

the department of revenue and claimant agencies in identifying individuals who both owe a claimant agency money and qualify for a tax refund.

Sec. 2. Minnesota Statutes 1984, section 270A.03, subdivision 2, is amended to read:

Subd. 2. "Claimant agency" means any state agency, as defined by section 14.02, subdivision 2, the regents of the University of Minnesota, any district court of the state, any county, and any public agency responsible for child support enforcement.

Sec. 3. **EFFECTIVE DATE.**

Sections 1 and 2 are effective for refunds payable after July 31, 1985.

Approved May 24, 1985.

**CHAPTER 236 — S.F.No. 1219**

*An act relating to natural resources; making groundwater protection a watershed district purpose; establishing a procedure for increasing the number of watershed district managers; defining certain proceedings as contested cases; providing a procedure for noncontroversial proceedings; providing for appeals; permitting certain insurance; amending Minnesota Statutes 1984, sections 112.36, subdivision 2; 112.37, subdivision 1a; 112.401; 471.98, subdivision 2; and 473.882, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 112; repealing Minnesota Statutes 1984, section 112.37, subdivision 6.*

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

Section 1. Minnesota Statutes 1984, section 112.36, subdivision 2, is amended to read:

Subd. 2. **PURPOSES OF DISTRICT.** A watershed district may be established for any or all of the following conservation purposes:

- (1) Control or alleviation of damage by flood waters;
- (2) Improvement of stream channels for drainage, navigation, and any other public purpose;
- (3) Reclaiming or filling wet and overflowed lands;
- (4) Providing water supply for irrigation;
- (5) Regulating the flow of streams and conserving the waters thereof;
- (6) Diverting or changing watercourses in whole or in part;

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(7) Providing and conserving water supply for domestic, industrial, recreational, agricultural, or other public use;

(8) Providing for sanitation and public health and regulating the use of streams, ditches, or watercourses for the purpose of disposing of waste;

(9) Repair, improve, relocate, modify, consolidate, and abandon, in whole or in part, drainage systems within a watershed district;

(10) Imposition of preventive or remedial measures for the control or alleviation of land and soil erosion and siltation of watercourses or bodies of water affected thereby;

(11) Regulating improvements by riparian landowners of the beds, banks, and shores of lakes, streams, and marshes by permit or otherwise in order to preserve the same for beneficial use;

(12) Providing for the generation of hydroelectric power; and

(13) Protecting or enhancing the quality of water in watercourses or bodies of water; and

(14) providing for the protection of groundwater and regulating groundwater use to preserve groundwater for beneficial use.

Sec. 2. Minnesota Statutes 1984, section 112.37, subdivision 1a, is amended to read:

Subd. 1a. The nominating petition shall set forth the following:

(1) The name of the proposed district and a statement in general terms setting forth the territory to be included in the district;

(2) The necessity for the district, the contemplated improvements within the district, and the reasons why the district and the contemplated improvements would be conducive to public health and public welfare, or accomplish any of the purposes of this chapter;

(3) The number of managers proposed for the district. ~~Except as otherwise provided in subdivisions 6 and 7, the managers shall be not less than three nor more than five~~ nine, and shall be selected from a list of ~~at least ten~~ nominees containing at least twice the number of managers to be selected. No manager shall be a public officer of the county, state, or federal government, provided that a soil and water conservation supervisor may be a manager;

(4) A map of the proposed district; and,

(5) A request for the establishment of the district as proposed.

Sec. 3. Minnesota Statutes 1984, section 112.401, is amended to read:

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112.401 **BOARD HEARINGS; REFERENCE.**

**Subdivision 1. PROCEDURE.** In any proceeding under this chapter, where a public hearing is required, (a) A rulemaking hearing shall be conducted under chapter 14.

(b) A hearing must be conducted as a contested case under the provisions of chapter 14 if the hearing is:

- (1) in a proceeding to establish or terminate a watershed district; or
- (2) of an appeal under section 112.801.

(c) Notwithstanding chapter 14, other hearings under this chapter, except hearings under paragraphs (a) and (b), shall be conducted by the board under this section. The board may refer any question of fact the hearing to a member one or more members of the board or referee either to hear evidence and report it to the board, or an administrative law judge to hear evidence and make findings of fact and report them to the board.

**Subd. 2. PROCEDURE FOR NONCONTROVERSIAL PLANS OR PETITIONS.** (a) If the board finds that a watershed plan or petition that would be given a hearing under subdivision 1, paragraph (c), is noncontroversial, the board may proceed under this subdivision.

(b) The board must give notice that the plan or petition has been filed. The notice must be made:

(1) by publication once each week for two successive weeks in a legal newspaper in each county affected;

(2) by mail to the county auditor of each county affected; and

(3) by mail to the chief official of each home rule charter and statutory city affected.

(c) The notice:

(1) must describe the actions proposed by the plan or petition;

(2) invite written comments on the plan or petition for consideration by the board;

(3) state that a person who objects to the actions proposed in the plan or petition may submit a written request for hearing to the board within 30 days of the last publication of the notice of filing of the plan or petition; and

(4) state that if a timely request for hearing is not received, the board may make a decision on the plan or petition at a future meeting of the board.

(d) If one or more timely requests for hearing are received, the board must hold a hearing on the plan or petition.

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Subd. 3. APPEAL. A party that is aggrieved by the decision made by the order of the board may appeal the order to the district court.

**Sec. 4. [112.421] PROCEDURE FOR INCREASING NUMBER OF MANAGERS.**

Subdivision 1. PETITION AND NOTICE. A petition must be filed with the secretary of the board to initiate proceedings to increase the number of managers of a watershed district. The petition must be signed as provided in section 112.37, subdivision 1, or signed by the board of managers of the watershed district. When the petition is filed, the board shall order a hearing to be held on the petition. Notice of hearing must be given in the same manner as a nominating petition.

Subd. 2. HEARING. If the board determines at the hearing that an increase in the number of managers would serve the public welfare, public interest, and the purpose of this chapter, the board shall increase the number of managers. If the district affects more than one county, the board, by order, shall direct the distribution of the managers among the affected counties.

Sec. 5. Minnesota Statutes 1984, section 471.98, subdivision 2, is amended to read:

Subd. 2. "Political subdivision" includes a statutory or home rule charter city, a county ~~or~~, a town, a watershed management organization as defined in section 473.876, subdivision 9, or an instrumentality thereof having independent policy making and appropriating authority. For the purposes of sections 471.98 and 471.981, the governing body of a town is the town board.

Sec. 6. Minnesota Statutes 1984, section 473.882, subdivision 1, is amended to read:

**Subdivision 1. WATERSHED MANAGEMENT TAX DISTRICT.** Any local government unit planning for water management under sections 473.878 and 473.879 may establish a watershed management tax district in the territory within the watershed, for the purpose of paying the costs of the planning required under sections 473.878 and 473.879. Any local government unit which has part of its territory within a watershed for which a plan has been adopted in accordance with section 473.878 and which has a local water management plan adopted in accordance with section 473.879 may establish a watershed management tax district in the territory within the watershed, for the purpose of paying capital costs of the water management facilities described in the capital improvement program of the plans and for the purpose of paying for normal and routine maintenance of the facilities. A county or counties required by section 473.878, subdivision 2, to prepare, adopt, and implement a watershed plan ~~may~~ shall apportion the costs of planning, capital improvements, and maintenance proportionate to benefits. The county may apportion the costs among the minor watershed units in the watershed, or among the statutory and home rule charter

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cities and towns having territory in the watershed, and for this purpose may establish more than one watershed management tax district in the watershed.

**Sec. 7. REPEALER.**

Minnesota Statutes 1984, section 112.37, subdivision 6, is repealed.

Approved May 24, 1985

**CHAPTER 237 — S.F.No. 1225**

*An act relating to agriculture; exempting manufactured home parks and recreational camping areas from food handling licenses; regulating organic foods; amending Minnesota Statutes 1984, section 28A.15, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 31.*

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

Section 1. Minnesota Statutes 1984, section 28A.15, subdivision 5, is amended to read:

Subd. 5. Persons whose principal mode of business is licensed under section 157.03 or 327.15; provided that the holding of any license pursuant to section 157.03 or 327.15 shall not exempt any person from the applicable requirements of the laws and regulations administered by the commissioner, as they relate to composition, standards of identity, adulteration, labeling or misbranding of food.

**Sec. 2. LEGISLATIVE FINDINGS.**

The legislature recognizes a public benefit in establishing standards for food products marketed and labeled using the term "organic" or a derivative of the term "organic." These standards will also facilitate the development of out-of-state markets for Minnesota food grown by organic methods.

**Sec. 3. [31.92] DEFINITIONS.**

Subdivision 1. SCOPE. As used in sections 3 to 5, the terms defined in this section have the meanings given.

Subd. 2. DEPARTMENT. "Department" means the department of agriculture.

Subd. 3. ORGANIC FOOD. "Organic food" means any food product, including meat, dairy, and beverage, that is marketed using the term "organic" or any derivative of "organic" in its labeling or advertising.

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