Ch. 304

July 1, 1977. A loan made on or before July 1, 1977, at a rate of interest not in excess of the rate authorized by this section at the time the loan is made, shall continue to be enforceable in accordance with its terms until the indebtedness is fully satisfied.

Sec. 3. This act is effective the day following final enactment.

Approved May 27, 1977.

CHAPTER 304-S.F.No.90

[Coded in Part]

An act relating to soil and water conservation; adding the commissioner of natural resources as an ex-officio member of the state soil and water conservation board; authorizing a cost-sharing program; clarifying the powers and duties of the state board and local districts; amending ambiguous or redundant provisions; adding a member to the soil and water conservation board temporarily; appropriating funds; amending Minnesota Statutes 1976, Chapter 40, by adding sections; and Sections 40.01, Subdivision 8, and by adding a subdivision; 40.02; 40.03, Subdivisions 1, 2, 3, and 4; 40.07, Subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12 and 14; repealing Minnesota Statutes 1976, Sections 40.005; and 40.07, Subdivision 13.

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

Section 1. Minnesota Statutes 1976, Section 40.01, Subdivision 8, is amended to read:

Subd. 8. SOIL AND WATER CONSERVATION; ADMINISTRATION. "Agency of this state" or <u>"state agency</u>" includes the government of this state and any subdivision, agency, or instrumentality, corporate or otherwise, of the government of this state.

Sec. 2. Minnesota Statutes 1976, Section 40.01, is amended by adding a subdivision to read:

Subd. 15. APPROPRIATE AGENCIES. "Appropriate agencies" include any local, state or federal agency which possesses expertise, involvement or authority concerning the use and development of land and water resources, but does not include any district or the state board.

Sec. 3. Minnesota Statutes 1976, Section 40.02, is amended to read:

40.02 PUBLIC POLICY; PURPOSE. As a guide to the interpretation and application of this chapter; the public policy of the state is declared to be as follows. Improper land-use practices have caused and contributed to serious wind and water erosion of farm and grazing the lands of this state by wind and water and that thereby topsoil is being washed out of fields and pastures and has speeded up the removal of the absorptive topsoil eausing exposure of less absorptive and less protective, but more

Changes or additions indicated by <u>underline</u> deletions by strikeout

erosive, subsoil: and that, the <u>runoff of polluting materials</u>, increased costs to <u>maintain</u> agricultural productivity, increased energy costs and increased flood damage. Land occupiers have failed the responsibility to cause the discontinuance of such practice as ereates this condition, and the consequences thereof have caused the deterioration of soil and its fertility and the deterioration of erops grown thereon, and declining yields therefrom, and diminishing of the underground water reserve, all of which have caused water shortages; intensified periods of drought, and erop failure, and thus brought about suffering, disease; and impoverishment of families and the damage of property from floods and dust storms; and that all of these effects may be prevented by land-use practices contributing to the conservation of top soil by carrying on of engineering operations such as the construction of terraces, check dams, dikes, ponds, ditches, and the utilization of strip eropping, lister furrowing, contour cultivating, land irrigation, seeding and planting of waste; sloping, abandoned, or eroded lands to water-conserving and erosion-preventing plants, trees, and grasses implement the practices which correct these conditions and to conserve the soil and water resources of the state.

It is hereby declared that it is for the public welfare; health, and safety of the people of Minnesota to provide for the conservation of the policy of the state to encourage land occupiers to conserve the soil and soil water resources of this state; and for the control and prevention of soil erosion, for land resource planning and development; for through the implementation of land resource use practices that effectively reduce or prevent erosion, sedimentation, siltation and loss of the land base through activities associated with farming; mining; construction; forestry; and other activities of man; and for flood prevention or the conservation development, utilization, and disposal of water; including but not limited to; measures for fish and wildlife and recreational development; and thereby and agriculturally related pollution in order to preserve natural resources, insure continued soil productivity, control floods, prevent impairment of dams and reservoirs, assist in maintaining the navigability of rivers and harbors, preserve wildlife, protect the tax base, and protect public lands by land-use practices; as herein provided for.

Sec. 4. Minnesota Statutes 1976, Section 40.03, Subdivision 1, is amended to read:

40.03 STATE SOIL AND WATER CONSERVATION BOARD. Subdivision 1. MEMBERS. There is hereby established, to serve as an agency within the department of natural resources and to perform the functions conferred upon it in this chapter, the state soil and water conservation board to be composed of $11 \ 12$ members, seven of whom shall be elected supervisors of soil and water conservation districts selected as herein provided. Four members thereof shall be and the following five ex-officio members composed of the following: The director of the agricultural extension service of the University of Minnesota; the dean of the Institute of Agriculture of the University of Minnesota; the director of the pollution control agency; the commissioner of agriculture; and the commissioner of natural resources. Each ex-officio member may designate a person within his organization to act in his stead as a member of the state board, with all his rights and privileges. The designation shall be filed with the secretary of state. The state board shall invite the state conservationist of the United States soil conservation service to serve as an advisory member. The state board may also invite a representative of the state association of soil and water conservation districts, the association of Minnesota counties, the league

of municipalities Minnesota cities and such any other organizations and governmental appropriate agencies as may be deemed necessary to serve as advisory members. The other seven members of said the state board who are elected supervisors shall be appointed by the governor with the advice and consent of the senate from nominees who are elected representatives of the state soil and water conservation districts. In making these appointments the governor may consider persons recommended by the state association of soil and water conservation districts. One member shall be appointed from each department of natural resources region except that two members shall be appointed from region number one. The state board shall keep a record of its official actions, and may perform such acts, hold such public hearings, and promulgate such rules and regulations as may be necessary for the execution of its functions under this chapter. The state board shall exercise all powers and duties as conferred upon it by law:

Sec. 5. Minnesota Statutes 1976, Section 40.03, Subdivision 2, is amended to read:

Subd. 2. EMPLOYEES. The department of natural resources shall provide administrative functions of this section. The commissioner of natural resources shall make available by separate budget to the state soil and water conservation board such the staff services, funds for operation, and office space as are necessary for the administration and coordination of its functions. The state board shall be responsible to the commissioner for reporting purposes in regard to staff functions and those operations as they which relate to department activities.

The commissioner of natural resources shall, subject to approval of the state soil and water conservation board, provide an administrative officer and such technical experts and such other necessary permanent and temporary technical experts, agents and employees, permanent and temporary, as it may require in earrying out this section, and. The state board shall determine their the personnel's qualifications and duties, and recommend compensation to the commissioner of personnel. The state board may call upon the attorney general for such necessary legal services as it may require. It shall have authority to preseribe the powers and duties of its officers and employees, and to delegate to its chairman or to one or more of its other officers or members or administrative officer such any of its own powers and duties as it may deem proper. The administrative officer is responsible to the state board and may be dismissed by the commissioner of natural resources only upon the advice and recommendation of the state board. All permanent personnel of the state board are employees of the department of natural resources and are in the classified service of the state except as otherwise required by statute. All rights, duties and responsibilities of the existing staff of the state board on November 12, 1971 shall remain unchanged except as may be agreed upon by the state board and the commissioner. Upon request of In order to perform its duties, the state board, for the purpose of carrying out any of its functions, may request information from the supervising officer of any state agency, or of any state institution of learning higher education, including the state universities, the community colleges, and the post-secondary vocational technical schools. The supervising officer shall, insofar as may be comply with the state board's request to the extent possible under considering available appropriations, and having due regard to the needs of the agency to which the request is directed, assign or detail to the state board members of the staff or personnel of the

agency or institution of learning, and make such may assign agency or institution employees to compile existing information and to complete special reports, surveys, or studies as the state board may request concerning the problems specified in section 40.02.

Sec. 6. Minnesota Statutes 1976, Section 40.03, Subdivision 3, is amended to read:

Subd. 3. OFFICERS; QUORUM. The state board shall designate its chairman, and may annually; from time to time; change such its designation. A member of the state board shall hold office so long as he shall retain the office by virtue of which he shall be serving on the state board. A majority of the state board shall constitute a quorum, and the concurrence of a majority in any matter within their duties shall be required for its determination. The state board shall provide for the keeping of keep a full and accurate record of all proceedings and of all resolutions, regulations, and orders issued or adopted its official actions. The state board may hold any public hearings and promulgate rules necessary to execute its duties specified in this chapter. The legislative auditor shall annually audit the books of the state board.

Sec. 7. Minnesota Statutes 1976, Section 40.03, Subdivision 4, is amended to read:

Subd. 4. **POWERS AND DUTIES.** In addition to the powers and duties hereinafter conferred upon the state soil and water conservation board, it shall have the following powers and duties:

(1) Prepare and present to the commissioner of the department of natural resources a budget to finance the activities of the state board and the districts and to administer any law appropriating funds to districts;

(2) To Offer such any appropriate assistance as may be appropriate to the supervisors of soil and water conservation the districts, organized as provided hereinafter, in earrying out implementing any of their powers and programs. Any funds made available to a soil and water conservation district for expenditures necessary to for the operations of the district shall be a grant to the district to be used only for purposes authorized by the state board pursuant to law. The soil and water conservation district to receive and expend these funds at the direction and with the approval of the board of supervisors of the district. At least annually the state board shall audit, in a manner it prescribes, the expenditure of funds so granted;

(3) To Keep the supervisors of each of the several districts organized under the provisions of this chapter district informed of the activities and experience of all other districts organized hereunder, and to facilitate <u>cooperation</u> and an interchange of advice and experience between such among the districts and cooperation between them;

(4) To Coordinate the programs and activities of the several soil and water conservation districts organized hereunder, so far as this may be done with appropriate agencies by advice and consultation;

(5) Approve or disapprove the plans or programs of districts as they relate relating

to the use of state funds as administered by the state board;

(6) To Secure the cooperation and assistance of the United States and any of its agencies, and of appropriate agencies of this state, in the work of such the districts and to develop a program to advise and assist appropriate agencies in obtaining state and federal funds for erosion, sedimentation, flooding and agriculturally related pollution control programs;

(7) To disseminate Develop and implement a comprehensive public information throughout the state program concerning the districts' activities and programs of the soil and water conservation districts organized hereunder, the problems and preventive practices of erosion, sedimentation, agriculturally related pollution, flood prevention, and to encourage the advantages of formation of such districts in areas where their organization is desirable; and

(8) To Subdivide and consolidate districts without a hearing or a referendum so as to confine districts within county limits, provided, further, that no district, when feasible and practicable, shall contain less than four full or fractional congressional townships;

(9) Assist in the implementation of a statewide program for inventorying and classification of the types of soils throughout the state as determined by the Minnesota cooperative soil survey;

(10) Conduct research concerning the nature and extent of erosion, sedimentation, flooding and agriculturally related pollution, the amounts and sources of sediment and pollutants delivered to the waters of the state;

(11) Develop programs to reduce or prevent soil erosion, sedimentation, flooding and agriculturally related pollution, including but not limited to structural and land-use management practices;

(12) Develop a system of priorities within the state to identify the erosion, flooding, sediment and agriculturally related pollution problem areas that are most severely in need of control systems; and

(13) Ensure compliance with statewide programs established by the state board pursuant to this section by advice, consultation, and approval of cost-sharing contracts with the districts.

Sec. 8. Minnesota Statutes 1976, Chapter 40, is amended by adding a section to read:

[40.035] PROGRAM PLAN. Subdivision 1. The state board shall prepare, in consultation with the districts and appropriate agencies, a program plan for the accomplishment of its duties specified in section 40.03, subdivision 4. The state board shall use this program plan in decisions to allocate funds to the districts. The state board shall give immediate emphasis to the determination of priority areas within the state where erosion, sedimentation and related water guality problems appear most in need of

control methods and to the development of the comprehensive public information program.

Subd. 2. For the purpose of developing the program plan, the state board may request any existing pertinent information from any state agency pursuant to section 40.03, subdivision 2, and may conduct any hearing it deems necessary.

Subd. 3. The plan shall be coordinated as closely as possible with other statewide resource plans, such as the statewide framework water resources plan and the statewide water quality management plan.

Subd. 4. The state board shall review and revise the plan at intervals it deems appropriate.

Sec. 9. Minnesota Statutes 1976, Chapter 40, is amended by adding a section to read:

[40.036] COST SHARING CONTRACTS FOR EROSION CONTROL AND WATER MANAGEMENT. Subdivision 1. Within the limits of available funds, the state board may allocate funds to districts to be used to share the cost of implementing any system or practices for erosion control and water quality improvement which are designed to protect and improve the state's soil and water resources. Any district board requesting funds of the state board shall submit a comprehensive plan completed pursuant to section 40.07, subdivision 9, and an application on the form prescribed by the state board. After review of the district's comprehensive plan, the state board shall approve it with any necessary amendments or reject it. If the state board approves the district's comprehensive plan, it shall also determine the specific amount of funds to allocate to the district for the purpose of cost-sharing contracts. Neither the state board nor the district board shall furnish any financial aid for practices designed only for an increase in land productivity.

Subd. 2. Within the limits of funds available, a district board may contract on a cost share basis to furnish financial aid to a land occupier or to a state agency for the implementation of permanent systems for erosion control and water quality improvement which are consistent with the district's comprehensive plan developed pursuant to section 40.07, subdivision 9. The duration of the contract may be the time required to complete the planned systems. A contract may provide for cooperation or funding with United States agencies. Every contract shall specify that the land occupier is liable for monetary damages, not to exceed the amount of financial assistance he received from the district, if he fails to timely complete or maintain the systems or practices as specified in the contract. A land occupier or any state agency may provide the cost-sharing portion of the contract through in-kind services.

Subd. 3. The state board shall promulgate rules specifying the procedures and criteria for allocating funds to districts for cost-sharing contracts. The rules shall also include standards and guidelines which the districts shall include in all cost-sharing contracts. The state board may for the purpose of implementing this section exercise emergency power and adopt emergency rules pursuant to section 15.0412, subdivision 5. No emergency rules may be adopted by the state board pursuant to this subdivision after

July 1, 1978.

Subd. 4. Before November 15, 1978, the state board shall submit a report to the legislature, as provided in section 3.195, concerning the status of cost-sharing contract programs authorized by this section.

Sec. 10. Minnesota Statutes 1976, Section 40.07, Subdivision 1, is amended to read:

40.07 POWERS OF DISTRICT BOARDS. Subdivision 1. A soil and water conservation district organized under the provisions of this chapter shall constitute a governmental and political subdivision of this state, and a public body, corporate and politic, excreasing public powers; and the district; and the supervisors thereof, shall have the following powers prescribed in this section; in addition to those otherwise prescribed by law.

Sec. 11. Minnesota Statutes 1976, Section 40.07, Subdivision 2, is amended to read:

Subd. 2. A district may conduct surveys, investigations, and research relating to the character of soil erosion and the preventive and control measures needed, publish the results of such surveys; investigations; or research, and disseminate information concerning such preventive and control measures; provided, however, that to identify the problems and preventive practices specified in section 40.02. In order to avoid duplication of research activities, no district shall initiate any research program except in cooperation with the government of the a state or any of its agencies; agency or with an agency of the United States or any of its agencies. A district may publish its comprehensive plan and the results of its surveys, investigations, and research and may disseminate information to the public concerning any of its activities.

Sec. 12. Minnesota Statutes 1976, Section 40.07, Subdivision 3, is amended to read:

Subd. 3. A district may conduct demonstration projects within the district on lands owned or controlled <u>administered</u> by this <u>a</u> state or any of its <u>agencies</u> <u>agency</u>, with the cooperation of the <u>administering</u> agency in control thereof, and on any other lands within the <u>district</u> with the consent of the owner or <u>land</u> occupier in control thereof, in order to demonstrate by example the means, methods, and measures for conservation of soil and water resources, for proper drainage, for the prevention and control of floods and pollution and for the prevention and control of soil erosion practices which implement the state policy specified in section 40.02.

Sec. 13. Minnesota Statutes 1976, Section 40.07, Subdivision 4, is amended to read:

Subd. 4. A district may earry out constructive, preventive, and control measures implement any necessary practices within the district, including but not limited to engineering operations, structural measures and works of improvement for any purpose specified in this section or in section 40.02, methods of cultivation, the growing use of vegetation, and changes in use of land, and the measures referred to in section 40.02, on lands acquired by the district, and on other lands owned or controlled administered by this a state or any of its agencies agency, with the cooperation of the administering

agency in control thereof, and on any other lands within the district, with the consent of the owner or land occupier in control thereof.

Sec. 14. Minnesota Statutes 1976, Section 40.07, Subdivision 5, is amended to read:

Subd. 5. A district may cooperate or enter into agreements with and, within the limits of available appropriations furnish financial or other aid to any land occupier or appropriate agency, governmental or otherwise, or any occupier of lands in the earrying on of erosion control and prevention operations and other measures for the purposes to implement the policy specified or referred to in this section or section 40.02 within the district, subject to such conditions as the supervisors may deem necessary to advance the purposes of this chapter.

Sec. 15. Minnesota Statutes 1976, Section 40.07, Subdivision 6, is amended to read:

Subd. 6. A district may obtain options upon and acquire any rights or interests in real or personal property by option, purchase, exchange, lease, gift, grant, bequest, devise, or otherwise any property, real or personal, or rights or interest therein. It may maintain, operate, administer, and improve any properties acquired, may receive income from such the properties and to expend such the income in carrying out the purposes and implementing the provisions of this chapter, and may sell, lease, or otherwise dispose of any of its property or interests therein in furtherance of the purposes and provisions of this chapter.

Sec. 16. Minnesota Statutes 1976, Section 40.07, Subdivision 7, is amended to read:

Subd. 7. A district may make available, on such terms as it shall prescribe, to land occupiers within the district, any agricultural and engineering machinery and equipment, fertilizer, seeds, and seedlings, and such other material or equipment as which will assist such land occupiers to earry on operations implement upon their lands for the conservation of soil and water resources, for the prevention and control of soil erosion or for any other purpose specified in this chapter, and acts amendatory thereof the practices specified in section 40.02.

Sec. 17. Minnesota Statutes 1976, Section 40.07, Subdivision 8, is amended to read:

Subd. 8. A district may construct, install, improve, maintain, and operate such any structures and works as may be necessary or convenient for the performance of any of the operations authorized in this chapter.

Sec. 18. Minnesota Statutes 1976, Section 40.07, Subdivision 9, is amended to read:

Subd. 9. A district may develop and revise a comprehensive plans for the conservation of soil and water resources and for the control and prevention of soil erosion within the district plan, specifying the measures and practices deemed necessary or desirable for the effectuation thereof to implement the state policy specified in section 40.02, including, without limitation, engineering operations, the construction, maintenance, and operation of works structural measures, methods of cultivation, the

growing use of vegetation, cropping programs, tillage mechanical practices, and changes in use of land, and may publish such plans and information and bring them to the attention of occupiers of lands within the district; and others concerned. Such plans shall be consistent with the state plan for water and related land resources and technical standards and specifications related thereto. The plan shall include a classification of the soil types within the district as determined by the Minnesota cooperative soil survey and the areas within the district where erosion, sedimentation and related water quality problems appear most in need of control methods. The plan shall be consistent with the statewide framework water resources plan, the statewide water quality management plan, and the state board's cost-sharing program plan.

Sec. 19. Minnesota Statutes 1976, Section 40.07, Subdivision 10, is amended to read:

Subd. 10. A district may take over by purchase, lease, or otherwise, and may improve, maintain, operate and administer any soil or water conservation, erosion-control, erosion-prevention, watershed protection, flood prevention or flood control project located within its boundaries undertaken by the United States or by this <u>a</u> state or any of their agencies; for or in connection with the acquisition, construction, operation, management or administration of any such project agency, may accept donations, gifts, grants, or contributions in money, services, materials, or otherwise from the United States or from this, any state or any of their agencies agency or from any other source, in order to accomplish the authorization in this section. A board may enter into any contract or agreement which may be necessary or appropriate for the purposes thereof, may comply with any applicable provisions of federal or state law to accomplish the transfer, and may use or expend such any moneys, services, materials, or other things in accordance with the applicable terms and conditions for to accomplish any authorized purpose of the district.

Sec. 20. Minnesota Statutes 1976, Section 40.07, Subdivision 11, is amended to read:

Subd. 11. A district may sue and be sued in the name of the district, have perpetual succession unless terminated as hereinafter provided, make and execute contracts and other instruments necessary or convenient to the exercise of its powers, and make, amend, or repeal rules and regulations not inconsistent with this chapter to earry into effect its purposes and powers.

Sec. 21. Minnesota Statutes 1976, Section 40.07, Subdivision 12, is amended to read:

Subd. 12. As a condition to the extending of any benefits under this chapter to or <u>for</u> the performance of work upon any lands not owned or controlled <u>administered</u> by this <u>a</u> state or any of its agencies <u>agency</u> or by the district, the supervisors may require compensation or contributions in money, services, materials, or otherwise commensurate with the cost or reasonable value of the operations or work conferring such the benefits.

Sec. 22. Minnesota Statutes 1976, Section 40.07, Subdivision 14, is amended to read:

Subd. 14. A district may submit any application and enter into any agreement or contract with the secretary of agriculture or other designated authority which may be necessary or appropriate for the purpose of obtaining or using federal assistance under the provisions of said Public Law 566, or any act amendatory thereof or supplementary thereto, or under any other law providing for federal assistance for any authorized purpose of the district, or for the construction, maintenance, and operation of works of improvement as defined in said act or amendatory act or other applicable federal law;, A district may acquire without cost to the federal government such any land, easements, or rights-of-way as will be needed in connection with works of improvement installed with federal assistance; may assume such the proportionate share of the cost of installing any works of improvement involving federal assistance as may be determined by the secretary or other designated authority to be equitable in consideration of anticipated benefits from such the improvements; may make arrangements satisfactory to the secretary or other authority for defraying costs of operating and maintaining such the works of improvement in accordance with prescribed regulations prescribed by secretary of agriculture; or other designated authority; may acquire or provide assurance that land owners occupiers have acquired such the water rights and other rights, pursuant to state law, as may be needed in the installation, maintenance, and operation of such the works of improvements improvement; may obtain agreements to carry out recommended soil and water conservation measures and proper prepare farm plans from for owners of not less than 50 percent or other required percentage of the lands situated in any drainage area above any retention reservoir which may be installed with federal assistance, all as prescribed in said Public Law 566 or amendatory act or other applicable federal law, and may do any and all other acts necessary to secure and use federal aid thereunder.

Sec. 23. The governor shall appoint to the soil and water conservation board one member from region six to serve as 13th member of the board until a member is appointed from region six pursuant to section 40.03, subdivision 1, at which time the appointment authorized by this section shall expire.

Sec. 24. APPROPRIATION. The sum of \$3,000,000 is appropriated from the general fund to the state soil and water conservation board to be available until June 30, 1979 for the purpose of initiating a cost-sharing program for erosion control and water quality improvement. Not more than ten percent of the total amount appropriated shall be utilized for administrative expenses of the state board and the district boards. In addition, not more than ten percent of the total amount appropriated may be used for technical services to plan erosion control and water quality systems. Notwithstanding any other provision to the contrary, the state board can allocate funds not to exceed one-half of the appropriation in this section to districts prior to the completion of a program plan pursuant to section 8 and a comprehensive plan pursuant to section 9.

Sec. 25. Minnesota Statutes 1976, Sections 40.005 and 40.07, Subdivision 13, are repealed.

Sec. 26. This act shall be effective the day following final enactment.

Approved May 27, 1977.