

SENATE
STATE OF MINNESOTA
EIGHTY-EIGHTH LEGISLATURE

S.F. No. 786

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DATE	D-PG	OFFICIAL STATUS
02/25/2013	395	Introduction and first reading Referred to Environment and Energy
02/28/2013	418a	Comm report: To pass as amended and re-refer to State and Local Government
03/07/2013		Comm report: To pass as amended and re-refer to Finance

A bill for an act

1.1 relating to environment; allowing the creation of a joint powers board related to
 1.2 silica sand mining in southeastern Minnesota; providing for silica sand extraction
 1.3 taxing authority; allowing an extension or renewal of interim ordinances for new
 1.4 permits for silica sand mining and facilities; requiring a generic environmental
 1.5 impact statement report; modifying environmental review; providing criminal
 1.6 penalties; appropriating money; amending Minnesota Statutes 2012, section
 1.7 93.25, subdivision 1; proposing coding for new law in Minnesota Statutes,
 1.8 chapter 298; proposing coding for new law as Minnesota Statutes, chapter 116Y.
 1.9

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

1.11 Section 1. Minnesota Statutes 2012, section 93.25, subdivision 1, is amended to read:

1.12 Subdivision 1. **Leases.** The commissioner may issue leases to prospect for, mine,
 1.13 and remove minerals other than iron ore upon any lands owned by the state, including trust
 1.14 fund lands, lands forfeited for nonpayment of taxes whether held in trust or otherwise, and
 1.15 lands otherwise acquired, and the beds of any waters belonging to the state. For purposes
 1.16 of this section, iron ore means iron-bearing material where the primary product is iron
 1.17 metal. The commissioner shall not issue or grant any new leases to prospect for, mine, or
 1.18 remove silica sand from any lands owned by the state, including, but not limited to, school
 1.19 trust lands, tax-forfeited lands, acquired lands, and the beds of navigable waters.

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

1.21 Sec. 2. **[116Y.01] APPLICABILITY.**

1.22 This chapter applies to the counties of Blue Earth, Dakota, Dodge, Faribault,
 1.23 Fillmore, Goodhue, Houston, LeSueur, Mower, Nicollet, Olmsted, Rice, Scott, Steele,
 1.24 Wabasha, Waseca, Washington, and Winona.

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

2.2 Sec. 3. **[116Y.02] DEFINITIONS.**

2.3 The definitions in this section apply to this chapter.

2.4 (a) "Board" means the Southeastern Minnesota Silica Sand Board.

2.5 (b) "Extraction site" means a pit, quarry, or deposit containing silica sand and
2.6 any contiguous property to the pit, quarry, or deposit that is used by the operator for
2.7 stockpiling the silica sand.

2.8 (c) "Importer" means any person who buys silica sand excavated from an area where
2.9 the tax under section 116Y.06 is not imposed, or another state and causes the silica sand
2.10 to be imported into a local unit of government in this state that imposes a tax on silica
2.11 sand under section 116Y.06.

2.12 (d) "Local unit of government" means a county, statutory or home rule charter city,
2.13 or town that is within the counties listed in section 116Y.01.

2.14 (e) "Operator" means any person engaged in the business of removing silica sand
2.15 from the surface or subsurface of the soil, for the purpose of sale, either directly or
2.16 indirectly, through the use of the sand in a marketable product or service.

2.17 (f) "Silica sand" means naturally occurring high quartz level sand used, among several
2.18 industrial uses, as a proppant for the hydraulic fracturing of shale for oil and gas production.
2.19 The term silica sand includes raw, washed, or otherwise processed silica sand. Silica sand
2.20 does not include common rock, stone, aggregate, gravel, and sand with a low quartz level.

2.21 (g) "Silica sand mining" means the excavation and mining of silica sand by any
2.22 process, including digging, excavating, mining, drilling, blasting, tunneling, dredging,
2.23 stripping, or shafting.

2.24 (h) "Silica sand processing" means the washing, cleaning, screening, crushing,
2.25 filtering, sorting, processing, stockpiling, and storing of silica sand, either at the mining
2.26 site or at any other site.

2.27 (i) "Silica sand transporting" means the hauling and transporting of silica sand,
2.28 by any carrier: (1) from the mining site to a processing or transfer site; or (2) from a
2.29 processing or storage site to a rail, barge, or transfer site for transporting to destinations.

2.30 (j) "Transfer facility" means a facility for transporting silica sand by rail, barge, or
2.31 other means of transportation to destinations.

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

2.33 Sec. 4. **[116Y.03] SOUTHEASTERN MINNESOTA SILICA SAND BOARD.**

3.1 Subdivision 1. **Establishment.** The Southeastern Minnesota Silica Sand Board may
3.2 be established by counties listed in section 116Y.01, pursuant to section 471.59, and
3.3 is established as a permanent board with authority to prepare, adopt, and implement a
3.4 comprehensive land use plan designed to protect and enhance southeastern Minnesota
3.5 from the negative effects of silica sand mining, transportation, and processing.

3.6 Subd. 2. **Membership.** (a) The governing body of each county shall appoint one of
3.7 its members to serve on the board.

3.8 (b) The terms of board members are two years from the date of appointment.

3.9 (c) Vacancies on the board shall be filled for the remainder of the term by the
3.10 governing body that made the original appointment.

3.11 (d) The governing body of a county may designate another member of the governing
3.12 body or a county officer to act as an alternate for the member appointed by that county.

3.13 (e) Members of the scientific advisory team, created in subdivision 8, shall be ex
3.14 officio, nonvoting members of the board.

3.15 Subd. 3. **Officers.** (a) The board shall annually appoint from among its members a
3.16 chair, vice-chair, and secretary-treasurer who shall serve for concurrent one-year terms.

3.17 (b) The chair shall preside over all meetings of the board and may call special
3.18 meetings at reasonable times and upon adequate notice when necessary.

3.19 (c) The vice-chair shall preside over the meetings of the board in the absence of
3.20 the chair.

3.21 (d) The secretary-treasurer or the designee of the secretary-treasurer shall keep a
3.22 record of all proceedings of the board. The secretary-treasurer shall provide for the proper
3.23 receipt and disbursement of funds.

3.24 Subd. 4. **Meetings; open.** (a) The regular meetings of the board shall be held at
3.25 times and places prescribed by the board.

3.26 (b) A majority of all members of the board shall constitute a quorum and a majority
3.27 vote of all members shall be required for actions taken by the board.

3.28 (c) Meetings of the board and advisory committees created by the board are subject
3.29 to chapter 13D.

3.30 Subd. 5. **Staff and contracts.** The board may employ staff and contract for goods
3.31 and services as necessary to implement this chapter. Contracts are subject to the statutory
3.32 procedures and restrictions applicable to local unit of government contracts.

3.33 Subd. 6. **Funding.** The board shall annually submit to each member county for the
3.34 county's approval an estimate of the funds the board will need from that county in the
3.35 next fiscal year to prepare and implement the plan under section 116Y.04 and otherwise
3.36 carry out the duties imposed upon it by this chapter. Each member county shall furnish

4.1 the necessary funds to the board. The board may apply for, receive, and disburse federal,
4.2 state, and other grants and donations.

4.3 Subd. 7. **Advisory committee.** The board shall appoint an advisory committee,
4.4 representing a broad geographical area and diverse public interests, including equal
4.5 representation from concerned citizens, local units of government, and the sand mining
4.6 industry.

4.7 Subd. 8. **Contact with government agencies.** The board shall initiate and maintain
4.8 contacts with governmental agencies as necessary to properly prepare the plan under
4.9 section 116Y.04 and may negotiate cooperative management agreements. The board
4.10 shall establish a scientific advisory team with appropriate state agency staff from the
4.11 Departments of Natural Resources, Health, and Transportation, and the Pollution Control
4.12 Agency. The team shall advise the board on developing and implementing the plan
4.13 developed in section 116Y.04.

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

4.15 Sec. 5. **[116Y.04] PLAN IMPLEMENTATION.**

4.16 Subdivision 1. **Development and implementation required.** The plan shall be
4.17 developed and implemented by the board as provided in this section.

4.18 Subd. 2. **Plan provides minimum standards.** The standards set forth in the
4.19 plan are the minimum standards that may be adopted by the board and by the local
4.20 units of government for the protection and enhancement of the natural, scientific,
4.21 historical, recreational, and cultural resources from silica sand mining in southeastern
4.22 Minnesota. Silica sand mining, processing, and transport facilities permitted by a local
4.23 unit of government that adopts the plan after the effective date of this section must be in
4.24 conformance with the plan.

4.25 Subd. 3. **Implementation.** The board shall develop and establish a schedule for
4.26 implementation and common administration of the plan by the local units of government.
4.27 The schedule shall be binding upon the local units of government that adopt the plan
4.28 subject to approval by the governing bodies of the respective local units of government.

4.29 Subd. 4. **Local land use ordinance must be consistent with plan.** The local units
4.30 of government that adopt the plan shall adopt and amend existing land use ordinances to
4.31 be consistent with the plan. Local units of government may adopt ordinances that include
4.32 the minimum standards in the plan. Local units of government may enact ordinances that
4.33 are stricter than the minimum standards.

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

5.1 **Sec. 6. [116Y.05] RESPONSIBILITIES OF OTHER GOVERNMENTAL UNITS.**

5.2 Within jurisdictions subject to the plan, all local and special governmental units,
5.3 councils, commissions, boards, and districts and all state agencies and departments must
5.4 exercise their powers so as to further the purposes of this chapter and the plan. Land
5.5 owned by the state, its agencies, and political subdivisions shall be administered in
5.6 accordance with the plan.

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

5.8 **Sec. 7. [116Y.06] SILICA SAND REMOVAL; PRODUCTION TAX.**

5.9 Subdivision 1. **Applicability.** Only local units of government that have adopted
5.10 at least the minimum standards established in section 116Y.04 may impose the tax
5.11 authorized under this section. The tax imposed under this section is in lieu of the taxing
5.12 authority granted under section 298.75 for silica sand production. When a county imposes
5.13 a production tax under this section, other local units of government shall not apply a
5.14 production tax under this section for the same silica sand production.

5.15 Subd. 2. **Tax imposed.** (a) A local unit of government that imposes the silica sand
5.16 production tax shall impose upon every operator a production tax of ... cents per cubic
5.17 yard or ... cents per ton of silica sand excavated in the local unit of government, except
5.18 that the local unit of government board may decide not to impose this tax if it determines
5.19 that in the previous year operators removed less than 20,000 tons or 14,000 cubic yards
5.20 of silica sand from that local unit of government. The tax shall not be imposed on silica
5.21 sand excavated in the local unit of government until the silica sand is transported from the
5.22 extraction site or sold, whichever occurs first. When silica sand is stored in a stockpile
5.23 within the state and a public highway, road, or street is not used for transporting the
5.24 silica sand, the tax shall not be imposed until the silica sand is sold, transported from the
5.25 stockpile site, or used from the stockpile, whichever occurs first.

5.26 (b) A local unit of government that imposes the silica sand production tax under
5.27 paragraph (a) shall impose upon every importer a production tax of ... cents per cubic yard
5.28 or ... cents per ton of silica sand imported into the local unit of government. The tax
5.29 shall be imposed when the silica sand is imported from the extraction site or sold. When
5.30 imported silica sand is stored in a stockpile within the state and a public highway, road, or
5.31 street is not used for transporting the silica sand, the tax shall be imposed when the silica
5.32 sand is sold, transported from the stockpile site, or used from the stockpile, whichever
5.33 occurs first. The tax shall be imposed on an importer when the silica sand is imported into
5.34 the local unit of government that imposes the tax.

6.1 (c) If the silica sand is transported directly from the extraction site to a waterway,
6.2 railway, or another mode of transportation other than a highway, road, or street, the tax
6.3 imposed by this section shall be apportioned equally between the local unit of government
6.4 where the silica sand is extracted and the local unit of government to which the silica sand is
6.5 originally transported. If that destination is not located in Minnesota, then the local unit of
6.6 government where the silica sand was extracted shall receive all of the proceeds of the tax.

6.7 Subd. 3. **Report and remittance.** (a) By the 14th day following the last day of each
6.8 calendar quarter, every operator or importer shall make and file with the local unit of
6.9 government in which the silica sand is removed or imported, a correct report under oath, in
6.10 the form and containing information as the local unit of government shall require, relative
6.11 to the quantity of silica sand removed or imported during the preceding calendar quarter.
6.12 The report shall be accompanied by a remittance of the amount of tax due.

6.13 (b) If any of the proceeds of the tax is to be apportioned as provided in subdivision
6.14 2, the operator or importer shall also include on the report any relevant information
6.15 concerning the amount of silica sand transported, the tax, and the local unit of government
6.16 of destination. The local unit of government shall notify the local unit of government
6.17 treasurer of the amount of such tax and the local unit of government to which it is due.
6.18 The local unit of government treasurer shall remit the tax to the appropriate local unit
6.19 of government within 30 days.

6.20 Subd. 4. **Estimate; statement of objections.** If the local unit of government has not
6.21 received the report by the 15th day after the last day of each calendar quarter from the
6.22 operator or importer as required by subdivision 3 or has received an erroneous report, the
6.23 local unit of government shall estimate the amount of tax due and notify the operator or
6.24 importer by registered mail of the amount of tax so estimated within the next 14 days. An
6.25 operator or importer may, within 30 days from the date of mailing the notice, and upon
6.26 payment of the amount of tax determined to be due, file in the office of the local unit of
6.27 government a written statement of objections to the amount of taxes determined to be due.
6.28 The statement of objections shall be deemed to be a petition within the meaning of chapter
6.29 278, and shall be governed by sections 278.02 to 278.13.

6.30 Subd. 5. **Failure to file and pay; penalty.** Failure to file the report and submit
6.31 payment shall result in a penalty of \$5 for each of the first 30 days, beginning on the 15th
6.32 day after the last day of each calendar quarter, for which the report and payment are due
6.33 and no statement of objection has been filed as provided in subdivision 4, and a penalty
6.34 of \$10 for each subsequent day shall be assessed against the operator or importer who is
6.35 required to file the report. The penalties imposed by this subdivision shall be collected as
6.36 part of the tax and credited to the local unit of government revenue fund. If neither the

7.1 report nor a statement of objection has been filed after more than 60 days have elapsed
7.2 from the date when the notice was sent, the operator or importer who is required to file the
7.3 report is guilty of a misdemeanor.

7.4 **Subd. 6. Penalties; removal of aggregate if previous tax not paid; false report.**

7.5 (a) It is a misdemeanor for any operator or importer to remove silica sand from a pit,
7.6 quarry, or deposit or for any importer to import silica sand, unless all taxes due under this
7.7 section for all previous reporting periods have been paid or objections thereto have been
7.8 filed pursuant to subdivision 4.

7.9 (b) It is a misdemeanor for the operator or importer who is required to file a report to
7.10 file a false report with intent to evade the tax.

7.11 **Subd. 7. Proceeds of taxes.** (a) All money collected as taxes under this section
7.12 on silica sand shall be deposited in the local unit of government treasury and credited
7.13 according to this subdivision.

7.14 (b) The local unit of government may retain an annual administrative fee of up to
7.15 five percent of the total taxes collected in any year.

7.16 (c) The balance of the taxes, after any deduction under paragraph (b), shall be
7.17 credited as follows:

7.18 (1) ... percent to the local unit of government road and bridge fund for expenditure
7.19 for the maintenance, construction, and reconstruction of county, city, and township roads,
7.20 highways, streets, and bridges;

7.21 (2) ... percent to the general fund of the local unit of government for environmental
7.22 protection and economic development purposes, including tourism; and

7.23 (3) ... percent to a special reserve fund that is hereby established, for expenditure
7.24 for the restoration of abandoned pits, quarries, or deposits located within the local unit of
7.25 government. If there are no abandoned pits, quarries, or deposits located within the local
7.26 unit of government, the portion of the tax allocated under this clause shall be used for any
7.27 other unmet reclamation need or for conservation or other environmental needs.

7.28 **Subd. 8. Examination and maintenance of records.** The local unit of government
7.29 or its duly authorized agent may examine records, including computer records, maintained
7.30 by an importer or operator. The term "record" includes, but is not limited to, all
7.31 accounts of an importer or operator. The local unit of government must have access at
7.32 all reasonable times to inspect and copy all business records related to an importer's or
7.33 operator's collection, transportation, and disposal of aggregate to the extent necessary to
7.34 ensure that all silica sand production taxes required to be paid have been remitted to the
7.35 local unit of government. The records must be maintained by the importer or operator
7.36 for no less than six years.

8.1 **Sec. 8. [298.76] STATE SILICA SAND PRODUCTION TAX.**

8.2 **Subdivision 1. Tax imposed.** (a) A silica sand production tax of ... cents per cubic
8.3 yard or ... cents per ton of silica sand, as defined in section 116Y.02, excavated in the
8.4 state is imposed upon every operator, as defined in section 116Y.02. The tax shall not be
8.5 imposed on silica sand excavated in the state until the silica sand is transported from the
8.6 extraction site or sold, whichever occurs first. When silica sand is stored in a stockpile
8.7 within the state and a public highway, road, or street is not used for transporting the
8.8 silica sand, the tax shall not be imposed until the silica sand is sold, transported from the
8.9 stockpile site, or used from the stockpile, whichever occurs first.

8.10 (b) A silica sand production tax of ... cents per cubic yard or ... cents per ton of silica
8.11 sand imported into the state is imposed upon every importer as defined under section
8.12 116Y.04. The tax shall be imposed when the silica sand is imported from the extraction
8.13 site or sold. When imported silica sand is stored in a stockpile within the state and a
8.14 public highway, road, or street is not used for transporting the silica sand, the tax shall be
8.15 imposed when the silica sand is sold, transported from the stockpile site, or used from the
8.16 stockpile, whichever occurs first. The tax shall be imposed on an importer when the silica
8.17 sand is imported into the local unit of government that imposes the tax.

8.18 **Subd. 2. Report and remittance.** By the 14th day following the last day of each
8.19 calendar quarter, every operator or importer shall make and file with the commissioner
8.20 of revenue a correct report under oath, in such form and containing such information as
8.21 the local unit of government shall require, relative to the quantity of silica sand removed
8.22 or imported during the preceding calendar quarter. The report shall be accompanied
8.23 by a remittance of the amount of tax due.

8.24 **Subd. 3. Estimate; statement of objections.** If the commissioner of revenue has
8.25 not received the report by the 15th day after the last day of each calendar quarter from the
8.26 operator or importer as required by subdivision 2 or has received an erroneous report, the
8.27 commissioner shall estimate the amount of tax due and notify the operator or importer by
8.28 registered mail of the amount of tax so estimated within the next 14 days. An operator or
8.29 importer may, within 30 days from the date of mailing the notice, and upon payment of the
8.30 amount of tax determined to be due, file in the office of the local unit of government a
8.31 written statement of objections to the amount of taxes determined to be due. The statement
8.32 of objections shall be deemed to be a petition within the meaning of chapter 278, and shall
8.33 be governed by sections 278.02 to 278.13.

8.34 **Subd. 4. Failure to file and pay; penalty.** Failure to file the report and submit
8.35 payment shall result in a penalty of \$5 for each of the first 30 days, beginning on the 15th
8.36 day after the last day of each calendar quarter, for which the report and payment are due and

9.1 no statement of objection has been filed as provided in subdivision 3, and a penalty of \$10
9.2 for each subsequent day shall be assessed against the operator or importer who is required
9.3 to file the report. The penalties imposed by this subdivision shall be collected as part of
9.4 the tax and credited to the general fund. If neither the report nor a statement of objection
9.5 has been filed after more than 60 days have elapsed from the date when the notice was
9.6 sent, the operator or importer who is required to file the report is guilty of a misdemeanor.

9.7 **Subd. 5. Penalties; removal of aggregate if previous tax not paid; false report.**

9.8 (a) It is a misdemeanor for any operator or importer to remove silica sand from a pit,
9.9 quarry, or deposit, or for any importer to import silica sand unless all taxes due under this
9.10 section for all previous reporting periods have been paid or objections thereto have been
9.11 filed pursuant to subdivision 3.

9.12 (b) It is a misdemeanor for the operator or importer who is required to file a report to
9.13 file a false report with intent to evade the tax.

9.14 **Subd. 6. Proceeds of taxes.** All money collected as taxes under this section shall
9.15 be deposited in the general fund.

9.16 **Subd. 7. Examination and maintenance of records.** The commissioner of revenue
9.17 may examine records, including computer records, maintained by an importer or operator.
9.18 The term "record" includes, but is not limited to, all accounts of an importer or operator.
9.19 The local unit of government must have access at all reasonable times to inspect and copy
9.20 all business records related to an importer's or operator's collection, transportation, and
9.21 disposal of aggregate to the extent necessary to ensure that all silica sand production taxes
9.22 required to be paid have been remitted to the local unit of government. The records must
9.23 be maintained by the importer or operator for no less than six years.

9.24 **Sec. 9. GENERIC ENVIRONMENTAL IMPACT STATEMENT; SILICA SAND**
9.25 **MINING, TRANSPORTING, AND FACILITIES.**

9.26 **Subdivision 1. Generic environmental impact statement required.** By May 1,
9.27 2014, the Environmental Quality Board shall complete a generic environmental impact
9.28 statement on silica sand mining, transporting, and related facilities. Except as provided
9.29 in subdivision 2, the generic environmental impact statement shall be conducted under
9.30 rules of the Environmental Quality Board.

9.31 **Subd. 2. Scoping.** (a) Notwithstanding the environmental review rules of the
9.32 Environmental Quality Board, the scope of the generic environmental impact statement
9.33 required in subdivision 1 shall be the impact of silica sand mining, transporting,
9.34 processing, and transfer facilities on:

10.1 (1) water resources, including but not limited to surface water and groundwater
 10.2 quantity and quality;

10.3 (2) other natural resources, including but not limited to protected forest lands, rivers,
 10.4 streams, and fish hatcheries and habitat;

10.5 (3) air quality from air particulate and other emissions;

10.6 (4) existing agricultural, recreational, tourist, and other existing businesses; and

10.7 (5) state and local roads and bridges.

10.8 (b) In addition to the items listed under paragraph (a), the generic environmental
 10.9 impact statement shall address:

10.10 (1) guidance for local units of government in addressing phased and connected
 10.11 actions, as defined in rules of the Environmental Quality Board, for silica sand mining,
 10.12 processing, and transfer facilities; and

10.13 (2) necessary law and rule changes to address the issues identified in paragraph (a).

10.14 By March 1, 2015, state agencies shall adopt the rule changes identified in clause (2).

10.15 (c) By June 1, 2013, the Environmental Quality Board shall select the agencies and
 10.16 consultants for the preparation of the generic environmental impact statement.

10.17 Subd. 3. **State and local permits.** All state and local permits issued after the
 10.18 effective date of this section shall be modified to be consistent with or more restrictive
 10.19 than the conclusions of the generic environmental impact statement.

10.20 Subd. 4. **Moratorium.** Until March 1, 2014, the state, a local unit of government,
 10.21 or political subdivision of the state shall not permit a new or expanded silica sand mining,
 10.22 processing, or transfer facility as defined in Minnesota Statutes, section 116Y.02. The
 10.23 purpose of the moratorium is to provide sufficient time for the designated state agencies to
 10.24 study and determine the impacts of silica sand mining, processing, and transportation, and
 10.25 to adopt the necessary law and rule changes in subdivision 2, paragraph (b), clause (2).

10.26 **EFFECTIVE DATE.** This section is effective the day following final enactment,
 10.27 and subdivision 4 applies retroactively to applications received on March 1, 2013, and
 10.28 thereafter.

10.29 Sec. 10. **INTERIM ORDINANCE EXTENSION OR RENEWAL.**

10.30 Notwithstanding Minnesota Statutes, sections 394.34 and 462.355, subdivision 4,
 10.31 until March 1, 2015, a local unit of government may extend interim ordinances or renew
 10.32 an expired ordinance prohibiting new or expanded silica sand mining, processing, or
 10.33 transfer facilities, as defined in Minnesota Statutes, section 116Y.02.

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

11.1 Sec. 11. **TEMPORARY ENVIRONMENTAL REVIEW REQUIREMENT;**
11.2 **SILICA SAND.**

11.3 Until March 1, 2015, the Environmental Quality Board may reject the decision of
11.4 a responsible governmental unit and require further deliberation when a decision on the
11.5 need for an environmental impact statement under Minnesota Statutes, section 116D.04,
11.6 subdivision 2a, paragraph (b), related to silica sand mining or processing does not follow
11.7 requirements in the rules of the board. The board must make its decision and findings
11.8 under this section within 30 days after the end of the comment period.

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

11.10 Sec. 12. **ENVIRONMENTAL REVIEW RULES.**

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

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

11.17 Sec. 13. **APPROPRIATION; GEIS ON SILICA SAND MINING,**
11.18 **TRANSPORTING, AND FACILITIES.**

11.19 \$..... is appropriated in fiscal year 2013 from the general fund to the Pollution
11.20 Control Agency for the Environmental Quality Board to conduct the generic environmental
11.21 impact statement required under section 10. This is a onetime appropriation.

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