terrain vehicle is transferred. Exempt registrations are not transferable.

Sec. 19. Minnesota Statutes 2008, section 84.922, subdivision 5, is amended to read:

Subd. 5. **Fees for registration.** (a) The fee for a three-year registration of an all-terrain vehicle under this section, other than those registered by a dealer or manufacturer under paragraph (b) or (c), is:

(1) for public use, $45;

(2) for private use, $6; and

(3) for a duplicate or transfer, $4.

(b) The total registration fee for all-terrain vehicles owned by a dealer and operated for demonstration or testing purposes is $50 per year. Dealer registrations are not transferable.

(c) The total registration fee for all-terrain vehicles owned by a manufacturer and operated for research, testing, experimentation, or demonstration purposes is $150 per year. Manufacturer registrations are not transferable.

(d) The onetime fee for registration of an all-terrain vehicle under subdivision 2b is $6.

(e) The fees collected under this subdivision must be credited to the all-terrain vehicle account.

Sec. 20. Minnesota Statutes 2008, section 84.925, subdivision 1, is amended to read:

Subdivision 1. **Program established.** (a) The commissioner shall establish a comprehensive all-terrain vehicle environmental and safety education and training program, including the preparation and dissemination of vehicle information and safety advice to the public, the training of all-terrain vehicle operators, and the issuance of all-terrain vehicle safety certificates to vehicle operators over the age of 12 years who successfully complete the all-terrain vehicle environmental and safety education and training course.

(b) For the purpose of administering the program and to defray a portion of the expenses of training and certifying vehicle operators, the commissioner shall collect a fee of $15 from each person who receives the training. The commissioner shall collect a fee, to include a $1 issuing fee for licensing agents, for issuing a duplicate all-terrain vehicle safety certificate. The commissioner shall establish the fee for a duplicate all-terrain vehicle safety certificate that neither significantly overrecovers nor underrecovers costs, including overhead costs, involved in providing the service. Fee proceeds, except for the issuing fee for licensing agents under this subdivision, shall be deposited in the all-terrain vehicle account in the natural resources fund. In addition to the fee established by the commissioner, instructors may charge each person ~~the cost of~~ up to the established fee amount for class ~~material~~ materials and expenses.

(c) The commissioner shall cooperate with private organizations and associations, private and public corporations, and local governmental units in furtherance of the program established under this section. School districts may cooperate with the commissioner and volunteer instructors to provide space for the classroom portion of the training. The commissioner shall consult with the commissioner of public safety in regard to training program subject matter and performance testing that leads to the certification of vehicle operators. By June 30, 2003, the commissioner shall incorporate a riding component in the safety education and training program.

Sec. 21. Minnesota Statutes 2008, section 84.9256, subdivision 1, is amended to read:

Subdivision 1. **Prohibitions on youthful operators.** (a) Except for operation on public road rights-of-way that is permitted under section 84.928, a driver's license issued by the state or another state is required to operate an all-terrain vehicle along or on a public road right-of-way.

(b) A person under 12 years of age shall not:

(1) make a direct crossing of a public road right-of-way;

(2) operate an all-terrain vehicle on a public road right-of-way in the state; or

(3) operate an all-terrain vehicle on public lands or waters, except as provided in paragraph (f).

(c) Except for public road rights-of-way of interstate highways, a person 12 years of age but less than 16 years may make a direct crossing of a public road right-of-way of a trunk, county state-aid, or county highway or operate on public lands and waters or state or grant-in-aid trails, only if that person possesses a valid all-terrain vehicle safety certificate issued by the commissioner and is accompanied ~~on another all-terrain vehicle~~ by a person 18 years of age or older who holds a valid driver's license.

(d) To be issued an all-terrain vehicle safety certificate, a person at least 12 years old, but less than 16 years old, must:

(1) successfully complete the safety education and training program under section 84.925, subdivision 1, including a riding component; and

(2) be able to properly reach and control the handle bars and reach the foot pegs while sitting upright on the seat of the all-terrain vehicle.

(e) A person at least 11 years of age may take the safety education and training program and may receive an all-terrain vehicle safety certificate under paragraph (d), but the certificate is not valid until the person reaches age 12.

(f) A person at least ten years of age but under 12 years of age may operate an all-terrain vehicle with an engine capacity up to 90cc on public lands or waters if accompanied by a parent or legal guardian.

(g) A person under 15 years of age shall not operate a class 2 all-terrain vehicle.

(h) A person under the age of 16 may not operate an all-terrain vehicle on public lands or waters or on state or grant-in-aid trails if the person cannot properly reach and control the handle bars and reach the foot pegs while sitting upright on the seat of the all-terrain vehicle.

<u>(i) Notwithstanding paragraph (c), a nonresident at least 12 years old, but less than 16 years old, may make a direct crossing of a public road right-of-way of a trunk, county</u>

state-aid, or county highway or operate an all-terrain vehicle on public lands and waters or state or grant-in-aid trails if:

(1) the nonresident youth has in possession evidence of completing an all-terrain safety course offered by the ATV Safety Institute or another state as provided in section 84.925, subdivision 3; and

(2) the nonresident youth is accompanied by a person 18 years of age or older who holds a valid driver's license.

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

Sec. 22. Minnesota Statutes 2009 Supplement, section 84.9275, subdivision 1, is amended to read:

Subdivision 1. **Pass required; fee.** (a) A nonresident may not operate an all-terrain vehicle on a state or grant-in-aid all-terrain vehicle trail unless the operator carries a valid nonresident all-terrain vehicle state trail pass in immediate possession. The pass must be available for inspection by a peace officer, a conservation officer, or an employee designated under section 84.0835.

(b) The commissioner of natural resources shall issue a pass upon application and payment of a $20 fee. The pass is valid from January 1 through December 31. Fees collected under this section, except for the issuing fee for licensing agents, shall be deposited in the state treasury and credited to the all-terrain vehicle account in the natural resources fund and, except for the electronic licensing system commission established by the commissioner under section 84.027, subdivision 15, must be used for grants-in-aid to counties and municipalities for all-terrain vehicle organizations to construct and maintain all-terrain vehicle trails and use areas.

(c) A nonresident all-terrain vehicle state trail pass is not required for:

(1) an all-terrain vehicle that is owned and used by the United States, another state, or a political subdivision thereof that is exempt from registration under section 84.922, subdivision 1a; ~~or~~

(2) a person operating an all-terrain vehicle only on the portion of a trail that is owned by the person or the person's spouse, child, or parent~~.~~; or

(3) a nonresident operating an all-terrain vehicle that is registered according to section 84.922.

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

Sec. 23. Minnesota Statutes 2009 Supplement, section 84.928, subdivision 1, is amended to read:

Subdivision 1. **Operation on roads and rights-of-way.** (a) Unless otherwise allowed in sections 84.92 to 84.928, a person shall not operate an all-terrain vehicle in this state along or on the roadway, shoulder, or inside bank or slope of a public road right-of-way of a trunk, county state-aid, or county highway.

(b) A person may operate a class 1 all-terrain vehicle in the ditch or the outside bank or slope of a trunk, county state-aid, or county highway unless prohibited under paragraph (d) or (f).

(c) A person may operate a class 2 all-terrain vehicle within the public road right-of-way of a county state-aid or county highway on the extreme right-hand side of the road and left turns may be made from any part of the road if it is safe to do so under the prevailing conditions, unless prohibited under paragraph (d) or (f). A person may operate a class 2 all-terrain vehicle on the bank or ditch of a public road right-of-way on a designated class 2 all-terrain vehicle trail.

(d) A road authority as defined under section 160.02, subdivision 25, may after a public hearing restrict the use of all-terrain vehicles in the public road right-of-way under its jurisdiction.

(e) The restrictions in paragraphs (a), (d), (h), (i), and (j) do not apply to the operation of an all-terrain vehicle on the shoulder, inside bank or slope, ditch, or outside bank or slope of a trunk, interstate, county state-aid, or county highway:

(1) that is part of a funded grant-in-aid trail; or

(2) when the all-terrain vehicle is~~:~~

~~(1)~~ owned by or operated under contract with a publicly or privately owned utility or pipeline company~~;~~ and

~~(2)~~ used for work on utilities or pipelines.

(f) The commissioner may limit the use of a right-of-way for a period of time if the commissioner determines that use of the right-of-way causes:

(1) degradation of vegetation on adjacent public property;

(2) siltation of waters of the state;

(3) impairment or enhancement to the act of taking game; or

(4) a threat to safety of the right-of-way users or to individuals on adjacent public property.

The commissioner must notify the road authority as soon as it is known that a closure will be ordered. The notice must state the reasons and duration of the closure.

(g) A person may operate an all-terrain vehicle registered for private use and used for agricultural purposes on a public road right-of-way of a trunk, county state-aid, or county highway in this state if the all-terrain vehicle is operated on the extreme right-hand side of the road, and left turns may be made from any part of the road if it is safe to do so under the prevailing conditions.

(h) A person shall not operate an all-terrain vehicle within the public road right-of-way of a trunk, county state-aid, or county highway from April 1 to August 1 in the agricultural zone unless the vehicle is being used exclusively as transportation to and from work on agricultural lands. This paragraph does not apply to an agent or employee of a road authority, as defined in section 160.02, subdivision 25, or the Department of Natural Resources when performing or exercising official duties or powers.

(i) A person shall not operate an all-terrain vehicle within the public road right-of-way of a trunk, county state-aid, or county highway between the hours of one-half hour after sunset to one-half hour before sunrise, except on the right-hand side of the right-of-way and in the same direction as the highway traffic on the nearest lane of the adjacent roadway.

(j) A person shall not operate an all-terrain vehicle at any time within the right-of-way of an interstate highway or freeway within this state.

Sec. 24. Minnesota Statutes 2008, section 84.928, subdivision 5, is amended to read:

Subd. 5. **Organized contests, use of highways and public lands and waters.** (a) Nothing in this section or chapter 169 prohibits the use of all-terrain vehicles within the right-of-way of a state trunk or county state-aid highway or upon public lands or waters under the jurisdiction of the commissioner of natural resources, in an organized contest or event, subject to the consent of the official or board having jurisdiction over the highway or public lands or waters.

(b) In permitting the contest or event, the official or board having jurisdiction may prescribe restrictions or conditions as they may deem advisable.

(c) Notwithstanding section 84.9256, subdivision 1, paragraph (b), a person under 12 years of age may operate an all-terrain vehicle in an organized contest on public lands or waters, if the all-terrain vehicle has an engine capacity of 90cc or less, the person complies with section 84.9256, subdivision 1, paragraph (h), and the person is supervised by a person 18 years of age or older.

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

Sec. 25. Minnesota Statutes 2008, section 84D.10, is amended by adding a subdivision to read:

Subd. 4. **Persons leaving public waters.** (a) A person leaving waters of the state must drain boating-related equipment holding water and live wells and bilges by removing the drain plug before transporting the watercraft and associated equipment on public roads. Drain plugs, bailers, valves, or other devices used to control the draining of water from ballast tanks, bilges, and live wells must be removed or opened while transporting watercraft on a public road. Marine sanitary systems and portable bait containers are excluded from this requirement. A person must not dispose of bait in waters of the state.

(b) The commissioner shall report, by January 15 of each odd-numbered year, to the chairs and ranking minority members of the house of representatives and senate committees and divisions having jurisdiction over water resources policy and finance. The report shall advise the legislature on additional measures to protect state water resources from human transport of invasive species.

Sec. 26. Minnesota Statutes 2008, section 84D.13, subdivision 5, is amended to read:

Subd. 5. **Civil penalties.** A civil citation issued under this section must impose the following penalty amounts:

(1) for transporting aquatic macrophytes on a forest road as defined by section 89.001, subdivision 14, road or highway as defined by section 160.02, subdivision 26, or any other public road, $50;

(2) for placing or attempting to place into waters of the state a watercraft, a trailer, or aquatic plant harvesting equipment that has aquatic macrophytes attached, $100;

(3) for unlawfully possessing or transporting a prohibited invasive species other than an aquatic macrophyte, $250;

(4) for placing or attempting to place into waters of the state a watercraft, a trailer, or aquatic plant harvesting equipment that has prohibited invasive species attached when the waters are not designated by the commissioner as being infested with that invasive species, $500 for the first offense and $1,000 for each subsequent offense;

(5) for intentionally damaging, moving, removing, or sinking a buoy marking, as prescribed by rule, Eurasian water milfoil, $100;

(6) for failing to drain water, as required by rule, for infested waters and from watercraft and equipment, other than marine sanitary systems and portable bait containers before leaving ~~designated zebra mussel, spiny water flea, or other invasive plankton infested~~ waters of the state, $50; and

(7) for transporting infested water off riparian property without a permit as required by rule, $200.

Sec. 27. Minnesota Statutes 2009 Supplement, section 85.015, subdivision 13, is amended to read:

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

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

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

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

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

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

Sec. 28. Minnesota Statutes 2008, section 85.015, subdivision 14, is amended to read:

Subd. 14. **Willard Munger Trail System, Chisago, Ramsey, Pine, St. Louis, Carlton, and Washington Counties.** (a) The trail shall consist of six segments. One segment shall be known as the Gateway Trail and shall originate at the State Capitol and extend northerly and northeasterly to William O'Brien State Park, thence northerly to Taylors Falls in Chisago County. One segment shall ~~be known as the Boundary Trail~~

~~and shall~~ originate in Chisago County and extend into ~~Duluth in St. Louis~~ Hinckley in Pine County. One segment shall be known as the Browns Creek Trail and shall originate at Duluth Junction and extend into Stillwater in Washington County. One segment shall be known as the Munger Trail and shall originate at Hinckley in Pine County and extend through Moose Lake in Carlton County to Duluth in St. Louis County. One segment shall be known as the Alex Laveau Trail and shall originate in Carlton County at Carlton and extend through Wrenshall to the Minnesota-Wisconsin border. One segment shall be established that extends the trail to include the cities of Proctor, Duluth, and Hermantown in St. Louis County.

(b) The Gateway and Browns Creek Trails shall be developed primarily for hiking and nonmotorized riding and the remaining trails shall be developed primarily for riding and hiking.

(c) In addition to the authority granted in subdivision 1, lands and interests in lands for the Gateway and Browns Creek Trails may be acquired by eminent domain.

Sec. 29. Minnesota Statutes 2008, section 85.052, subdivision 4, is amended to read:

Subd. 4. **Deposit of fees.** (a) Fees paid for providing contracted products and services within a state park, state recreation area, or wayside, and for special state park uses under this section shall be deposited in the natural resources fund and credited to a state parks account.

(b) Gross receipts derived from sales, rentals, or leases of natural resources within state parks, recreation areas, and waysides, other than those on trust fund lands, must be deposited in the state treasury and credited to the ~~general fund~~ state parks working capital account. The appropriation under section 85.22 for revenue deposited in this section is limited to $25,000 per fiscal year.

(c) Notwithstanding paragraph (b), the gross receipts from the sale of stockpile materials, aggregate, or other earth materials from the Iron Range Off-Highway Vehicle Recreation Area shall be deposited in the dedicated accounts in the natural resources fund from which the purchase of the stockpile material was made.

EFFECTIVE DATE. This section is effective July 1, 2011.

Sec. 30. Minnesota Statutes 2009 Supplement, section 85.053, subdivision 10, is amended to read:

Subd. 10. **Free entrance; ~~totally and permanently~~ disabled veterans.** The commissioner shall issue an annual park permit for no charge to any veteran with a total and permanent service-connected disability, and a daily park permit to any resident

veteran with any level of service-connected disability, as determined by the United States Department of Veterans Affairs, who presents each year a copy of ~~their~~ the veteran's determination letter to a park attendant or commissioner's designee. For the purposes of this section, "veteran" has the meaning given in section 197.447.

EFFECTIVE DATE. This section is effective July 1, 2010.

Sec. 31. Minnesota Statutes 2008, section 85.22, subdivision 5, is amended to read:

Subd. 5. **Exemption.** Purchases for resale or rental made from the state parks working capital ~~fund~~ account are exempt from competitive bidding, notwithstanding chapter 16C.

Sec. 32. Minnesota Statutes 2008, section 85.32, subdivision 1, is amended to read:

Subdivision 1. **Areas marked.** The commissioner of natural resources is authorized in cooperation with local units of government and private individuals and groups when feasible to mark ~~canoe and boating routes~~ state water trails on the Little Fork, Big Fork, Minnesota, St. Croix, Snake, Mississippi, Red Lake, Cannon, Straight, Des Moines, Crow Wing, St. Louis, Pine, Rum, Kettle, Cloquet, Root, Zumbro, Pomme de Terre within Swift County, Watonwan, Cottonwood, Whitewater, Chippewa from Benson in Swift County to Montevideo in Chippewa County, Long Prairie, Red River of the North, Sauk, Otter Tail, Redwood, Blue Earth, and Crow Rivers which have historic and scenic values and to mark appropriately points of interest, portages, camp sites, and all dams, rapids, waterfalls, whirlpools, and other serious hazards which are dangerous to canoe, kayak, and watercraft travelers.

Sec. 33. Minnesota Statutes 2008, section 85.41, subdivision 3, is amended to read:

Subd. 3. **Exemptions.** (a) Participants in cross-country ski races ~~and official school activities~~ and residents of a state or local government operated correctional facility are exempt from the pass requirement in subdivision 1 if a special use permit has been obtained by the organizers of the event or those in an official capacity in advance from the agency with jurisdiction over the cross-country ski trail. Permits shall require that permit holders return the trail and any associated facility to its original condition if any damage is done by the permittee. Limited permits for special events may be issued and shall require the removal of any trail markers, banners, and other material used in connection with the special event.

(b) Unless otherwise exempted under paragraph (a), students, teachers, and supervising adults engaged in school-sanctioned activities or youth activities sponsored by a nonprofit organization are exempt from the pass requirements in subdivision 1.

(c) A resident that is in the armed forces of the United States, stationed outside of the state, and in the state on leave is exempt from the pass requirement in subdivision 1 if the resident possesses official military leave papers.

(d) A resident who has served at any time during the preceding 24 months in federal active service, as defined in section 190.05, subdivision 5c, outside the United States as a member of the National Guard, or as a reserve component or active duty member of the United Stated armed forces and has been discharged from active service is exempt from the pass requirement in subdivision 1 if the resident possesses official military discharge papers.

Sec. 34. Minnesota Statutes 2008, section 85.42, is amended to read:

85.42 USER FEE; VALIDITY.

(a) The fee for an annual cross-country ski pass is ~~$14~~ $19 for an individual age 16 and over. The fee for a three-year pass is ~~$39~~ $54 for an individual age 16 and over. This fee shall be collected at the time the pass is purchased. Three-year passes are valid for three years beginning the previous July 1. Annual passes are valid for one year beginning the previous July 1.

(b) The cost for a daily cross-country skier pass is ~~$4~~ $5 for an individual age 16 and over. This fee shall be collected at the time the pass is purchased. The daily pass is valid only for the date designated on the pass form.

(c) A pass must be signed by the skier across the front of the pass to be valid and becomes nontransferable on signing.

Sec. 35. Minnesota Statutes 2008, section 85.43, is amended to read:

85.43 DISPOSITION OF RECEIPTS; PURPOSE.

(a) Fees from cross-country ski passes shall be deposited in the state treasury and credited to a cross-country ski account in the natural resources fund and, except for the electronic licensing system commission established by the commissioner under section 84.027, subdivision 15, are appropriated to the commissioner of natural resources for the following purposes:

(1) grants-in-aid for cross-country ski trails ~~sponsored by local units of government~~ to:

(i) counties and municipalities for construction and maintenance of cross-country ski trails; and

(ii) special park districts as provided in section 85.44 for construction and maintenance of cross-country ski trails; and

(2) administration of the cross-country ski trail grant-in-aid program.

(b) Development and maintenance of state cross-country ski trails are eligible for funding from the cross-country ski account if the money is appropriated by law.

Sec. 36. Minnesota Statutes 2008, section 85.46, as amended by Laws 2009, chapter 37, article 1, sections 22 to 24, is amended to read:

85.46 HORSE ~~TRAIL~~ PASS.

Subdivision 1. **Pass in possession.** (a) Except as provided in paragraph (b), while riding, leading, or driving a horse ~~on horse trails and associated day use areas on state trails, in state parks, in state recreation areas, and in state forests,~~ on lands administered by the commissioner, except forest roads and forest roads rights-of-way, a person 16 years of age or over shall carry in immediate possession a valid horse ~~trail~~ pass. The pass must be available for inspection by a peace officer, a conservation officer, or an employee designated under section 84.0835.

(b) A valid horse ~~trail~~ pass is not required under this section for a person riding, leading, or driving a horse ~~only~~ on ~~the portion of a horse trail~~ property that is owned by the person or the person's spouse, child, parent, or guardian.

Subd. 2. **License agents.** (a) The commissioner of natural resources may appoint agents to issue and sell horse ~~trail~~ passes. The commissioner may revoke the appointment of an agent at any time.

(b) The commissioner may adopt additional rules as provided in section 97A.485, subdivision 11. An agent shall observe all rules adopted by the commissioner for the accounting and handling of passes according to section 97A.485, subdivision 11.

(c) An agent must promptly deposit and remit all money received from the sale of passes, except issuing fees, to the commissioner.

Subd. 3. **Issuance.** The commissioner of natural resources and agents shall issue and sell horse ~~trail~~ passes. The pass shall include the applicant's signature and other information deemed necessary by the commissioner. To be valid, a daily or annual pass must be signed by the person riding, leading, or driving the horse, and a commercial annual pass must be signed by the owner of the commercial ~~trail~~ riding facility.

Subd. 4. **Pass fees.** (a) The fee for an annual horse ~~trail~~ pass is $20 for an individual 16 years of age and over. The fee shall be collected at the time the pass is purchased. Annual passes are valid for one year beginning January 1 and ending December 31.

(b) The fee for a daily horse ~~trail~~ pass is $4 for an individual 16 years of age and over. The fee shall be collected at the time the pass is purchased. The daily pass is valid only for the date designated on the pass form.

(c) The fee for a commercial annual horse ~~trail~~ pass is $200 and includes issuance of 15 passes. Additional or individual commercial annual horse ~~trail~~ passes may be purchased by the commercial ~~trail~~ riding facility owner at a fee of $20 each. Commercial annual horse ~~trail~~ passes are valid for one year beginning January 1 and ending December 31 and may be affixed to the horse tack, saddle, or person. Commercial annual horse ~~trail~~ passes are not transferable to another commercial ~~trail~~ riding facility. For the purposes of this section, a "commercial ~~trail~~ riding facility" is an operation where horses are used for riding instruction or other equestrian activities for hire or use by others.

Subd. 5. **Issuing fee.** In addition to the fee for a horse ~~trail~~ pass, an issuing fee of $1 per pass shall be charged. The issuing fee shall be retained by the seller of the pass. Issuing fees for passes sold by the commissioner of natural resources shall be deposited in the state treasury and credited to the horse ~~trail~~ pass account in the natural resources fund and are appropriated to the commissioner for the operation of the electronic licensing system. A pass shall indicate the amount of the fee that is retained by the seller.

Subd. 6. **Disposition of receipts.** Fees collected under this section, except for the issuing fee, shall be deposited in the state treasury and credited to the horse ~~trail~~ pass account in the natural resources fund. Except for the electronic licensing system commission established by the commissioner under section 84.027, subdivision 15, the fees are appropriated to the commissioner of natural resources for trail acquisition, trail and facility development, and maintenance, enforcement, and rehabilitation of horse trails or trails authorized for horse use, whether for riding, leading, or driving, on ~~state trails and in state parks, state recreation areas, and state forests~~ land administered by the commissioner.

Subd. 7. **Duplicate horse ~~trail~~ passes.** The commissioner of natural resources and agents shall issue a duplicate pass to a person or commercial ~~trail~~ riding facility owner whose pass is lost or destroyed using the process established under section 97A.405, subdivision 3, and rules adopted thereunder. The fee for a duplicate horse ~~trail~~ pass is $2, with an issuing fee of 50 cents.

Sec. 37. Minnesota Statutes 2009 Supplement, section 86A.09, subdivision 1, is amended to read:

Subdivision 1. **Master plan required.** No construction of new facilities or other development of an authorized unit, other than repairs and maintenance, shall commence until the managing agency has prepared and submitted to the commissioner of natural resources and the commissioner has reviewed, pursuant to this section, a master plan for administration of the unit in conformity with this section. No master plan is required for wildlife management areas that do not have resident managers, for scientific and natural areas, for water access sites, for aquatic management areas, for rest areas, or for boater waysides.

Sec. 38. Minnesota Statutes 2008, section 86B.301, subdivision 2, is amended to read:

Subd. 2. **Exemptions.** A watercraft license is not required for:

(1) a watercraft that is covered by a license or number in full force and effect under federal law or a federally approved licensing or numbering system of another state, and has not been within this state for more than 90 consecutive days, which does not include days that a watercraft is laid up at dock over winter or for repairs at a Lake Superior port or another port in the state;

(2) a watercraft from a country other than the United States that has not been within this state for more than 90 consecutive days, which does not include days that a watercraft is laid up at dock over winter or for repairs at a Lake Superior port or another port in the state;

(3) a watercraft owned by the United States, an Indian tribal government, a state, or a political subdivision of a state, except watercraft used for recreational purposes;

(4) a ship's lifeboat;

(5) a watercraft that has been issued a valid marine document by the United States government;

(6) a duck boat during duck hunting season;

(7) a rice boat during the harvest season;

(8) a seaplane; and

(9) a nonmotorized watercraft nine feet in length or less.

EFFECTIVE DATE. This section is effective the day following a notice published in the State Register by the commissioner of natural resources that the change in clause (3) has been approved by the United States Coast Guard pursuant to Code of Federal Regulations, title 33, section 174.7.

Sec. 39. Minnesota Statutes 2008, section 86B.501, is amended by adding a subdivision to read:

Subd. 4. **Rowing team members; personal flotation devices.** Notwithstanding subdivision 1, a member of a rowing team that is sanctioned by an academic or nonprofit entity is not required to wear or possess, and no local ordinance or rule may require a member of a rowing team to wear or possess, a personal flotation device in a racing shell if a chase boat carrying the devices prescribed under subdivision 1 accompanies the racing shell. The requirement for a chase boat does not apply on waters where it is preempted by federal regulations.

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

Sec. 40. Minnesota Statutes 2008, section 88.17, subdivision 1, is amended to read:

Subdivision 1. ~~**Permit**~~ **Permission required.** (a) ~~A permit~~ Permission to start a fire to burn vegetative materials and other materials allowed by Minnesota Statutes or official state rules and regulations may be given by the commissioner or the commissioner's agent. This permission shall be in the form of:

(1) a written permit issued by a forest officer, fire warden, or other person authorized by the commissioner; ~~or~~

(2) an electronic permit issued by the commissioner, an agent authorized by the commissioner, or an Internet site authorized by the commissioner; or

(3) a general permit adopted by the county board of commissioners according to paragraph (c).

(b) Written and electronic burning permits shall set the time and conditions by which the fire may be started and burned. The permit shall also specifically list the materials that may be burned. The permittee must have the permit on their person and shall produce the permit for inspection when requested to do so by a forest officer, conservation officer, or other peace officer. The permittee shall remain with the fire at all times and before leaving the site shall completely extinguish the fire. A person shall not start or cause a fire to be started on any land that is not owned or under their legal control without the written permission of the owner, lessee, or an agent of the owner or lessee of the land. Violating or exceeding the permit conditions shall constitute a misdemeanor and shall be cause for the permit to be revoked.

(c) A general burning permit may be adopted by the county board of commissioners in counties that are determined by the commissioner either to not be wildfire areas as defined in section 88.01, subdivision 6, or to otherwise have low potential for damage to life and property from wildfire. The commissioner shall consider the history of and potential for wildfire; the distribution of trees, brush, grasslands, and other vegetative material; and the distribution of property subject to damage from escaped fires. Upon a

determination by the commissioner and adoption by a vote of the county board, permission for open burning is extended to all residents in the county without the need for individual written or electronic permits under this subdivision, provided burning conforms to all other provisions of this chapter, including those related to responsibility to control and extinguish fires, no burning of prohibited materials, and liability for damages caused by violations of this chapter.

(d) Upon adoption of a general burning permit, a county must establish specific regulations by ordinance, to include at a minimum the time when and conditions under which fires may be started and burned. No ordinance may be less restrictive than state law.

(e) At any time when the commissioner or the county board determines that a general burning permit is no longer in the public interest, the general permit may be canceled by the commissioner or the county board.

Sec. 41. Minnesota Statutes 2008, section 88.17, subdivision 3, is amended to read:

Subd. 3. **Special permits.** The following special permits are required at all times, including when the ground is snow-covered:

(a) **Fire training.** A permit to start a fire for the instruction and training of firefighters, including liquid fuels training, may be given by the commissioner or agent of the commissioner. Except for owners or operators conducting fire training in specialized industrial settings pursuant to applicable federal, state, or local standards, owners or operators conducting open burning for the purpose of instruction and training of firefighters with regard to structures must follow the techniques described in a document entitled: Structural Burn Training Procedures for the Minnesota Technical College System.

(b) **Permanent tree and brush open burning sites.** A permit for the operation of a permanent tree and brush burning site may be given by the commissioner or agent of the commissioner. Applicants for a permanent open burning site permit shall submit a complete application on a form provided by the commissioner. Existing permanent tree and brush open burning sites must submit for a permit within 90 days of the passage of this statute for a burning permit. New site applications must be submitted at least 90 days before the date of the proposed operation of the permanent open burning site. The application must be submitted to the commissioner and must contain:

(1) the name, address, and telephone number of all owners of the site proposed for use as the permanent open burning site;

(2) if the operator for the proposed permanent open burning site is different from the owner, the name, address, and telephone number of the operator;

(3) a general description of the materials to be burned, including the source and estimated quantity, dimensions of the site and burn pile areas, hours and dates of operation, and provisions for smoke management; and

(4) a topographic or similarly detailed map of the site and surrounding area within a one mile circumference showing all structures that might be affected by the operation of the site.

Only trees, tree trimmings, or brush that cannot be disposed of by an alternative method such as chipping, composting, or other method shall be permitted to be burned at a permanent open burning site. A permanent tree and brush open burning site must be located and operated so as not to create a nuisance or endanger water quality. The commissioner shall revoke the permit or order actions to mitigate threats to public health, safety, and the environment in the event that permit conditions are violated.

Sec. 42. Minnesota Statutes 2008, section 88.79, subdivision 2, is amended to read:

Subd. 2. **Charge for service; receipts to special revenue fund.** Notwithstanding section 16A.1283, the commissioner of natural resources may ~~charge the owner~~, by written order published in the State Register, establish fees the commissioner determines to be fair and reasonable that are charged to owners receiving ~~such~~ services ~~such sums as the commissioner shall determine to be fair and reasonable~~ under subdivision 1. The charges must account for differences in the value of timber and other benefits. The receipts from ~~such~~ the services shall be credited to the special revenue fund and are annually appropriated to the commissioner for the purposes specified in subdivision 1.

Sec. 43. Minnesota Statutes 2008, section 89.17, is amended to read:

89.17 LEASES AND PERMITS.

Notwithstanding the permit procedures of chapter 90, the commissioner shall have power to grant and execute, in the name of the state, leases and permits for the use of any forest lands under the authority of the commissioner for any purpose which in the commissioner's opinion is not inconsistent with the maintenance and management of the forest lands, on forestry principles for timber production. Every such lease or permit shall be revocable at the discretion of the commissioner at any time subject to such conditions as may be agreed on in the lease. The approval of the commissioner of administration shall not be required upon any such lease or permit. No such lease or permit for a period exceeding ~~ten~~ 21 years shall be granted except with the approval of the Executive Council.

~~Hunting of wild game is prohibited on any land which has been posted by the lessee to prohibit hunting. Such prohibition shall apply to all persons including the lessee~~ Public

access to the leased land for outdoor recreation shall be the same as access would be under state management.

Sec. 44. Minnesota Statutes 2008, section 90.041, is amended by adding a subdivision to read:

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

Sec. 45. Minnesota Statutes 2008, section 90.121, is amended to read:

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

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

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

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

(3) no sale may be made to a person having more than ~~20~~ 30 employees. For the purposes of this clause, "employee" means an individual working in the timber or wood products industry for salary or wages on a full-time or part-time basis.

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

(c) Another bidder or the commissioner may request that the number of employees a bidder has pursuant to paragraph (a), clause (3), be confirmed if there is evidence that the bidder may be ineligible due to exceeding the employee threshold. The commissioner shall request information from the commissioners of labor and industry and employment and economic development including the premiums paid by the bidder in question

for workers' compensation insurance coverage for all employees of the bidder. The commissioner shall review the information submitted by the commissioners of labor and industry and employment and economic development and make a determination based on that information as to whether the bidder is eligible. A bidder is considered eligible and may participate in intermediate auctions until determined ineligible under this paragraph.

EFFECTIVE DATE. This section is effective retroactively from July 1, 2006.

Sec. 46. Minnesota Statutes 2008, section 90.14, is amended to read:

90.14 AUCTION SALE PROCEDURE.

(a) All state timber shall be offered and sold by the same unit of measurement as it was appraised. No tract shall be sold to any person other than the purchaser in whose name the bid was made. The commissioner may refuse to approve any and all bids received and cancel a sale of state timber for good and sufficient reasons.

(b) The purchaser at any sale of timber shall, immediately upon the approval of the bid, or, if unsold at public auction, at the time of purchase at a subsequent sale under section 90.101, subdivision 1, pay to the commissioner a down payment of 15 percent of the appraised value. In case any purchaser fails to make such payment, the purchaser shall be liable therefor to the state in a civil action, and the commissioner may reoffer the timber for sale as though no bid or sale under section 90.101, subdivision 1, therefor had been made.

(c) In lieu of the scaling of state timber required by this chapter, a purchaser of state timber may, at the time of payment by the purchaser to the commissioner of 15 percent of the appraised value, elect in writing on a form prescribed by the attorney general to purchase a permit based solely on the appraiser's estimate of the volume of timber described in the permit, provided that the commissioner has expressly designated the availability of such option for that tract on the list of tracts available for sale as required under section 90.101. A purchaser who elects in writing on a form prescribed by the attorney general to purchase a permit based solely on the appraiser's estimate of the volume of timber described on the permit does not have recourse to the provisions of section 90.281.

(d) In the case of a public auction sale conducted by a sealed bid process, tracts shall be awarded to the high bidder, who shall pay to the commissioner a down payment of 15 percent of the appraised value ~~within ten business days of receiving a written award notice~~ that must be received or postmarked within 14 days of the date of the sealed bid opening. If a purchaser fails to make the down payment, the purchaser is liable for the

down payment to the state and the commissioner may offer the timber for sale to the next highest bidder as though no higher bid had been made.

(e) Except as otherwise provided by law, at the time the purchaser signs a permit issued under section 90.151, the commissioner shall require the purchaser ~~shall~~ to make a bid guarantee payment to the commissioner in an amount equal to 15 percent of the total purchase price of the permit less the down payment amount required by paragraph (b) for any bid increase in excess of $5,000 of the appraised value. If ~~the~~ a required bid guarantee payment is not submitted with the signed permit, no harvesting may occur, the permit cancels, and the down payment for timber forfeits to the state. The bid guarantee payment forfeits to the state if the purchaser and successors in interest fail to execute an effective permit.

Sec. 47. Minnesota Statutes 2008, section 97B.665, subdivision 2, is amended to read:

Subd. 2. **Petition to district court.** If a beaver dam causes a threat to personal safety or a serious threat to damage property, ~~and a person cannot obtain consent under subdivision 1,~~ a person may petition the district court for relief. The court may order the ~~commissioner~~ owners of private property where beaver dams are located to take action to reduce the threat. A permit is not required for an action ordered by the court. The action may include destruction or alteration of beaver dams and removal of beaver. This subdivision does not apply to state parks, state game refuges, and federal game refuges.

Sec. 48. **[103A.212] WATERSHED MANAGEMENT POLICY.**

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

Sec. 49. Minnesota Statutes 2008, section 103A.305, is amended to read:

103A.305 JURISDICTION.

Sections 103A.301 to 103A.341 apply if the decision of an agency in a proceeding involves a question of water policy in one or more of the areas of water conservation, water pollution, preservation and management of wildlife, drainage, soil conservation, public recreation, forest management, and municipal planning under section 97A.135; 103A.411;

103E.011; 103E.015; 103G.245; 103G.261; 103G.271; 103G.275; 103G.281; ~~103G.295, subdivisions 1 and 2;~~ 103G.287; 103G.297 to 103G.311; 103G.315, subdivisions 1, 10, 11, and 12; 103G.401; 103G.405; 103I.681, subdivision 1; 115.04; or 115.05.

Sec. 50. Minnesota Statutes 2008, section 103B.702, is amended by adding a subdivision to read:

Subd. 10. **Decisions; review and approval.** Decisions of the Star Lake Board regarding the criteria used to designate a lake or river as a "Minnesota Star Lake" or "Minnesota Star River," as well as a decision to award grants, are subject to the review and approval of the Board of Water and Soil Resources.

Sec. 51. Minnesota Statutes 2009 Supplement, section 103G.201, is amended to read:

103G.201 PUBLIC WATERS INVENTORY.

(a) The commissioner shall maintain a public waters inventory map of each county that shows the waters of this state that are designated as public waters under the public waters inventory and classification procedures prescribed under Laws 1979, chapter 199, and shall provide access to a copy of the maps ~~and lists~~. As county public waters inventory maps ~~and lists~~ are revised according to this section, the commissioner shall send a notification or a copy of the maps ~~and lists~~ to the auditor of each affected county.

(b) The commissioner is authorized to revise the ~~list~~ map of public waters established under Laws 1979, chapter 199, to reclassify those types 3, 4, and 5 wetlands previously identified as public waters wetlands under Laws 1979, chapter 199, as public waters or as wetlands under section 103G.005, subdivision 19. The commissioner may only reclassify public waters wetlands as public waters if:

(1) they are assigned a shoreland management classification by the commissioner under sections 103F.201 to 103F.221;

(2) they are classified as lacustrine wetlands or deepwater habitats according to Classification of Wetlands and Deepwater Habitats of the United States (Cowardin, et al., 1979 edition); or

(3) the state or federal government has become titleholder to any of the beds or shores of the public waters wetlands, subsequent to the preparation of the public waters inventory map filed with the auditor of the county, pursuant to paragraph (a), and the responsible state or federal agency declares that the water is necessary for the purposes of the public ownership.

(c) The commissioner must provide notice of the reclassification to the local government unit, the county board, the watershed district, if one exists for the area, and

the soil and water conservation district. Within 60 days of receiving notice from the commissioner, a party required to receive the notice may provide a resolution stating objections to the reclassification. If the commissioner receives an objection from a party required to receive the notice, the reclassification is not effective. If the commissioner does not receive an objection from a party required to receive the notice, the reclassification of a wetland under paragraph (b) is effective 60 days after the notice is received by all of the parties.

(d) The commissioner shall give priority to the reclassification of public waters wetlands that are or have the potential to be affected by public works projects.

(e) The commissioner may revise the public waters inventory map ~~and list~~ of each county:

(1) to reflect the changes authorized in paragraph (b); and

(2) as needed, to:

(i) correct errors in the original inventory;

(ii) add or subtract trout stream tributaries within sections that contain a designated trout stream following written notice to the landowner;

(iii) add depleted quarries, and sand and gravel pits, when the body of water exceeds 50 acres and the shoreland has been zoned for residential development; and

(iv) add or subtract public waters that have been created or eliminated as a requirement of a permit authorized by the commissioner under section 103G.245.

Sec. 52. Minnesota Statutes 2008, section 103G.271, subdivision 3, is amended to read:

Subd. 3. **Permit restriction during summer months.** The commissioner must not modify or restrict the amount of appropriation from a groundwater source authorized in a water use permit issued to irrigate agricultural land ~~under section 103G.295, subdivision 2,~~ between May 1 and October 1, unless the commissioner determines the authorized amount of appropriation endangers a domestic water supply.

Sec. 53. **[103G.282] MONITORING TO EVALUATE IMPACTS FROM APPROPRIATIONS.**

Subdivision 1. **Monitoring equipment.** The commissioner may require the installation and maintenance of monitoring equipment to evaluate water resource impacts from permitted appropriations and proposed projects that require a permit. Monitoring for water resources that supply more than one appropriator must be designed to minimize costs to individual appropriators.

Subd. 2. **Measuring devices required.** Monitoring installations required under subdivision 1 must be equipped with automated measuring devices to measure water levels, flows, or conditions. The commissioner may determine the frequency of measurements and other measuring methods based on the quantity of water appropriated or used, the source of water, potential connections to other water resources, the method of appropriating or using water, seasonal and long-term changes in water levels, and any other facts supplied to the commissioner.

Subd. 3. **Reports and costs.** (a) Records of water measurements under subdivision 2 must be kept for each installation. The measurements must be reported annually to the commissioner on or before February 15 of the following year in a format or on forms prescribed by the commissioner.

(b) The owner or person in charge of an installation for appropriating or using waters of the state or a proposal that requires a permit is responsible for all costs related to establishing and maintaining monitoring installations and to measuring and reporting data. Monitoring costs for water resources that supply more than one appropriator may be distributed among all users within a monitoring area determined by the commissioner and assessed based on volumes of water appropriated and proximity to resources of concern.

Sec. 54. Minnesota Statutes 2008, section 103G.285, subdivision 5, is amended to read:

Subd. 5. **Trout streams.** Permits issued after June 3, 1977, to appropriate water from streams designated trout streams by the commissioner's orders under section ~~97C.021~~ 97C.005 must be limited to temporary appropriations.

Sec. 55. **[103G.287] GROUNDWATER APPROPRIATIONS.**

Subdivision 1. **Applications for groundwater appropriations.** (a) Groundwater use permit applications are not complete until the applicant has supplied:

(1) a water well record as required by section 103I.205, subdivision 9, information on the subsurface geologic formations penetrated by the well and the formation or aquifer that will serve as the water source, and geologic information from test holes drilled to locate the site of the production well;

(2) the maximum daily, seasonal, and annual pumpage rates and volumes being requested;

(3) information on groundwater quality in terms of the measures of quality commonly specified for the proposed water use and details on water treatment necessary for the proposed use;

(4) an inventory of existing wells within 1-1/2 miles of the proposed production well or within the area of influence, as determined by the commissioner. The inventory must include information on well locations, depths, geologic formations, depth of the pump or intake, pumping and nonpumping water levels, and details of well construction; and

(5) the results of an aquifer test completed according to specifications approved by the commissioner. The test must be conducted at the maximum pumping rate requested in the application and for a length of time adequate to assess or predict impacts to other wells and surface water and groundwater resources. The permit applicant is responsible for all costs related to the aquifer test, including the construction of groundwater and surface water monitoring installations, and water level readings before, during, and after the aquifer test.

(b) The commissioner may waive an application requirement in this subdivision if the information provided with the application is adequate to determine whether the proposed appropriation and use of water is sustainable and will protect ecosystems, water quality, and the ability of future generations to meet their own needs.

Subd. 2. **Relationship to surface water resources.** Groundwater appropriations that have potential impacts to surface waters are subject to applicable provisions in section 103G.285.

Subd. 3. **Protection of groundwater supplies.** The commissioner may establish water appropriation limits to protect groundwater resources. When establishing water appropriation limits to protect groundwater resources, the commissioner must consider the sustainability of the groundwater resource, including the current and projected water levels, water quality, whether the use protects ecosystems, and the ability of future generations to meet their own needs.

Subd. 4. **Groundwater management areas.** The commissioner may designate groundwater management areas and limit total annual water appropriations and uses within a designated area to ensure sustainable use of groundwater that protects ecosystems, water quality, and the ability of future generations to meet their own needs. Water appropriations and uses within a designated management area must be consistent with a plan approved by the commissioner that addresses water conservation requirements and water allocation priorities established in section 103G.261.

Subd. 5. **Interference with other wells.** The commissioner may issue water use permits for appropriation from groundwater only if the commissioner determines that the groundwater use is sustainable to supply the needs of future generations and the proposed use will not harm ecosystems, degrade water, or reduce water levels beyond the reach

of public water supply and private domestic wells constructed according to Minnesota Rules, chapter 4725.

Sec. 56. Minnesota Statutes 2008, section 103G.301, subdivision 6, is amended to read:

Subd. 6. **Filing application.** ~~(a)~~ An application for a permit must be filed with the commissioner and if the proposed activity for which the permit is requested is within a municipality, or is within or affects a watershed district or a soil and water conservation district, a copy of the application with maps, plans, and specifications must be served on the mayor of the municipality, the secretary of the board of managers of the watershed district, and the secretary of the board of supervisors of the soil and water conservation district.

~~(b) If the application is required to be served on a local governmental unit under this subdivision, proof of service must be included with the application and filed with the commissioner.~~

Sec. 57. Minnesota Statutes 2008, section 103G.305, subdivision 2, is amended to read:

Subd. 2. **Exception.** The requirements of subdivision 1 do not apply to applications for a water use permit for:

(1) ~~appropriations from waters of the state for irrigation, under section 103G.295;~~

~~(2)~~ appropriations for diversion from the basin of origin of more than 2,000,000 gallons per day average in a 30-day period; or

~~(3)~~ (2) appropriations with a consumptive use of more than 2,000,000 gallons per day average for a 30-day period.

Sec. 58. Minnesota Statutes 2008, section 103G.315, subdivision 11, is amended to read:

Subd. 11. **Limitations on permits.** (a) Except as otherwise expressly provided by law, a permit issued by the commissioner under this chapter is subject to:

(1) cancellation by the commissioner at any time if necessary to protect the public interests;

(2) further conditions on the term of the permit or its cancellation as the commissioner may prescribe and amend and reissue the permit; and

(3) applicable law existing before or after the issuance of the permit.

(b) Permits issued to irrigate agricultural land ~~under section 103G.295, or considered issued,~~ are subject to this subdivision and are subject to cancellation by the commissioner

upon the recommendation of the supervisors of the soil and water conservation district where the land to be irrigated is located.

Sec. 59. Minnesota Statutes 2008, section 103G.515, subdivision 5, is amended to read:

Subd. 5. **Removal of hazardous dams.** Notwithstanding any provision of this section or of section 103G.511 relating to cost sharing or apportionment, the commissioner, within the limits of legislative appropriation, may assume or pay the entire cost of removal of a privately or publicly owned dam upon determining removal provides the lowest cost solution and:

(1) that continued existence of the structure presents a significant public safety hazard, or prevents restoration of an important fisheries resource~~,~~; or

(2) that public or private property is being damaged due to partial failure of the structure~~, and that an attempt to assess costs of removal against the private or public owner would be of no avail~~.

Sec. 60. Minnesota Statutes 2008, section 103G.615, subdivision 2, is amended to read:

Subd. 2. **Fees.** (a) The commissioner shall establish a fee schedule for permits to control or harvest aquatic plants other than wild rice. The fees must be set by rule, and section 16A.1283 does not apply, but the rule must not take effect until 45 legislative days after it has been reported to the legislature. The fees shall be based upon the cost of receiving, processing, analyzing, and issuing the permit, and additional costs incurred after the application to inspect and monitor the activities authorized by the permit, and enforce aquatic plant management rules and permit requirements.

(b) A fee for a permit for the control of rooted aquatic vegetation for each contiguous parcel of shoreline owned by an owner may be charged. This fee may not be charged for permits issued in connection with purple loosestrife control or lakewide Eurasian water milfoil control programs.

(c) A fee may not be charged to the state or a federal governmental agency applying for a permit.

(d) A fee for a permit for the control of rooted aquatic vegetation in a public water basin that is 20 acres or less in size shall be one-half of the fee established under paragraph (a).

(e) The money received for the permits under this subdivision shall be deposited in the treasury and credited to the water recreation account.

EFFECTIVE DATE. This section is effective August 1, 2010.

Sec. 61. **[103G.651] REMOVING SUNKEN LOGS FROM PUBLIC WATERS.**

The commissioner of natural resources must not issue leases to remove sunken logs or issue permits for the removal of sunken logs from public waters.

Sec. 62. Minnesota Statutes 2008, section 115.55, is amended by adding a subdivision to read:

Subd. 13. **Subsurface sewage treatment systems implementation and enforcement task force.** (a) By September 1, 2010, the agency shall appoint a subsurface sewage treatment systems implementation and enforcement task force in collaboration with the Association of Minnesota Counties, Minnesota Association of Realtors, Minnesota Association of County Planning and Zoning Administrators, and the Minnesota Onsite Wastewater Association. The agency shall work in collaboration with the task force to develop effective and timely implementation and enforcement methods in order to rapidly reduce the number of subsurface sewage treatment systems that are an imminent threat to public health or safety and effectively enforce all violations of the subsurface sewage treatment system rules. The agency shall meet at least three times per year with the task force to address implementation and enforcement issues. The meetings shall be scheduled so that they do not interfere with the construction season.

(b) The agency, in collaboration with the task force and in consultation with the attorney general, county attorneys, and county planning and zoning staff, shall develop, periodically update, and provide to counties enforcement protocols and a checklist that county inspectors, field staff, and others may use when inspecting subsurface sewage treatment systems and enforcing subsurface sewage treatment system rules.

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

Sec. 63. Minnesota Statutes 2008, section 116.07, subdivision 4, is amended to read:

Subd. 4. **Rules and standards.** (a) Pursuant and subject to the provisions of chapter 14, and the provisions hereof, the Pollution Control Agency may adopt, amend and rescind rules and standards having the force of law relating to any purpose within the provisions of Laws 1967, chapter 882, for the prevention, abatement, or control of air pollution. Any such rule or standard may be of general application throughout the state, or may be limited as to times, places, circumstances, or conditions in order to make due allowance for variations therein. Without limitation, rules or standards may relate to sources or emissions of air contamination or air pollution, to the quality or composition of such emissions, or to the quality of or composition of the ambient air or outdoor atmosphere or to any other matter relevant to the prevention, abatement, or control of air pollution.

(b) Pursuant and subject to the provisions of chapter 14, and the provisions hereof, the Pollution Control Agency may adopt, amend, and rescind rules and standards having the force of law relating to any purpose within the provisions of Laws 1969, chapter 1046, for the collection, transportation, storage, processing, and disposal of solid waste and the prevention, abatement, or control of water, air, and land pollution which may be related thereto, and the deposit in or on land of any other material that may tend to cause pollution. The agency shall adopt such rules and standards for sewage sludge, addressing the intrinsic suitability of land, the volume and rate of application of sewage sludge of various degrees of intrinsic hazard, design of facilities, and operation of facilities and sites. Any such rule or standard may be of general application throughout the state or may be limited as to times, places, circumstances, or conditions in order to make due allowance for variations therein. Without limitation, rules or standards may relate to collection, transportation, processing, disposal, equipment, location, procedures, methods, systems or techniques or to any other matter relevant to the prevention, abatement or control of water, air, and land pollution which may be advised through the control of collection, transportation, processing, and disposal of solid waste and sewage sludge, and the deposit in or on land of any other material that may tend to cause pollution. By January 1, 1983, the rules for the management of sewage sludge shall include an analysis of the sewage sludge determined by the commissioner of agriculture to be necessary to meet the soil amendment labeling requirements of section 18C.215.

(c) The rules for the disposal of solid waste shall include site-specific criteria to prohibit solid waste disposal based on the area's sensitivity to groundwater contamination, including site-specific testing. The rules shall provide criteria for locating landfills based on a site's sensitivity to groundwater contamination. Sensitivity to groundwater contamination is based on the predicted minimum time of travel of groundwater contaminants from the solid waste to the compliance boundary. The rules shall prohibit landfills in areas where karst is likely to develop. The rules shall specify testable or otherwise objective thresholds for these criteria. The rules shall also include modifications to financial assurance requirements under subdivision 4h that ensure the state is protected from financial responsibility for future groundwater contamination. The modifications to the financial assurance rules specified in this paragraph must require that a solid waste disposal facility subject to them maintain financial assurance so long as the facility poses a potential environmental risk to human health, wildlife, or the environment, as determined by the agency following an empirical assessment. The financial assurance and siting modifications to the rules specified in this paragraph do not apply to:

(1) solid waste facilities initially permitted before January 1, 2011, including future contiguous expansions and noncontiguous expansions within 600 yards of a permitted boundary;

(2) solid waste disposal facilities that accept only construction and demolition debris and incidental nonrecyclable packaging, and facilities that accept only industrial waste that is limited to wood, concrete, porcelain fixtures, shingles, or window glass resulting from the manufacture of construction materials; and

(3) requirements for permit by rule solid waste disposal facilities.

(d) Until the rules are modified as provided in paragraph (c) to include site-specific criteria to prohibit areas from solid waste disposal due to groundwater contamination sensitivity, as required under this section, the agency shall not issue a permit for a new solid waste disposal facility, except for:

(1) the reissuance of a permit for a land disposal facility operating as of March 1, 2008;

(2) a permit to expand a land disposal facility operating as of March 1, 2008, beyond its permitted boundaries, including expansion on land that is not contiguous to, but is located within 600 yards of, the land disposal facility's permitted boundaries;

(3) a permit to modify the type of waste accepted at a land disposal facility operating as of March 1, 2008;

(4) a permit to locate a disposal facility that accepts only construction debris as defined in section 115A.03, subdivision 7;

(5) a permit to locate a disposal facility that:

(i) accepts boiler ash from an electric energy power plant that has wet scrubbed units or has units that have been converted from wet scrubbed units to dry scrubbed units as those terms are defined in section 216B.68;

(ii) is on land that was owned on May 1, 2008, by the utility operating the electric energy power plant; and

(iii) is located within three miles of the existing ash disposal facility for the power plant; or

(6) a permit to locate a new solid waste disposal facility for ferrous metallic minerals regulated under Minnesota Rules, chapter 6130, or for nonferrous metallic minerals regulated under Minnesota Rules, chapter 6132.

(e) Pursuant and subject to the provisions of chapter 14, and the provisions hereof, the Pollution Control Agency may adopt, amend and rescind rules and standards having the force of law relating to any purpose within the provisions of Laws 1971, chapter 727, for the prevention, abatement, or control of noise pollution. Any such rule or standard

may be of general application throughout the state, or may be limited as to times, places, circumstances or conditions in order to make due allowances for variations therein. Without limitation, rules or standards may relate to sources or emissions of noise or noise pollution, to the quality or composition of noises in the natural environment, or to any other matter relevant to the prevention, abatement, or control of noise pollution.

(f) As to any matters subject to this chapter, local units of government may set emission regulations with respect to stationary sources which are more stringent than those set by the Pollution Control Agency.

(g) Pursuant to chapter 14, the Pollution Control Agency may adopt, amend, and rescind rules and standards having the force of law relating to any purpose within the provisions of this chapter for generators of hazardous waste, the management, identification, labeling, classification, storage, collection, treatment, transportation, processing, and disposal of hazardous waste and the location of hazardous waste facilities. A rule or standard may be of general application throughout the state or may be limited as to time, places, circumstances, or conditions. In implementing its hazardous waste rules, the Pollution Control Agency shall give high priority to providing planning and technical assistance to hazardous waste generators. The agency shall assist generators in investigating the availability and feasibility of both interim and long-term hazardous waste management methods. The methods shall include waste reduction, waste separation, waste processing, resource recovery, and temporary storage.

(h) The Pollution Control Agency shall give highest priority in the consideration of permits to authorize disposal of diseased shade trees by open burning at designated sites to evidence concerning economic costs of transportation and disposal of diseased shade trees by alternative methods.

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

Sec. 64. Minnesota Statutes 2008, section 116.07, subdivision 4h, is amended to read:

Subd. 4h. **Financial responsibility rules.** (a) The agency shall adopt rules requiring the operator or owner of a solid waste disposal facility to submit to the agency proof of the operator's or owner's financial capability to provide reasonable and necessary response during the operating life of the facility and for 30 years after closure for a mixed municipal solid waste disposal facility or for a minimum of 20 years after closure, as determined by agency rules, for any other solid waste disposal facility, and to provide for the closure of the facility and postclosure care required under agency rules. Proof of financial responsibility is required of the operator or owner of a facility receiving an original permit or a permit for expansion after adoption of the rules. Within 180 days of

the effective date of the rules or by July 1, 1987, whichever is later, proof of financial responsibility is required of an operator or owner of a facility with a remaining capacity of more than five years or 500,000 cubic yards that is in operation at the time the rules are adopted. Compliance with the rules and the requirements of paragraph (b) is a condition of obtaining or retaining a permit to operate the facility.

(b) A municipality, as defined in section 475.51, subdivision 2, including a sanitary district, that owns or operates a solid waste disposal facility that was in operation on May 15, 1989, may meet its financial responsibility for all or a portion of the contingency action portion of the reasonable and necessary response costs at the facility by pledging its full faith and credit to meet its responsibility.

The pledge must be made in accordance with the requirements in chapter 475 for issuing bonds of the municipality, and the following additional requirements:

(1) The governing body of the municipality shall enact an ordinance that clearly accepts responsibility for the costs of contingency action at the facility and that reserves, during the operating life of the facility and for the time period required in paragraph (a) after closure, a portion of the debt limit of the municipality, as established under section 475.53 or other law, that is equal to the total contingency action costs.

(2) The municipality shall require that all collectors that haul to the facility implement a plan for reducing solid waste by using volume-based pricing, recycling incentives, or other means.

(3) When a municipality opts to meet a portion of its financial responsibility by relying on its authority to issue bonds, it shall also begin setting aside in a dedicated long-term care trust fund money that will cover a portion of the potential contingency action costs at the facility, the amount to be determined by the agency for each facility based on at least the amount of waste deposited in the disposal facility each year, and the likelihood and potential timing of conditions arising at the facility that will necessitate response action. The agency may not require a municipality to set aside more than five percent of the total cost in a single year.

(4) A municipality shall have and consistently maintain an investment grade bond rating as a condition of using bonding authority to meet financial responsibility under this section.

(5) The municipality shall file with the commissioner of revenue its consent to have the amount of its contingency action costs deducted from state aid payments otherwise due the municipality and paid instead to the remediation fund created in section 116.155, if the municipality fails to conduct the contingency action at the facility when ordered by the agency. If the agency notifies the commissioner that the municipality has failed to

conduct contingency action when ordered by the agency, the commissioner shall deduct the amounts indicated by the agency from the state aids in accordance with the consent filed with the commissioner.

(6) The municipality shall file with the agency written proof that it has complied with the requirements of paragraph (b).

(c) The method for proving financial responsibility under paragraph (b) may not be applied to a new solid waste disposal facility or to expansion of an existing facility, unless the expansion is a vertical expansion. Vertical expansions of qualifying existing facilities cannot be permitted for a duration of longer than three years.

(d) The commissioner shall consult with the commissioner of management and budget for guidance on the forms of financial assurance that are acceptable for private owners and public owners, and in carrying out a periodic review of the adequacy of financial assurance for solid waste disposal facilities. Financial assurance rules shall allow financial mechanisms to public owners of solid waste disposal facilities that are appropriate to their status as subdivisions of the state.

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

Sec. 65. Minnesota Statutes 2008, section 116D.04, subdivision 2a, is amended to read:

Subd. 2a. **When prepared.** Where there is potential for significant environmental effects resulting from any major governmental action, the action shall be preceded by a detailed environmental impact statement prepared by the responsible governmental unit. The environmental impact statement shall be an analytical rather than an encyclopedic document which describes the proposed action in detail, analyzes its significant environmental impacts, discusses appropriate alternatives to the proposed action and their impacts, and explores methods by which adverse environmental impacts of an action could be mitigated. The environmental impact statement shall also analyze those economic, employment and sociological effects that cannot be avoided should the action be implemented. To ensure its use in the decision-making process, the environmental impact statement shall be prepared as early as practical in the formulation of an action. No mandatory environmental impact statement may be required for an ethanol plant, as defined in section 41A.09, subdivision 2a, paragraph (b), that produces less than 125,000,000 gallons of ethanol annually and is located outside of the seven-county metropolitan area.

(a) The board shall by rule establish categories of actions for which environmental impact statements and for which environmental assessment worksheets shall be prepared

as well as categories of actions for which no environmental review is required under this section.

(b) The responsible governmental unit shall promptly publish notice of the completion of an environmental assessment worksheet in a manner to be determined by the board and shall provide copies of the environmental assessment worksheet to the board and its member agencies. Comments on the need for an environmental impact statement may be submitted to the responsible governmental unit during a 30 day period following publication of the notice that an environmental assessment worksheet has been completed. The responsible governmental unit's decision on the need for an environmental impact statement shall be based on the environmental assessment worksheet and the comments received during the comment period, and shall be made within 15 days after the close of the comment period. The board's chair may extend the 15 day period by not more than 15 additional days upon the request of the responsible governmental unit.

(c) An environmental assessment worksheet shall also be prepared for a proposed action whenever material evidence accompanying a petition by not less than 25 individuals, submitted before the proposed project has received final approval by the appropriate governmental units, demonstrates that, because of the nature or location of a proposed action, there may be potential for significant environmental effects. Petitions requesting the preparation of an environmental assessment worksheet shall be submitted to the board. The chair of the board shall determine the appropriate responsible governmental unit and forward the petition to it. A decision on the need for an environmental assessment worksheet shall be made by the responsible governmental unit within 15 days after the petition is received by the responsible governmental unit. The board's chair may extend the 15 day period by not more than 15 additional days upon request of the responsible governmental unit.

(d) Except in an environmentally sensitive location where Minnesota Rules, part 4410.4300, subpart 29, item B, applies, the proposed action is exempt from environmental review under this chapter and rules of the board, if:

(1) the proposed action is:

(i) an animal feedlot facility with a capacity of less than 1,000 animal units; or

(ii) an expansion of an existing animal feedlot facility with a total cumulative capacity of less than 1,000 animal units;

(2) the application for the animal feedlot facility includes a written commitment by the proposer to design, construct, and operate the facility in full compliance with Pollution Control Agency feedlot rules; and

(3) the county board holds a public meeting for citizen input at least ten business days prior to the Pollution Control Agency or county issuing a feedlot permit for the animal feedlot facility unless another public meeting for citizen input has been held with regard to the feedlot facility to be permitted. The exemption in this paragraph is in addition to other exemptions provided under other law and rules of the board.

(e) The board may, prior to final approval of a proposed project, require preparation of an environmental assessment worksheet by a responsible governmental unit selected by the board for any action where environmental review under this section has not been specifically provided for by rule or otherwise initiated.

(f) An early and open process shall be utilized to limit the scope of the environmental impact statement to a discussion of those impacts, which, because of the nature or location of the project, have the potential for significant environmental effects. The same process shall be utilized to determine the form, content and level of detail of the statement as well as the alternatives which are appropriate for consideration in the statement. In addition, the permits which will be required for the proposed action shall be identified during the scoping process. Further, the process shall identify those permits for which information will be developed concurrently with the environmental impact statement. The board shall provide in its rules for the expeditious completion of the scoping process. The determinations reached in the process shall be incorporated into the order requiring the preparation of an environmental impact statement.

(g) <u>The responsible governmental unit shall, to the extent practicable, avoid duplication and ensure coordination between state and federal environmental review and between environmental review and environmental permitting.</u> Whenever practical, information needed by a governmental unit for making final decisions on permits or other actions required for a proposed project shall be developed in conjunction with the preparation of an environmental impact statement.

(h) An environmental impact statement shall be prepared and its adequacy determined within 280 days after notice of its preparation unless the time is extended by consent of the parties or by the governor for good cause. The responsible governmental unit shall determine the adequacy of an environmental impact statement, unless within 60 days after notice is published that an environmental impact statement will be prepared, the board chooses to determine the adequacy of an environmental impact statement. If an environmental impact statement is found to be inadequate, the responsible governmental unit shall have 60 days to prepare an adequate environmental impact statement.

Sec. 66. Minnesota Statutes 2008, section 116D.04, is amended by adding a subdivision to read:

Subd. 14. **Customized environmental assessment worksheet forms; electronic submission.** (a) The commissioners of natural resources and the Pollution Control Agency and the board shall periodically review mandatory environmental assessment worksheet categories under rules adopted under this section, and other project types that are frequently subject to environmental review, and develop customized environmental assessment worksheet forms for the category or project type. The forms must include specific questions that focus on key environmental issues for the category or project type. In assessing categories and project types and developing forms, the board shall seek the input of governmental units that are frequently responsible for the preparation of a worksheet for the particular category or project type. The commissioners and the board shall also seek input from the general public on the development of customized forms. The commissioners and board shall make the customized forms available online.

(b) The commissioners of natural resources and the Pollution Control Agency shall allow for the electronic submission of environmental assessment worksheets and permits.

Sec. 67. Minnesota Statutes 2008, section 290.431, is amended to read:

290.431 NONGAME WILDLIFE CHECKOFF.

Every individual who files an income tax return or property tax refund claim form may designate on their original return that $1 or more shall be added to the tax or deducted from the refund that would otherwise be payable by or to that individual and paid into an account to be established for the management of nongame wildlife. The commissioner of revenue shall, on the income tax return and the property tax refund claim form, notify filers of their right to designate that a portion of their tax or refund shall be paid into the nongame wildlife management account. The sum of the amounts so designated to be paid shall be credited to the nongame wildlife management account for use by the nongame program ~~of the section of wildlife~~ in the Department of Natural Resources. All interest earned on money accrued, gifts to the program, contributions to the program, and reimbursements of expenditures in the nongame wildlife management account shall be credited to the account by the commissioner of management and budget, except that gifts or contributions received directly by the commissioner of natural resources and directed by the contributor for use in specific nongame field projects or geographic areas shall be handled according to section 84.085, subdivision 1. The commissioner of natural resources shall submit a work program for each fiscal year and semiannual progress reports to the Legislative-Citizen Commission on Minnesota Resources in the

form determined by the commission. ~~None of the money provided in this section may be expended unless the commission has approved the work program.~~

The state pledges and agrees with all contributors to the nongame wildlife management account to use the funds contributed solely for the management of nongame wildlife projects and further agrees that it will not impose additional conditions or restrictions that will limit or otherwise restrict the ability of the commissioner of natural resources to use the available funds for the most efficient and effective management of nongame wildlife. The commissioner may use funds appropriated for nongame wildlife programs for the purpose of developing, preserving, restoring, and maintaining wintering habitat for neotropical migrant birds in Latin America and the Caribbean under agreement or contract with any nonprofit organization dedicated to the construction, maintenance, and repair of such projects that are acceptable to the governmental agency having jurisdiction over the land and water affected by the projects. Under this authority, the commissioner may execute agreements and contracts if the commissioner determines that the use of the funds will benefit neotropical migrant birds that breed in or migrate through the state.

Sec. 68. Minnesota Statutes 2008, section 290.432, is amended to read:

290.432 CORPORATE NONGAME WILDLIFE CHECKOFF.

A corporation that files an income tax return may designate on its original return that $1 or more shall be added to the tax or deducted from the refund that would otherwise be payable by or to that corporation and paid into the nongame wildlife management account established by section 290.431 for use by ~~the section of wildlife in~~ the Department of Natural Resources for its nongame wildlife program. The commissioner of revenue shall, on the corporate tax return, notify filers of their right to designate that a portion of their tax return be paid into the nongame wildlife management account for the protection of endangered natural resources. All interest earned on money accrued, gifts to the program, contributions to the program, and reimbursements of expenditures in the nongame wildlife management account shall be credited to the account by the commissioner of management and budget, except that gifts or contributions received directly by the commissioner of natural resources and directed by the contributor for use in specific nongame field projects or geographic areas shall be handled according to section 84.085, subdivision 1. The commissioner of natural resources shall submit a work program for each fiscal year to the Legislative-Citizen Commission on Minnesota Resources in the form determined by the commission. ~~None of the money provided in this section may be spent unless the commission has approved the work program.~~

The state pledges and agrees with all corporate contributors to the nongame wildlife account to use the funds contributed solely for the nongame wildlife program and further agrees that it will not impose additional conditions or restrictions that will limit or otherwise restrict the ability of the commissioner of natural resources to use the available funds for the most efficient and effective management of those programs.

Sec. 69. Laws 2010, chapter 215, article 3, section 4, subdivision 10, is amended to read:

Subd. 10. **Transfers In**

(a) By June 30, 2010, the commissioner of management and budget shall transfer any remaining balance, estimated to be $98,000, from the stream protection and improvement fund under Minnesota Statutes, section 103G.705, to the general fund. Beginning in fiscal year 2011, all repayment of loans made and administrative fees assessed under Minnesota Statutes, section 103G.705, estimated to be $195,000 in 2011, must be transferred to the general fund.

(b) The balance of surcharges on criminal and traffic offenders, estimated to be $900,000, and credited to the game and fish fund under Minnesota Statutes, section 357.021, subdivision 7, and collected before June 30, 2010, must be transferred to the general fund.

(c) The appropriation in Laws 2007, First Special Session chapter 2, article 1, section 8, transferred to the appropriation in Laws 2007, First Special Session chapter 2, article 1, section 5, for cost-share flood programs in southeastern Minnesota, is reduced by $335,000 and that amount is canceled to the general fund.

(d) Before June 30, 2011, the commissioner of management and budget shall transfer $1,000,000 from the fleet management account in the special revenue fund established under Minnesota Statutes, section 84.0856, to the general fund.

Sec. 70. **SCHOOL TRUST LANDS STUDY.**

(a) By July 15, 2010, the commissioner of natural resources shall provide to the chairs of the house of representatives and the senate committees and divisions with primary jurisdiction over natural resources finance and education finance and the Permanent School Fund Advisory Committee information necessary to evaluate the effectiveness of the commissioner in managing school trust lands to successfully meet the goals contained in Minnesota Statutes, section 127A.31. The information to be provided shall include, but is not limited to:

(1) an accurate description of the school trust lands and their land classification;

(2) policies and procedures in place designed to meet the requirements of the fiduciary responsibility of the commissioner in management of the school trust lands; and

(3) financial information identifying the current revenues from the land classifications and the potential for future maximization of those revenues.

(b) By January 15, 2011, the commissioner of natural resources shall provide an analysis to the chairs of the house of representatives and senate committees and divisions with primary jurisdiction over natural resources finance and education finance and the Permanent School Fund Advisory Committee on the advantages and disadvantages of having a funding mechanism for compensating the permanent school fund for private and public use of school trust lands.

Sec. 71. **COON RAPIDS DAM COMMISSION.**

Subdivision 1. **Establishment.** (a) The Coon Rapids Dam Commission is established to perform the duties specified in subdivision 2.

(b) The commission consists of 15 voting members and three nonvoting members as follows:

(1) two members of the house of representatives, appointed by the speaker of the house, with one member from the minority caucus;

(2) two members of the senate appointed by the Subcommittee on Committees of the Committee on Rules and Administration, with one member from the minority caucus;

(3) the commissioner of natural resources or the commissioner's designee;

(4) the commissioner of energy or the commissioner's designee;

(5) two representatives of Three Rivers Park District, appointed by the Three Rivers Park District Board of Commissioners;

(6) one representative each from the counties of Anoka and Hennepin, appointed by the respective county boards;

(7) one representative each from the cities of Anoka, Brooklyn Park, Champlin, and Coon Rapids, appointed by the respective mayors;

(8) one representative from the Metropolitan Council, appointed by the council chair;

(9) one representative of the Mississippi National River and Recreation Area, appointed by the superintendent of the Mississippi National River and Recreation Area, who shall serve as a nonvoting member;

(10) one representative of the United States Army Corps of Engineers, appointed by the commander of the St. Paul District, United States Army Corps of Engineers, who shall serve as a nonvoting member; and

(11) one representative from the United States Fish and Wildlife Service, appointed by the regional director of the United States Fish and Wildlife Service, who shall serve as a nonvoting member.

(c) The commission shall elect a chair from among its members.

(d) Members of the commission shall serve a term of one year and may be reappointed for any successive number of terms.

(e) The Three Rivers Park District shall provide the commission with office space and staff and administrative services.

(f) Commission members shall serve without compensation.

Subd. 2. **Duties.** The commission shall study options and make recommendations for the future of the Coon Rapids Dam, including its suitable public uses, governance, operation, and maintenance and financing of the dam and its operations. The commission shall consider economic, environmental, ecological, and other pertinent factors. The commission shall, by March 1, 2011, develop and present to the legislature and the governor an analysis and recommendations for the Coon Rapids Dam. The commission shall present its findings to the house of representatives and senate committees and divisions having jurisdiction over natural resources and energy policy.

Subd. 3. **Expiration.** This section expires upon presentation of the commission's analysis and recommendations according to subdivision 2.

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

Sec. 72. **SOLID WASTE FACILITY FINANCIAL ASSURANCE MECHANISMS; INPUT.**

Within six months after the effective date of this section, and before publishing the rules required for groundwater sensitivity and financial assurance in Minnesota Statutes, section 116.07, subdivision 4, the Pollution Control Agency shall consult with experts and interested persons on financial assurance adequacy for solid waste facilities, including, but not limited to, staff from the Department of Natural Resources, Minnesota Management and Budget, local governments, private and public landfill operators, and environmental groups. The commissioner shall seek the input to determine the adequacy of existing financial assurance rules to address environmental risks, the length of time financial assurance is needed, based on the threat to human health and the environment, the reliability of financial assurance in covering risks from land disposal of waste in Minnesota and other states, and the role of private insurance.

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

Sec. 73. **SUBSURFACE SEWAGE TREATMENT SYSTEMS ORDINANCE ADOPTION DELAY.**

(a) Notwithstanding Minnesota Statutes, section 115.55, subdivision 2, a county may adopt an ordinance by February 4, 2012, to comply with the February 4, 2008, revisions to subsurface sewage treatment system rules. By April 4, 2011, the Pollution Control Agency shall adopt the final rule amendments to the February 4, 2008, subsurface sewage treatment system rules. A county must continue to enforce its current ordinance until a new one has been adopted.

(b) By January 15, 2011, the agency, after consultation with the Board of Water and Soil Resources and the Association of Minnesota Counties, shall report to the chairs and ranking minority members of the senate and house of representatives environment and natural resources policy and finance committees and divisions on:

(1) the technical changes in the rules for subsurface sewage treatment systems that were adopted on February 4, 2008;

(2) the progress in local adoption of ordinances to comply with the rules; and

(3) the progress in protecting the state's water resources from pollution due to subsurface sewage treatment systems.

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

Sec. 74. **DEPARTMENT OF NATURAL RESOURCES LONG-RANGE BUDGET ANALYSIS.**

(a) The commissioner of natural resources, in consultation with the commissioner of management and budget, shall estimate the total amount of funding available from all sources for each of the following land management categories: wildlife management areas; state forests; scientific and natural areas; aquatic management areas; public water access sites; and prairie bank easements. The commissioner of natural resources shall prepare a ten-year budget analysis of the department's ongoing land management needs, including restoration of each parcel needing restoration. The analysis shall include:

(1) an analysis of the needs of wildlife management areas, including identification of internal systemwide guidelines on the proper frequency for activities such as controlled burns, tree and woody biomass removal, and brushland management;

(2) an analysis of state forest needs, including identification of internal systemwide guidelines on the proper frequency for forest management activities;

(3) an analysis of scientific and natural area needs, including identification of internal systemwide guidelines on the proper frequency for management activities;

(4) an analysis of aquatic management area needs, including identification of internal systemwide guidelines on the proper frequency for management activities; and

(5) an analysis of the needs of the state's public water access sites, including identification of internal systemwide guidelines on the proper frequency for management activities.

(b) The commissioner shall compare the estimate of the total amount of funding available to the department's ongoing management needs to determine:

(1) the amount necessary to manage, restore, and maintain existing wildlife management areas, state forests, scientific and natural areas, aquatic management areas, public water access sites, and prairie bank easements; and

(2) the amount necessary to expand upon the existing wildlife management areas, state forests, scientific and natural areas, aquatic management areas, public water access sites, and prairie bank easement programs, including the feasibility of the department's existing long-range plans, if applicable, for each program.

(c) The commissioner of natural resources shall submit the analysis to the chairs of the house of representatives and senate committees with jurisdiction over environment and natural resources finance and cultural and outdoor resources finance by November 15, 2010.

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

Sec. 75. **WIND ENERGY SYSTEMS ON STATE-OWNED LANDS; REPORT.**

By February 15, 2011, the commissioner of natural resources shall report to the senate and house of representatives environment and natural resource policy and finance committees and divisions on the use of state-owned lands for wind energy systems. The report shall include:

(1) information on the benefits and costs of using state-owned lands for wind energy systems;

(2) the effects of wind energy systems on state-owned lands;

(3) recommendations for a regulatory system and restrictions that will be necessary to protect the state's land and water resources when using state-owned lands for wind energy systems; and

(4) identification of state-owned lands that would be suitable for wind energy systems and state-owned lands that would be unsuitable, including recommendations for restrictions on the use of state-owned lands based on their designation as units of the outdoor recreation system under Minnesota Statutes, section 86A.05.

Sec. 76. **APPROPRIATION; DEPARTMENT OF NATURAL RESOURCES PEACE OFFICER TRAINING.**

(a) $145,000 in fiscal year 2011 is appropriated from the game and fish fund to the commissioner of natural resources for peace officer training for employees of the Department of Natural Resources who are licensed under Minnesota Statutes, sections 626.84 to 626.863, to enforce game and fish laws. This appropriation is from the money credited to the game and fish fund under Minnesota Statutes, section 357.021, subdivision 7, paragraph (a), clause (1), from surcharges assessed to criminal and traffic offenders. This is a onetime appropriation.

(b) By January 15, 2011, the commissioner of natural resources shall submit a report to the chairs of the committees and divisions with jurisdiction over natural resources and public safety on the expenditure of these funds, including the effectiveness of the activities funded in improving the enforcement of game and fish laws and the resulting outcomes for the state's natural resources.

Sec. 77. **APPROPRIATION; STATE WATER TRAILS.**

$60,000 is appropriated in fiscal year 2011 from the water recreation account in the natural resources fund to the commissioner of natural resources to cooperate with local units of government in marking state water trails under Minnesota Statutes, section 85.32;

acquiring and developing river accesses and campsites; and removing obstructions that may cause public safety hazards. This is a onetime appropriation and available until spent.

Sec. 78. **APPROPRIATION; MOOSE TRAIL.**

$100,000 in fiscal year 2011 is appropriated to the commissioner of natural resources from the all-terrain vehicle account in the natural resources fund for a grant to the city of Hoyt Lakes to convert the Moose Trail snowmobile trail to a dual usage trail, so that it may also be used as an off-highway vehicle trail connecting the city of Biwabik to the Iron Range Off-Highway Vehicle Recreation Area. This is a onetime appropriation and is available until spent.

Sec. 79. **APPROPRIATION; ECOLOGICAL CLASSIFICATION PROGRAM.**

$250,000 in fiscal year 2011 is appropriated from the heritage enhancement account in the game and fish fund to the commissioner of natural resources to maintain and expand the ecological classification program on state forest lands. This is a onetime appropriation.

Sec. 80. **PARKS AND TRAILS APPROPRIATION; LOTTERY-IN-LIEU REVENUE.**

$300,000 in fiscal year 2011 is appropriated from the natural resources fund to the commissioner of natural resources for state park, state recreation area, and state trail operations. This is from the revenue deposited in the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (e), clause (2).

$300,000 in fiscal year 2011 is appropriated from the natural resources fund to the Metropolitan Council for metropolitan area regional parks and trails maintenance and operations. This is from the revenue deposited in the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (e), clause (3).

Sec. 81. **REFUSE MANAGEMENT PILOT PROJECT; CANNON RIVER.**

The commissioner of natural resources shall establish a two-year pilot project on the Cannon River under a written agreement between the establishment and the commissioner of natural resources that allows canoe and inner tube rental establishments to take responsibility for the management of their patrons' refuse on the river, including allowing canoe and inner tube establishments to provide disposable refuse containers to each group.

Sec. 82. **REVISOR'S INSTRUCTION.**

(a) The revisor of statutes shall change the term "horse trail pass" to "horse pass" wherever it appears in Minnesota Statutes and Minnesota Rules.

(b) The revisor of statutes shall change the term "canoe and boating routes" or similar term to "state water trails" or similar term wherever it appears in Minnesota Statutes and Minnesota Rules.

(c) The revisor of statutes shall change the term "Minnesota Conservation Corps" to "Conservation Corps Minnesota" wherever it appears in Minnesota Statutes.

Sec. 83. **REPEALER.**

(a) Minnesota Statutes 2008, sections 90.172; 97B.665, subdivision 1; 103G.295; and 103G.650, are repealed.

(b) Minnesota Statutes 2009 Supplement, section 88.795, is repealed.

ARTICLE 5

ENERGY

Section 1. Minnesota Statutes 2008, section 3.8851, subdivision 7, is amended to read:

Subd. 7. **Assessment; appropriation.** (a) Upon request by the cochairs of the commission, the commissioner of commerce shall assess the amount requested for the operation of the commission, not to exceed $250,000 in a fiscal year, from the following sources:

(1) 50 percent of the assessment must come from all public utilities, municipal utilities, electric cooperative associations, generation and transmission cooperative electric associations, and municipal power agencies providing electric or natural gas services in Minnesota; and

(2) 50 percent of the assessment must come from all bulk terminals located in this state from which petroleum products and liquid petroleum gas are dispensed ~~for sale in this state~~.

(b) The commissioner of commerce shall apportion the assessment amount requested among the entities in paragraph (a), ~~clauses~~ clause (1) ~~and (2)~~, in proportion to their respective gross operating revenues from energy sold within the state during the most recent calendar year~~, while ensuring that wholesale and retail sales are not double counted~~.

(c) The commissioner of commerce shall apportion the assessment amount requested equally among the referenced entities in paragraph (a), clause (2).

~~(c)~~ (d) The entities in paragraph (a), ~~clauses~~ clause (1) ~~and (2)~~, must provide information to the commissioner of commerce to allow for calculation of the assessment.

~~(d)~~ (e) The assessments under this subdivision are in addition to assessments made under section 216B.62. The amount assessed under this section ~~is~~ must be deposited in the legislative energy commission account in the special revenue fund. Funds in the legislative energy commission account are appropriated to the director of the Legislative Coordinating Commission for the purposes of this section, and ~~is~~ are available until expended. Utilities selling gas and electric service at retail must be assessed and billed in accordance with the procedures provided in section 216B.62, to the extent that these procedures do not conflict with this subdivision.

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

Sec. 2. Minnesota Statutes 2008, section 116C.779, subdivision 1, is amended to read:

Subdivision 1. **Renewable development account.** (a) The public utility that owns the Prairie Island nuclear generating plant must transfer to a renewable development account ~~$16,000,000 annually~~ $500,000 each year for each dry cask containing spent fuel that is located at the Prairie Island power plant for each year the plant is in operation, and $7,500,000 each year the plant is not in operation if ordered by the commission pursuant to paragraph (d). The fund transfer must be made if nuclear waste is stored in a dry cask at the independent spent-fuel storage facility at Prairie Island for any part of a year. Funds in the account may be expended only for development of renewable energy sources. Preference must be given to development of renewable energy source projects located within the state. The utility that owns a nuclear generating plant is eligible to apply for renewable development fund grants. The utility's proposals must be evaluated by the renewable development fund board in a manner consistent with that used to evaluate other renewable development fund project proposals.

(b) The public utility that owns the Monticello nuclear generating plant must transfer to the renewable development account $350,000 each year for each dry cask containing spent fuel that is located at the Monticello nuclear power plant for each year the plant is in operation, and $5,250,000 each year the plant is not in operation if ordered by the commission pursuant to paragraph (d). The fund transfer must be made if nuclear waste is stored in a dry cask at the independent spent-fuel storage facility at Monticello for any part of a year.

(c) Expenditures from the account may only be made after approval by order of the Public Utilities Commission upon a petition by the public utility.

(d) After discontinuation of operation of the Prairie Island nuclear plant or the Monticello nuclear plant and each year spent nuclear fuel is stored in dry cask at the discontinued facility, the commission shall require the public utility to pay $7,500,000 for

the discontinued Prairie Island facility and $5,250,000 for the discontinued Monticello facility for any year in which the commission finds, by the preponderance of the evidence, that the public utility did not make a good faith effort to remove the spent nuclear fuel stored at the facility to a permanent or interim storage site out of the state. This determination shall be made at least every two years.

EFFECTIVE DATE. This section is effective when 32 dry casks containing spent fuel are located at the Prairie Island nuclear plant.

Sec. 3. **[116C.7791] REBATES FOR SOLAR PHOTOVOLTAIC MODULES.**

Subdivision 1. **Definitions.** For the purpose of this section, the following terms have the meanings given.

(a) "Installation" means an array of solar photovoltaic modules attached to a building that will use the electricity generated by the solar photovoltaic modules or placed on a facility or property proximate to that building.

(b) "Manufactured" means:

(1) the material production of solar photovoltaic modules, including the tabbing, stringing, and lamination processes; or

(2) the production of interconnections of low-voltage photoactive elements that produce the final useful photovoltaic output by a manufacturer operating in this state on the effective date of this section.

(c) "Qualified owner" means an owner of a qualified property, but does not include an entity engaged in the business of generating or selling electricity at retail, or an unregulated subsidiary of such an entity.

(d) "Qualified property" means a residence, multifamily residence, business, or publicly owned building located in the assigned service area of the utility subject to section 116C.779.

(e) "Solar photovoltaic module" means the smallest, nondivisible, self-contained physical structure housing interconnected photovoltaic cells and providing a single direct current of electrical output.

Subd. 2. **Establishment.** The utility subject to section 116C.779 shall establish a program to provide rebates to an owner of a qualified property for installing solar photovoltaic modules manufactured in Minnesota after December 31, 2009. Any solar photovoltaic modules installed under this program and any expenses incurred by the utility operating the program shall be treated the same as solar installations and related expenses under section 216B.241.

Subd. 3. **Rebate eligibility.** (a) To be eligible for a rebate under this section, a solar photovoltaic module:

(1) must be manufactured in Minnesota;

(2) must be installed on a qualified property as part of a system whose generating capacity does not exceed 40 kilowatts;

(3) must be certified by Underwriters Laboratory, must have received the ETL listed mark from Intertek, or must have an equivalent certification from an independent testing agency;

(4) may or may not be connected to a utility grid;

(5) must be installed, or reviewed and approved, by a person certified as a solar photovoltaic installer by the North American Board of Certified Energy Practitioners; and

(6) may not be used to sell, transmit, or distribute the electrical energy at retail, nor to provide end-use electricity to an offsite facility of the electrical energy generator. On-site generation is allowed to the extent provided for in section 216B.1611.

(b) To be eligible for a rebate under this section, an applicant must have applied for and been awarded a rebate or other form of financial assistance available exclusively to owners of properties on which solar photovoltaic modules are installed that is offered by:

(1) the utility serving the property on which the solar photovoltaic modules are to be installed; or

(2) this state, under an authority other than this section.

(c) An applicant who is otherwise ineligible for a rebate under paragraph (b) is eligible if the applicant's failure to secure a rebate or other form of financial assistance is due solely to a lack of available funds on the part of a utility or this state.

Subd. 4. **Rebate amount and payment.** (a) The amount of a rebate under this section is the difference between the sum of all rebates described in subdivision 3, paragraph (b), awarded to the applicant and $5 per watt of installed generating capacity.

(b) Notwithstanding paragraph (a), the amount of all rebates or other forms of financial assistance awarded to an applicant by a utility and the state, including any rebate paid under this section, net of applicable federal income taxes applied at the highest applicable income tax rates, must not exceed 60 percent of the total installed cost of the solar photovoltaic modules.

(c) Rebates must be awarded to eligible applicants beginning July 1, 2010.

(d) The rebate must be paid out proportionately in five consecutive annual installments.

Subd. 5. **Rebate program funding.** (a) The following amounts must be allocated from the renewable development account established in section 116C.779 to a separate

account for the purpose of providing the rebates for solar photovoltaic modules specified in this section:

(1) $2,000,000 in fiscal year 2011;

(2) $4,000,000 in fiscal year 2012;

(3) $5,000,000 in fiscal year 2013;

(4) $5,000,000 in fiscal year 2014; and

(5) $5,000,000 in fiscal year 2015.

(b) If, by the end of fiscal year 2015, insufficient qualified owners have applied for and met the requirements for rebates under this section to exhaust the funds available, any remaining balance shall be returned to the account established under section 116C.779.

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

Sec. 4. Minnesota Statutes 2008, section 116J.437, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For the purpose of this section, the following terms have the meanings given.

(b) "Green economy" means products, processes, methods, technologies, or services intended to do one or more of the following:

(1) increase the use of energy from renewable sources, including through achieving the renewable energy standard established in section 216B.1691;

(2) achieve the statewide energy-savings goal established in section 216B.2401, including energy savings achieved by the conservation investment program under section 216B.241;

(3) achieve the greenhouse gas emission reduction goals of section 216H.02, subdivision 1, including through reduction of greenhouse gas emissions, as defined in section 216H.01, subdivision 2, or mitigation of the greenhouse gas emissions through, but not limited to, carbon capture, storage, or sequestration;

(4) monitor, protect, restore, and preserve the quality of surface waters, including actions to further the purposes of the Clean Water Legacy Act as provided in section 114D.10, subdivision 1; ~~or~~

(5) expand the use of biofuels, including by expanding the feasibility or reducing the cost of producing biofuels or the types of equipment, machinery, and vehicles that can use biofuels, including activities to achieve the biofuels 25 by 2025 initiative in sections 41A.10, subdivision 2, and 41A.11; or

(6) increase the use of green chemistry, as defined in section 116.9401.

For the purpose of clause (3), "green economy" includes strategies that reduce carbon emissions, such as utilizing existing buildings and other infrastructure, and utilizing mass transit or otherwise reducing commuting for employees.

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

Sec. 5. Minnesota Statutes 2008, section 216B.16, subdivision 14, is amended to read:

Subd. 14. **Low-income electric rate discount.** A public utility shall fund an affordability program for low-income customers in an amount based on a 50 percent electric rate discount on the first ~~300~~ 400 kilowatt-hours consumed in a billing period for low-income residential customers of the utility. For the purposes of this subdivision, "low-income" describes a customer who is receiving assistance from the federal low-income home energy assistance program. The affordability program must be designed to target participating customers with the lowest incomes and highest energy costs in order to lower the percentage of income they devote to energy bills, increase their payments, and lower costs associated with collection activities on their accounts. For low-income customers who are 62 years of age or older or disabled, the program must, in addition to any other program benefits, include a 50 percent electric rate discount on the first ~~300~~ 400 kilowatt-hours consumed in a billing period. For the purposes of this subdivision, "public utility" includes only those public utilities with more than 200,000 residential electric service customers. The commission may issue orders necessary to implement, administer, and recover the costs of the program on a timely basis.

Sec. 6. Minnesota Statutes 2008, section 216B.16, subdivision 15, is amended to read:

Subd. 15. **Low-income affordability programs.** (a) The commission must consider ability to pay as a factor in setting utility rates and may establish affordability programs for low-income residential ratepayers in order to ensure affordable, reliable, and continuous service to low-income utility customers. Affordability programs may include inverted block rates in which lower energy prices are made available to lower usage customers. By September 1, 2007, a public utility serving low-income residential ratepayers who use natural gas for heating must file an affordability program with the commission. For purposes of this subdivision, "low-income residential ratepayers" means ratepayers who receive energy assistance from the low-income home energy assistance program (LIHEAP).

(b) Any affordability program the commission orders a utility to implement must:

(1) lower the percentage of income that participating low-income households devote to energy bills;

(2) increase participating customer payments over time by increasing the frequency of payments;

(3) decrease or eliminate participating customer arrears;

(4) lower the utility costs associated with customer account collection activities; and

(5) coordinate the program with other available low-income bill payment assistance and conservation resources.

(c) In ordering affordability programs, the commission may require public utilities to file program evaluations that measure the effect of the affordability program on:

(1) the percentage of income that participating households devote to energy bills;

(2) service disconnections; and

(3) frequency of customer payments, utility collection costs, arrearages, and bad debt.

(d) The commission must issue orders necessary to implement, administer, and evaluate affordability programs, and to allow a utility to recover program costs, including administrative costs, on a timely basis. The commission may not allow a utility to recover administrative costs, excluding start-up costs, in excess of five percent of total program costs, or program evaluation costs in excess of two percent of total program costs. The commission must permit deferred accounting, with carrying costs, for recovery of program costs incurred during the period between general rate cases.

(e) Public utilities may use information collected or created for the purpose of administering energy assistance to administer affordability programs.

Sec. 7. **[216B.1695] ENVIRONMENTAL PROJECTS; ADVANCE DETERMINATION OF PRUDENCE.**

Subdivision 1. **Qualifying project.** A public utility may petition the commission for an advance determination of prudence for a project undertaken to comply with federal or state air quality standards of states in which the utility's electric generation facilities are located, if the project has an expected jurisdictional cost to Minnesota ratepayers of at least $10,000,000. A project is undertaken to comply with federal or state air quality standards if it is required:

(1) by the state in which the generation facility is located in a state implementation plan, permit, or order; or

(2) to comply with section 111 or 112 of the federal Clean Air Act, United States Code, title 42, section 7411 or 7412.

Subd. 2. **Regulatory cost assessments and reports.** A utility requesting an advance determination under subdivision 1 must, as part of the evidence required when

filing a petition under subdivision 3, provide to the Public Utilities Commission and the Pollution Control Agency an assessment of all anticipated state and federal environmental regulations related to the production of electricity from the utility's facility subject to the filing, including regulations relating to:

(1) air pollution by nitrogen oxide and sulphur dioxide, including an assumption that Minnesota will be included in the federal Clean Air Interstate Rule region, hazardous air pollutants, carbon dioxide, particulates, and ozone;

(2) coal waste; and

(3) water consumption and water pollution.

In addition, the utility shall provide an assessment of the financial and operational impacts of these pending regulations applicable to the generating facility that is the subject of the filing and provide a range of regulatory response scenarios that include, but are not limited to:

(1) the installation of pollution control equipment;

(2) the benefits of the retirement or repowering of the plant that is the subject of the filing with cleaner fuels considering the costs of complying with state and federal environmental regulations; and

(3) the use of pollution allowances to achieve compliance.

The utility shall consult with interested stakeholders in establishing the scope of the regulatory, financial, and operational assessments prior to or during the 60-day period of the notice under subdivision 4.

Subd. 3. **Petition.** A petition filed under this section must include a description of the project, evidence supporting the project's reasonableness, a discussion of project alternatives, a project implementation schedule, a cost estimate and support for the reasonableness of the estimated cost, and a description of the public utility's efforts to ensure the lowest reasonable costs. Following receipt of the Pollution Control Agency's verification under subdivision 4, the commission shall allow opportunity for oral and written comment on the petition. The commission shall make a final determination on the petition within ten months of its filing date. The commission must make findings in support of its determination.

Subd. 4. **Verification.** At least 60 days prior to filing a petition to the commission under subdivision 3, the utility shall file notice with the Pollution Control Agency that describes the project and how it qualifies under subdivision 1. The Pollution Control Agency shall, within 60 days of receipt of the notice, verify that the project qualifies under subdivision 1, and shall forward written verification to the commission.

Subd. 5. **Cost recovery.** The utility may begin recovery of costs that have been incurred by the utility in connection with implementation of the project in the next rate case following an advance determination of prudence. The commission shall review the costs incurred by the utility for the project. The utility must show that the project costs are reasonable and necessary, and demonstrate its efforts to ensure the lowest reasonable project costs. Notwithstanding the commission's prior determination of prudence, it may accept, modify, or reject any of the project costs. The commission may determine whether to require an allowance for funds used during construction offset.

Subd. 6. **Expiration.** A petition for an advance determination of prudence may not be filed after December 31, 2015.

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

Sec. 8. Minnesota Statutes 2008, section 216B.2401, is amended to read:

216B.2401 ENERGY CONSERVATION POLICY GOAL.

It is the energy policy of the state of Minnesota to achieve annual energy savings equal to 1.5 percent of annual retail energy sales of electricity and natural gas directly through energy conservation improvement programs and rate design, such as inverted block rates in which lower energy prices are made available to lower usage residential customers, and indirectly through energy codes and appliance standards, programs designed to transform the market or change consumer behavior, energy savings resulting from efficiency improvements to the utility infrastructure and system, and other efforts to promote energy efficiency and energy conservation.

Sec. 9. Minnesota Statutes 2008, section 216B.62, is amended by adding a subdivision to read:

Subd. 3a. **Supplemental staffing assessment.** In addition to other assessments in subdivision 3, the commission may assess up to $800,000 per year for supplemental staffing to implement requirements of this chapter. The amount in this subdivision shall be assessed to the several public utilities in proportion to their respective gross operating revenues from retail sales of gas or electric service within the state during the last calendar year, shall be deposited into an account in the special revenue fund, and appropriated to the commission. An assessment made under this subdivision is not subject to the cap on assessments provided in subdivision 3 or any other law.

Sec. 10. Minnesota Statutes 2008, section 326B.106, subdivision 12, is amended to read:

Subd. 12. **Separate metering for electric service.** The standards concerning heat loss, illumination, and climate control adopted pursuant to subdivision 1, shall require that electrical service to individual dwelling units in buildings containing two or more units be separately metered, with individual metering readily accessible to the individual occupants. The standards authorized by this subdivision shall only apply to buildings constructed after the effective date of the amended standards. Buildings intended for occupancy primarily by persons who are 62 years of age or older or disabled, supportive housing, or ~~which~~ buildings that contain a majority of units not equipped with complete kitchen facilities, shall be exempt from the provisions of this subdivision. For purposes of this section, "supportive housing" means housing made available to individuals and families with multiple barriers to obtaining and maintaining housing, including those who are formerly homeless or at risk of homelessness and those who have a mental illness, substance abuse disorder, debilitating disease, or a combination of these conditions.

Sec. 11. **[383B.1588] ENERGY FORWARD PRICING MECHANISMS.**

Subdivision 1. **Definitions.** The following definitions apply in this section.

(a) "Energy" means natural gas, heating oil, diesel fuel, unleaded fuel, or any other energy source, except electric, used in Hennepin County operations.

(b) "Forward pricing mechanism" means either:

(1) a contract or financial instrument that obligates Hennepin County to buy or sell a specified amount of an energy commodity at a future date and at a set price; or

(2) an option to buy or sell the contract or financial instrument.

Subd. 2. **Authority provided.** Notwithstanding any other law to the contrary, the Hennepin County Board of Commissioners may use forward pricing mechanisms for budget risk reduction.

Subd. 3. **Conditions.** (a) Forward pricing transactions made under this section must be made only under the conditions in this subdivision.

(b) The amount of energy forward priced must not exceed the estimated energy usage for Hennepin County operations for the period of time covered by the forward pricing mechanism.

(c) The holding period and expiration date for any forward pricing mechanism must not exceed 24 months from the trade date of the transaction.

(d) Separate accounts must be established for each operational energy for which forward pricing mechanisms are used under this section.

Subd. 4. **Written policies and procedures.** Before exercising authority under subdivision 2, the Hennepin County Board of Commissioners must have written policies and procedures governing the use of forward pricing mechanisms.

Subd. 5. **Oversight process.** (a) Before exercising authority under subdivision 2, the Hennepin County Board of Commissioners must establish an oversight process that provides for review of the county's used of forward pricing mechanisms.

(b) The process must include:

(1) internal or external audit reviews;

(2) annual reports to, and review by, an internal investment committee; and

(3) internal management control.

EFFECTIVE DATE. This section is effective without local approval the day following final enactment as provided under Minnesota Statutes, section 645.023, subdivision 1, paragraph (a).

Sec. 12. **[383B.82] WIND AND SOLAR BUSINESS ENTITY PARTICIPATION.**

To exercise the authority granted to counties under section 373.48, Hennepin County may be a limited partner in a partnership, a member of a limited liability company, or a shareholder in a corporation established for the purpose of constructing, acquiring, owning in whole or in part, financing, or operating a facility that generates electricity from wind or solar energy. Liability for Hennepin County is governed by section 466.04. Section 466.04 also governs liability for a limited liability company or a corporation, either of which is wholly owned by Hennepin County and formed under this section.

Sec. 13. Laws 1981, chapter 222, section 1, is amended to read:

Section 1. **MINNEAPOLIS AND ST. PAUL; RESIDENTIAL, COMMERCIAL, AND INDUSTRIAL ENERGY CONSERVATION PROGRAM; PURPOSE.**

The legislature finds and declares that the state faces potential serious shortages in energy resources and that implementing energy conservation measures requires expanded authority and technical capability in order to minimize the use of traditional energy sources in the housing ~~sector~~, commercial, and industrial sectors; that accomplishing energy conservation is a public purpose; and that it is in the public interest to authorize the city of Minneapolis and the city of St. Paul to provide ~~existing single family, existing multifamily and existing rental housing~~ residential, commercial, and industrial property loans for energy improvements.

EFFECTIVE DATE. This section is effective the day following final enactment for each of the cities of Minneapolis and St. Paul without local approval under Minnesota Statutes, section 645.023, subdivision 1, paragraph (a).

Sec. 14. Laws 1981, chapter 222, section 2, is amended to read:

Sec. 2. ~~**RESIDENTIAL**~~ **ENERGY CONSERVATION PROGRAM.**

Notwithstanding any provision of law or charter to the contrary the city of Minneapolis and the city of St. Paul, individually or jointly are authorized to develop and administer a program or programs for the making or purchasing of energy improvement or energy rehabilitation loans with respect to ~~housing~~ residential, commercial, and industrial properties located anywhere within their respective boundaries on such terms and conditions as set forth in this act and an ordinance which shall be adopted by the governing body or bodies of the municipality or municipalities establishing the program. At least 75 percent of the proceeds of each energy improvement or energy rehabilitation loan shall be used for ~~housing~~ property repairs ~~and~~, improvements, and equipment (1) which the city determines are (a) used or useful to conserve energy or (b) to convert or retrofit an existing structure for the purpose of using an energy source which does not depend on nuclear or nonrenewable petroleum based resources, and (2) which, when installed or completed, will ~~with respect to each housing unit~~ directly result in a cost effective reduction of energy use from nuclear or nonrenewable petroleum based resources. The ordinance establishing the program shall establish the manner of determining whether the ~~housing~~ repairs ~~and~~, improvements, and equipment will directly result in the required cost effective reduction of energy use. Loans may be made without regard to income level of the loan recipient, shall bear interest at a rate or rates as are established by the city or cities, shall be for a term of not to exceed 20 years, and may be secured by a mortgage or other security interest. The powers granted to each city by sections 1 to 5 of this act are supplemental and in addition to those granted by Minnesota Statutes, Chapter 462C, Chapter 469, and any other law or charter.

EFFECTIVE DATE. This section is effective the day following final enactment for each of the cities of Minneapolis and St. Paul without local approval under Minnesota Statutes, section 645.023, subdivision 1, paragraph (a).

Sec. 15. Laws 1981, chapter 222, section 3, is amended to read:

Sec. 3. **LIMITATIONS.**

A program may be established pursuant to this act only after the city establishing the program determines that:

(1) There is a continued need to reduce consumption of energy from nonrenewable petroleum based resources.

(2) There are ~~housing units~~ properties within the jurisdiction of the city which are in need of energy improvements and energy rehabilitation.

(3) Private sources of financing are not reasonably available to provide the needed loans for energy improvements and energy rehabilitation.

(4) The types of energy improvements and energy rehabilitation will reduce the consumption of energy from nonrenewable petroleum based resources or from nuclear sources.

Findings made by the city pursuant to this section shall be conclusive and final.

EFFECTIVE DATE. This section is effective the day following final enactment for each of the cities of Minneapolis and St. Paul without local approval under Minnesota Statutes, section 645.023, subdivision 1, paragraph (a).

Sec. 16. Laws 1981, chapter 222, section 4, subdivision 2, is amended to read:

Subd. 2. **Bonding and financial authority.** Notwithstanding the provisions of any other law, general or special to the contrary, and in addition to the authority contained in any other law, the city of Minneapolis and the city of St. Paul individually or jointly may exercise any and all of the same powers in relation to the making or purchasing of loans or other securities and in the issuing of revenue bonds or obligations in furtherance of the programs authorized by sections 1 to 5 as the Minnesota housing finance agency is authorized to exercise under the provisions of Minnesota Statutes, Chapter 462A, without regard to any of the limitations set forth in Minnesota Statutes, Chapters 462C or 475. The revenue bonds or obligations shall be payable from revenues from the program and other city ~~housing~~ programs. The revenue bonds or obligations may be payable from other sources of city revenue which are derived from federal sources other than general revenue sharing, or private grant sources. The city shall not levy or pledge to levy any ad valorem tax upon real property for the purpose of paying principal of or interest on revenue bonds or obligations.

EFFECTIVE DATE. This section is effective the day following final enactment for each of the cities of Minneapolis and St. Paul without local approval under Minnesota Statutes, section 645.023, subdivision 1, paragraph (a).

Sec. 17. Laws 2009, chapter 37, article 2, section 13, is amended to read:

Sec. 13. **APPROPRIATIONS; CANCELLATIONS.**

(a) The remaining balance of the fiscal year 2009 special revenue fund appropriation for the Green Jobs Task Force under Laws 2008, chapter 363, article 6, section 3, subdivision 4, is transferred and appropriated to the commissioner of employment and economic development for the purposes of green enterprise assistance under Minnesota Statutes, section 116J.438. This appropriation is available until spent.

(b) The unencumbered balance of the fiscal year 2008 appropriation to the commissioner of commerce for the rural and energy development revolving loan fund under Laws 2007, chapter 57, article 2, section 3, subdivision 6, is canceled and reappropriated to the commissioner of commerce as follows:

(1) $1,500,000 is for a grant to the Board of Trustees of the Minnesota State Colleges and Universities for the International Renewable Energy Technology Institute (IRETI) to be located at Minnesota State University, Mankato, as a public and private partnership to support applied research in renewable energy and energy efficiency to aid in the transfer of technology from Sweden to Minnesota and to support technology commercialization from companies located in Minnesota and throughout the world; and

(2) the remaining balance is for a grant to the Board of Regents of the University of Minnesota for the initiative for renewable energy and the environment to fund start up costs related to a national solar testing and certification laboratory to test, rate, and certify the performance of equipment and devices that utilize solar energy for heating and cooling air and water and for generating electricity.

This appropriation is available until expended.

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

Sec. 18. Laws 2009, chapter 138, article 2, section 4, is amended to read:

Sec. 4. **SMALL CITY ENERGY EFFICIENCY GRANT.**

Subdivision 1. **Program.** The commissioner shall make a grant for an innovative residential and commercial energy efficiency program in a small rural city with a population under 4,000 located in the service area of Minnesota Power that is currently working with that utility, the county housing and redevelopment authority, and other state and local housing organizations to enhance energy efficiency for residents and businesses. Stimulus funds must be matched $1 for every $4 of stimulus funds granted under this section and are available to the extent of the match. The program must include the following elements:

(1) provision of basic residential and commercial energy conservation measures;

(2) provision of more comprehensive residential and commercial energy conservation measures, including extensive retrofits and appliance upgrades; and

(3) ~~a plan to establish a revolving loan fund so that the program is sustainable over time; and~~

~~(4)~~ innovative financing options allowing residents and businesses to finance energy efficiency improvements, at least in part, with energy savings.

Subd. 2. **Report.** By ~~January 15, 2010, and~~ October 30, 2010, the city must submit a report measuring and assessing the program's effectiveness and energy savings to the commissioner and the chairs and ranking minority members of the senate and house of representatives committees with primary jurisdiction over energy policy and finance.

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

Sec. 19. **URBAN TRANSMISSION LINE; CERTIFICATE OF NEED REQUIRED.**

(a) A high-voltage transmission line longer than one mile with a capacity of 100 kilovolts or more that is located in a city of the first class in a zone within one mile of the transmission line in which population density exceeds 8,000 persons per square mile, and that runs parallel to and is within one-half mile of a below-grade bike and walking path that connects with other bike paths along a river, is subject to the provisions of Minnesota Statutes, section 216B.243.

(b) This section expires December 31, 2014.

EFFECTIVE DATE. This section is effective the day following final enactment and applies only to high-voltage transmission lines described in this section that are the subject of an application for a route permit under Minnesota Statutes, chapter 216E, that is pending before the Public Utilities Commission on March 15, 2010.

Sec. 20. **NEIGHBORHOOD ENERGY REDUCTION REPORT.**

Subdivision 1. **Report.** (a) By February 15, 2011, an organization with experience in energy conservation and energy planning at the neighborhood level that serves as project manager must submit a report to the chairs and ranking minority members of the senate and house of representatives committees with primary jurisdiction over energy policy that contains the following information:

(1) projections of the amount of energy that can be conserved and generated through the implementation of cost-effective energy efficiency investments; innovative energy storage projects, including thermal energy storage; smart-grid technologies; and energy

produced from distributed generation projects fueled by solar photovoltaic and other renewable energy sources located in the focused study area designated in the application to the Minnesota Public Utilities Commission for a route permit for the high-voltage transmission line identified in section 19;

(2) for each energy-reducing or energy-generating element recommended, estimates of the amount of energy conserved or generated, the reduction in peak demand requirements in the focused study area, and the cost per unit of energy saved or generated; and

(3) an estimate of the number of green jobs that would be created through implementation of the report's recommendations.

(b) Requests by the project manager for information from the utility serving the focused study area may be made after the service of notice of and order for hearing made under Minnesota Statutes, section 216B.243, for the project described in section 19. Information requests with respect to the study are governed by the rules for contested case hearings in Minnesota Rules, part 1400.6700.

(c) The project manager may contract for portions of the work required to complete the report.

Subd. 2. **Community steering committee.** (a) The project manager shall convene a community steering committee to provide input to the report. Appointments to the steering committee must reflect the diversity of the focused study area, and include representatives of focused study area residents, including homeowners, building owners and renters, businesses, churches, other institutions, including the Midtown Community Works Partnership, local hospitals, and local elected officials representing the focused study area. All meetings held by the community steering committee or any subcommittees it creates must be public meetings, with advance notice given to the public.

(b) The project manager shall seek to maximize the participation of focused study area residents, stakeholders, and institutions in recommending ideas to be included within the scope of the report and in reviewing initial and successive drafts of the report, including providing stipends for reasonable expenses when necessary to increase participation, but not including per diem payments. The project manager shall contact representatives of similar successful projects in other states to benefit from their experience and to learn about best practices for increasing public participation that can be replicated in Minnesota. The report must incorporate and respond to comments from the focused study area and the steering committee.

Subd. 3. **Energy savings.** The utility that serves the focused study area may apply energy savings resulting directly from the implementation of recommendations contained

in the report regarding energy efficiency investments to its energy-savings goal under Minnesota Statutes, section 216B.241, subdivision 1c.

Subd. 4. **Certificate of need process.** No contested case evidentiary hearings for a certificate of need for the transmission line identified in section 19 may commence before April 1, 2011.

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

Sec. 21. **APPROPRIATION AND TRANSFER.**

(a) The utility subject to Minnesota Statutes, section 116C.779, shall transfer $90,000 from the renewable development account established under that section to the commissioner of commerce, who shall deposit it in the special revenue fund.

(b) $90,000 from the money deposited in the special revenue fund under paragraph (a) is appropriated to the commissioner of commerce for transfer to the city of Minneapolis for a grant to an organization with experience in energy conservation and energy planning at the neighborhood level that is selected by the city, in consultation with the Midtown Greenway Coalition and representatives of the neighborhoods in which the high-voltage transmission line described in section 19 is proposed to be located, and after project proposals have been reviewed, to serve as project manager for the purpose of completing the report required under section 20.

This is a onetime appropriation and is available until expended.

Sec. 22. **REPEALER.**

Laws 1981, chapter 222, section 7, is repealed.

APPENDIX
Article locations in s3275-4

ARTICLE 1 OUTDOOR HERITAGE ..... Page.Ln 2.4
ARTICLE 2 CLEAN WATER FUND ..... Page.Ln 29.1
ARTICLE 3 GENERAL PROVISIONS ..... Page.Ln 38.23
ARTICLE 4 ENVIRONMENT AND NATURAL RESOURCES ..... Page.Ln 42.9
ARTICLE 5 ENERGY ..... Page.Ln 92.12

3.3006 APPLICATION.

The definitions of "enhance," "protect," and "restore" in section 84.02 apply to all funds appropriated and purposes authorized under the clean water fund, parks and trails fund, and outdoor heritage fund.

84.02 DEFINITIONS.

Subd. 4a. **Enhance.** "Enhance" means to improve in value, quality, and desirability in order to increase the ecological value of the land or water.

Subd. 6a. **Protect.** "Protect" means protect or preserve ecological systems to maintain active and healthy ecosystems and prevent future degradation including, but not limited to, purchase in fee or easement.

Subd. 6b. **Restore.** "Restore" means renewing degraded, damaged, or destroyed ecosystems through active human intervention to achieve high-quality ecosystems.

88.795 FOREST MANAGEMENT LEASE PILOT PROJECT.

(a) Notwithstanding the permit procedures of chapter 90, the commissioner of natural resources may lease up to 10,000 acres of state-owned forest lands for forest management purposes for a term not to exceed 21 years. No person or entity may lease more than 3,000 acres. The lease shall provide:

(1) that the lessee must comply with timber harvesting and forest management guidelines developed under section 89A.05 and landscape-level plans under section 89A.06 that have been adopted by the Minnesota Forest Resources Council, and in effect at the time of any management activity; and

(2) for public access for hunting, fishing, and motorized and nonmotorized recreation to the leased land that is the same as would be available under state management.

(b) For the purposes of this section, the term "state-owned forest lands" may include school trust lands as defined in section 92.025 or university land granted to the state by Acts of Congress.

(c) By December 15, 2009, the commissioner of natural resources shall provide a report to the house of representatives and senate natural resources policy and finance committees and divisions on the pilot project. The report will detail a plan for the implementation of the pilot project with a starting date that is no later than July 1, 2010.

(d) Upon implementation of the pilot project, the commissioner shall provide an annual report to the house of representatives and senate natural resources policy and finance committees and divisions on the progress of the project, including the acres leased, a breakdown of the types of forest land, and amounts harvested by species. The report shall include a net revenue analysis comparing the lease revenue with the estimated net revenue that would be obtained through state management and silvicultural practices cost savings the state realizes through leasing.

(e) Nothing in this section supersedes the duties of the commissioner of natural resources to properly manage forest lands under the authority of the commissioner, as defined in section 89.001, subdivision 13.

90.172 ANNUAL REPORTS.

Subdivision 1. **Report to legislature.** The commissioner shall file an annual report on or before September 30 of each year with the Legislative Reference Library providing detailed information on all auctions and informal sales made in the previous fiscal year. The report shall include but not be limited to the names and addresses of all purchasers, volumes of timber purchased, species, appraised value and sale price. The commissioner shall make copies of the report available to the public upon request.

Subd. 2. **Report to Executive Council.** The commissioner shall report on or before September 30 of each year or more frequently, as required, to the state Executive Council concerning the status of the state timber sales and timber management program, including any special problems or changes occurring since the previous report.

97B.665 IMPAIRMENT OF DRAINAGE BY BEAVER DAMS.

Subdivision 1. **Agreement by county board, landowner, and commissioner.** (a) When a drainage watercourse is impaired by a beaver dam, the commissioner shall take action to remove the impairment, if:

(1) the county board unanimously consents;

(2) the landowner approves;

(3) the commissioner agrees; and

(4) the action is financially feasible.

(b) In a county with unanimous consent of the county board of commissioners and approval of the landowner, the department shall take action agreed to by unanimous consent of the county board, the commissioner, and the landowner. The action may include destruction or alteration of beaver dams and removal of beaver. This subdivision does not apply to state parks, state game refuges, and federal game refuges.

103G.295 IRRIGATION OF AGRICULTURAL LAND.

Subdivision 1. **Recommendation and information for waters of the state appropriation.** (a) If an application is made for a permit to irrigate agricultural land from waters of the state, the soil and water conservation district may make recommendations to the commissioner regarding the disposition of the application and its compatibility to a comprehensive soil and water conservation plan approved under section 103C.331, subdivision 11. The recommendations must be made within 30 days of the receipt of the application.

(b) Within 30 days of receipt of the application, the commissioner may require additional specific information from the applicant.

Subd. 2. **Issuance or denial of permit for appropriation from waters of the state.** After receiving all requested information, the commissioner must review the application and information, consider the soil and water conservation district's recommendations, and issue or deny the permit within 60 days. If the commissioner orders a hearing, the permit must be issued or denied within ten days after receiving the report of the hearing officer. For an application for a permit to irrigate agricultural land, failure of the commissioner to issue or deny a permit within the time specified under this subdivision is considered an order issuing the permit as applied for. The order is effective ten days after the applicant has given written notice to the commissioner stating an intention to proceed with the appropriation of water to irrigate agricultural land.

Subd. 3. **Groundwater appropriation permit classification areas.** (a) Water use permit applications required for appropriation of groundwater for agricultural irrigation must be processed in the order received and designated as either class A or class B applications. Class A applications are for wells located in areas for which the commissioner has adequate groundwater availability data. Class B applications are for wells located in other areas.

(b) The commissioner must evaluate available groundwater data, determine its adequacy, and designate class A and B application areas for the entire state. The commissioner shall request, obtain, and evaluate groundwater data from soil and water conservation districts, and where appropriate revise the class A and B application area designations.

(c) The commissioner shall file a commissioner's order with the secretary of state defining class A and B application areas by county and township. Additional areas may be added by a later order of the commissioner.

Subd. 4. **Class B permit requirements.** (a) Class B groundwater use permit applications are not complete until the applicant has supplied:

(1) a summary of the anticipated well depth and subsurface geologic formation expected to be penetrated by the well, including for glacial drift aquifers, the logs of test holes drilled to locate the site of the proposed production well;

(2) the formation and aquifer expected to serve as the groundwater source;

(3) the maximum daily, seasonal, and annual pumpage expected;

(4) the anticipated groundwater quality in terms of the measures of quality commonly specified for the proposed water use;

(5) the results of a pumping test supervised by the commissioner or a designee of the commissioner, conducted at a rate not to exceed the proposed pumping rate for not more than 72 continuous hours for wells under water table conditions and not more than 24 continuous hours for wells under artesian conditions; and

(6) when the area of influence of the proposed well is determined, the location of existing wells within the area of influence that were reported according to section 103I.205, subdivision 9, together with readily available facts on depths, geologic formations, pumping and nonpumping water levels, and details of well construction as related to the water well construction code.

(b) The commissioner may in any specific application waive any requirements of paragraph (a), clauses (4) to (6), or (c) if the necessary data are already available.

(c) Before, during, and after the pumping test required in paragraph (a), clause (5), the commissioner shall require monitoring of water levels in one observation well located at a

distance from the pumping well that the commissioner has reason to believe may be affected by the new appropriation. The permit applicant is responsible for costs of the pumping tests and monitoring in the observation well. The applicant is responsible for the construction of one observation well if suitable existing wells cannot be located for this purpose. If the commissioner determines that more than one observation well is needed, the commissioner shall instruct the applicant to install and monitor more observation wells. The commissioner shall reimburse the applicant for these added costs.

Subd. 5. **Issuance of permits for groundwater appropriation.** The commissioner may issue water use permits for irrigation appropriation from groundwater only if the commissioner determines that:

(1) proposed soil and water conservation measures are adequate based on recommendations of the soil and water conservation districts; and

(2) water supply is available for the proposed use without reducing water levels beyond the reach of vicinity wells constructed in accordance with the water well construction code in Minnesota Rules, parts 4725.1900 to 4725.6500.

103G.650 RECOVERING SUNKEN LOGS ON INLAND WATERS.

Subdivision 1. **Definitions.** (a) Unless the language or context clearly indicates that a different meaning is indicated, the following terms, for the purposes of this section, shall have the meanings given to them.

(b) "District office" means the office of the area forest supervisor, unless otherwise stipulated in a lease issued under this section.

(c) "Inland waters" means navigable bodies of water within the boundaries of this state, excluding boundary lakes and boundary rivers.

(d) "Log" means a portion of the trunk of a felled tree that has not been further processed for any end use.

(e) "Officer" means a forest officer, conservation officer, or other peace officer.

(f) "Person" means a natural person, including a person acting in a representative capacity, or a corporation, firm, or association of whatever nature or kind.

(g) "Submerged lands" means beds of navigable waters below the low-water mark.

Subd. 2. **Title to sunken logs and historical artifacts.** Notwithstanding section 16B.25, title and ownership of a log or historical artifact that rests for more than one year on submerged land owned by the state in inland waters is considered abandoned property that has forfeited to the state.

Subd. 3. **Application to remove sunken logs.** A person who wishes to raise and remove logs that are resting on submerged lands owned by the state and that are located in inland waters shall make application to the commissioner for a lease. A person may not hold more than three leases at one time. Each lease must be for a specific lake or river. A resident applicant shall include with the application a fee of $500. A nonresident applicant shall include a fee of $2,500. The applicant shall:

(1) identify the inland lake or river where the logs will be raised;

(2) identify the submerged land area requested for the lease by providing the section, township, and range in which the inland water is located;

(3) specify the methods to be used in raising the sunken logs, including any techniques with the potential to disturb lake bed material;

(4) provide evidence of a general liability insurance policy that names the state as a coinsured party and that is in force for the lease with limits of at least $300,000 per occurrence and $1,000,000 in aggregate; and

(5) include any additional information required by the commissioner.

Subd. 4. **Review of applications.** The commissioner shall review and approve applications in order by time and date received to prevent two or more applications being approved for the same lease. The commissioner shall immediately notify the Minnesota Historical Society of each application received. The commissioner shall publish notice of each application in the State Register and allow 30 days for public comment. Within 60 days after the time date stamp of receipt, the commissioner shall either approve, modify and approve, or deny an application. In determining whether to approve an application, the commissioner shall consider:

(1) whether the project requires a permit under section 103G.245;

(2) whether the proposed project may affect public rights in navigable waters;

(3) whether the proposed project is subject to any requirements arising under federal law; and

(4) whether the project meets ecological criteria for protection of fish, wildlife, and native plants and their habitats.

Subd. 5. **Lease terms.** (a) The terms and conditions in this subdivision must be specified in leases issued under this section.

(b) A lease is effective for three years and is not transferable. A lease may be renewed within 90 days of expiration for a fee of $50.

(c) Within one year after the effective date of the lease, the lessee shall commence operations to recover the logs covered by the lease or the lease must be canceled.

(d) The lease must specify the lake or river where the sunken logs may be raised. No lake or river may be covered by more than one lease under this section unless the water body is located in more than one county, in which case one lease may be issued in each county.

(e) The lessee shall comply with all conditions attached to the lease by the commissioner to protect the public rights in navigable water, ensure compliance with federal requirements, and protect aquatic habitats.

(f) The lessee shall only recover logs that are submerged at a water depth of 20 feet or more. The lessee is entitled to ownership of only the sunken logs recovered during the time covered by the lease from submerged lands described in the lease.

(g) The location where the recovered logs are deposited on shore is subject to approval by the commissioner but in no case may the operations interfere with the public's use of public accesses.

(h) The lessee shall plainly place the number of the lease on all logs recovered to adequately identify the logs from the time they are hauled onto shore until they are delivered to the manufacturing facility where they will be processed.

(i) The commissioner reserves the right to revoke the lease for failure to follow the terms and conditions of the lease.

(j) The only acceptable method of recovery is by winching so as to minimize disturbance of lake or riverbed material.

(k) The commissioner shall bill the lessee for the value of the recovered logs based on a rate of 25 percent of the weighted average selling price for all logs sold from state lands for the preceding 12 months.

(l) If the commissioner determines that use of the lease area will interfere with the present or future management objectives of the commissioner, a lease may be canceled upon 21 business days' written notice from the commissioner to the lessee.

(m) The lessee shall indemnify the commissioner against all claims, damages, costs, and expenses, including attorney fees, arising either from reclamation or from any negligence on the part of the lessee.

(n) All divers used in recovery must be certified by the National Association of Scuba Diving Schools or the Professional Association of Diving Instructors.

(o) A lessee must notify personnel at the appropriate department district office five working days before raising submerged logs.

(p) The commissioner and staff have access to leased premises, recovery vehicles, and land vehicles for inspection at any and all reasonable times. Failure to comply must result in immediate suspension of recovery and loss of the lease.

(q) It is the responsibility of the lessee to notify the Minnesota Historical Society before commencing log removal. Upon locating historic items, the lessee must notify the Minnesota Historical Society within one business day. The historical society shall then make a determination on the disposition of the items found. The staff of the historical society shall have access to leased premises, recovery vehicles, and land vehicles for inspection at any and all reasonable times. Failure to comply must result in immediate and permanent suspension of all leases held by the lessee.

(r) An officer shall enforce the terms and conditions of a lease issued under this section.

(s) If the lessee finds what the lessee reasonably believes to be a pollutant or contaminant, the lessee shall contact the Pollution Control Agency within 24 hours.

(t) If the lessee recovers a log with an American Indian tribal mark or brand, the lessee shall notify the nearest tribal government authority within five business days.

Subd. 6. **Disposition of revenue.** Money collected under this section must be deposited in the state treasury and credited as follows:

(1) application fees must be credited to the general fund;

(2) lease proceeds must be credited to the game and fish fund, unless the submerged lands are permanent school fund lands; and

(3) lease proceeds for leases of submerged lands that are permanent school fund lands must be credited to the permanent school fund.

Subd. 7. **Penalties.** (a) Recovery of sunken logs that are removed from submerged lands without a lease issued by the commissioner under this section is trespass as defined in section 90.301.

(b) After the first offense under this subdivision, a person may not apply for or work under a lease issued under this section to remove sunken logs for a period of one year.

(c) After the second offense under this subdivision, a person may not apply for or work under a lease issued under this section to remove sunken logs.

Laws 1981, chapter 222, section 7 is not available in xtend

Laws 2009, chapter 172, article 5, section 9

Sec. 9. **25-YEAR STRATEGIC PLAN.**

By January 15, 2011, the legislative committees, divisions, or councils responsible for recommending expenditures to the full legislature from the outdoor heritage fund, the clean water fund, the parks and trails fund, and the arts and cultural heritage fund must develop, with broad public input, and adopt a 25-year strategic plan for the expenditures that will be recommended from the funds. The plan must include applicable outcomes for restoring, protecting, and enhancing wetlands, prairies, forests, habitat for fish and game, lakes, rivers, streams, groundwater, arts, arts education, arts access, preservation of Minnesota's history and cultural heritage, and supporting parks and trails. The strategic plan shall be updated on a regular basis, but no longer than every five years. The Web site established under section 2 must include a link to the plans developed under this section. The plan for restoring, protecting, and enhancing wetlands, prairies, forests, habitat for fish and game must be based on ecological sections and subsections established by the Department of Natural Resources and be based on current science and achieve benefits across all ecological sections within the state. The plan for restoring, protecting, and enhancing lakes, rivers, streams, and groundwater must be based on watersheds and aquifers, and shall take into account existing plans, be based on current science, and achieve benefits across all ecological sections within the state. Any recommendations for appropriations may be prioritized based on science and urgency.