

Sec. 6. EFFECTIVE DATE.

Subdivision 1. GENERALLY. Sections 2 to 5 are effective the day after enactment except as provided in subdivisions 2 and 3.

Subd. 2. COMPUTERIZED FILING SYSTEM. The computerized filing system under section 2 must be implemented by the secretary of state and operational by November 1, 1988, and the provisions of section 2 relating to the computerized filing system are effective on the date that the secretary of state notifies the public and the filing officers that the computerized filing system is operational. The secretary of state must give notice of the system being operational at least 30 days before the operational date.

Subd. 3. FILING AND SEARCH SURCHARGE. The filing and search fee surcharge under section 4, paragraph (b), is effective for filings and search requests made on or after July 1, 1987.

Approved June 2, 1987

CHAPTER 357—S.F.No. 841

An act relating to natural resources; conservation reserve program; definitions, eligibility for inclusion, applications, agreements, payments, and other terms and conditions; establishing a native prairie bank program; appropriating funds; amending and changing requirements for the waterbank programs; amending Minnesota Statutes 1986, sections 40.41; 40.42, subdivision 5, and by adding subdivisions; 40.43, subdivisions 2, 3, 5, 6, and 7; 40.44, subdivisions 2 and 3; 40.45; 84.943, subdivisions 1, 3, and 5; 84.944, subdivision 1; 84.95, subdivision 2 and by adding a subdivision; 105.391, subdivision 3; and 105.392, subdivisions 1, 2, 3, 4, 5, and 6; proposing coding for new law in Minnesota Statutes, chapter 84.

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

Section 1. Minnesota Statutes 1986, section 40.41, is amended to read:

40.41 PURPOSE AND POLICY.

It is the purposes of sections 40.41 to 40.45 to keep certain marginal agricultural land out of crop production ~~or pasture~~ to protect soil and water quality and support fish and wildlife habitat. It is state policy to encourage the retirement of marginal, highly erodible land, particularly land adjacent to public waters and drainage systems, from crop production and to reestablish a cover of perennial vegetation.

Sec. 2. Minnesota Statutes 1986, section 40.42, subdivision 5, is amended to read:

Subd. 5. **LANDOWNER.** "Landowner" means a ~~Minnesota resident who owns or is a buyer under a contract for deed;~~ of land that qualifies as a family.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

~~farm, a family farm corporation or an authorized farm corporation under section 500.24, subdivision 2 individuals, family farms, family farm corporations as defined under section 500.24, subdivision 2, paragraph (c), and authorized farm corporations as defined under section 500.24, subdivision 2, paragraph (d), which either own eligible land or are purchasing eligible land under a contract for deed.~~

Sec. 3. Minnesota Statutes 1986, section 40.42, is amended by adding a subdivision to read:

Subd. 7. WETLAND. "Wetland" means land that has a predominance of hydric soils and that is inundated or saturated by surface or groundwater at a frequency and duration sufficient to support, or that periodically does support, a predominance of hydrophytic vegetation typically adapted for life in saturated soil conditions.

Sec. 4. Minnesota Statutes 1986, section 40.42, is amended by adding a subdivision to read:

Subd. 8. WINDBREAK. "Windbreak" means a strip or belt of trees, shrubs, or grass barriers at least six rows deep and within 300 feet of the right-of-way of a highway.

Sec. 5. Minnesota Statutes 1986, section 40.43, subdivision 2, is amended to read:

Subd. 2. **ELIGIBLE LAND.** Land may be placed in the conservation reserve program if the land:

(1) is marginal agricultural land, or is adjacent to marginal agricultural land and is either beneficial to resource protection or necessary for efficient recording of the land description, or consists of a drained wetland, or is land that with a windbreak would be beneficial to resource protection. Cropland adjacent to the restored wetland may also be enrolled to the extent of up to four acres of cropland for each acre of wetland restored;

(2) was owned by the ~~applicant~~ landowner on January 1, 1985, or ~~for an application made on or after January 1, 1988,~~ was owned by the applicant landowner, or a parent or other blood relative of the landowner, for at least three years before the date of application;

(3) is at least five acres in size, except for a windbreak, or is a whole field as defined by the United States Agricultural Stabilization and Conservation Services;

(4) is not set aside, enrolled or diverted under another federal or state government program; and

(5) was in agricultural crop production ~~or pasture~~ for at least two years during the period 1981 to 1985.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

The eligible enrolled land of a landowner may not exceed 20 percent of the landowner's total agricultural land acreage in the state, if the landowner owns at least 200 acres of agricultural land as defined by section 500.24, subdivision 2. If a landowner owns less than 200 acres of agricultural land the amount that may be enrolled in the conservation reserve is:

(a) all agricultural land owned, if 20 acres or less; or

(b) if the total agricultural land owned is more than 20 acres but less than 200 acres, 20 acres plus ten percent of the balance of the agricultural land.

In selecting land for enrollment in the program, highest priority must be given to permanent easements that are consistent with the purposes stated in section 40.41.

Sec. 6. Minnesota Statutes 1986, section 40.43, subdivision 3, is amended to read:

Subd. 3. **CONSERVATION EASEMENTS.** The commissioner may acquire conservation easements on eligible land. An easement may be permanent or of limited duration. An easement of limited duration may not be acquired if it is for a period less than ~~ten~~ 20 years. The negotiation and acquisition of easements authorized by this section are exempt from the contractual provisions of chapter 16B.

Sec. 7. Minnesota Statutes 1986, section 40.43, subdivision 5, is amended to read:

Subd. 5. **AGREEMENTS BY LANDOWNER.** The commissioner may enroll eligible land in the conservation reserve program by signing an agreement in recordable form with a landowner in which the landowner agrees:

(1) to convey to the state a conservation easement that is not subject to any prior title, lien, or encumbrance;

(2) to seed the land subject to the conservation easement, as specified in the agreement, to establish and maintain perennial cover of either a grass-legume mixture or native grasses for the term of the easement, at seeding rates determined by the commissioner; or to plant trees or carry out other long-term capital improvements approved by the commissioner for soil and water conservation or wildlife management;

(3) to restore any drained wetland and to convey to the state a permanent easement for the wetland;

(4) that other land supporting natural vegetation owned or leased as part of the same farm operation during at the term of the easement time of application, if it supports natural vegetation or has not been used in agricultural crop production ~~or pasture,~~ will not be converted to agricultural crop production or pasture; ~~and~~

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

(4) (5) to the enforcement of the terms of the easement and agreements in this subdivision by an action for specific performance, a mandatory injunction, or for damages in an amount not to exceed the total amount paid by the state to the landowner under subdivision 6, with interest from the date of each default under the agreement; and

(6) that the easement duration may be lengthened through mutual agreement with the commissioners of agriculture and natural resources if they determine that the changes effectuate the purpose of the program or to facilitate its administration.

Sec. 8. Minnesota Statutes 1986, section 40.43, subdivision 6, is amended to read:

Subd. 6. **PAYMENTS FOR CONSERVATION EASEMENTS AND ESTABLISHMENT OF COVER.** The commissioner must make the following payments to the landowner for the conservation easement and agreement:

(1) to establish the perennial cover or other improvements required by the agreement, up to 75 percent of the total eligible cost not to exceed \$75 per acre for limited duration easements, and 100 percent of the total eligible cost not to exceed \$100 per acre for perpetual easements;

(2) for the cost of planting trees required by the agreement, up to \$75 75 percent of the total eligible cost not to exceed \$200 per acre for limited duration easements, and 100 percent of the total eligible cost not to exceed \$300 per acre for perpetual easements;

(3) for a permanent easement, 70 percent of the township average equalized estimated market value of agricultural property as established by the commissioner of revenue at the time ~~the~~ of easement is conveyed application; and

(4) for an easement of limited duration, 90 percent of the present value of the average of the ~~acceptable~~ accepted bids for the federal conservation reserve program, as contained in Public Law Number 99-198, in the relevant geographic area and on bids ~~made immediately prior to when~~ accepted at the time of easement is conveyed. If federal bid figures have not been determined for the area, or the federal program has been discontinued, the rate paid shall applica- tion; or

(5) an alternative payment system for easements based on cash rent or a similar system as may be determined by the commissioner.

The commissioner may not pay more than \$50,000 to a landowner for all the landowner's conservation easements and agreements.

Sec. 9. Minnesota Statutes 1986, section 40.43, subdivision 7, is amended to read:

Subd. 7. **EASEMENT RENEWAL.** When a conservation easement of lim-

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

ited duration expires, a new conservation easement and agreement for an additional period of ~~ten~~ not less than 20 years may be acquired by agreement of the commissioner and the landowner, under the terms of this section. The commissioner may adjust payment rates as a result of renewing an agreement and conservation easement only after examining the condition of the established cover, conservation practices, and land values.

Sec. 10. Minnesota Statutes 1986, section 40.44, subdivision 2, is amended to read:

Subd. 2. **TECHNICAL ASSISTANCE.** The commissioners of agriculture and natural resources must provide necessary technical assistance to landowners enrolled in the conservation reserve program. The commissioner of natural resources must provide technical advice and assistance to the commissioner on (1) the form and content of the conservation easement and agreement; and ~~and~~ (2) forestry and agronomic practices; and (3) hydrologic and hydraulic design relating to the establishment and maintenance of permanent cover, or other conservation improvements. The commissioner of transportation must provide technical advice and assistance to the commissioners of agriculture and natural resources on the planting of windbreaks adjacent to highways. The commissioners of agriculture and natural resources shall jointly prepare an informational booklet on the conservation reserve program and other state and federal programs for land acquisition, conservation, and retirement to be made available to eligible landowners and the general public.

Sec. 11. Minnesota Statutes 1986, section 40.44, subdivision 3, is amended to read:

Subd. 3. **SUPPLEMENTAL CONSERVATION PAYMENTS.** The commissioner may supplement ~~cost-share~~ payments made under ~~other~~ federal land retirement programs; ~~up to \$75 an acre~~; to the extent of available appropriations other than bond proceeds. The supplemental ~~cost-share~~ payments must be used to establish perennial cover on land enrolled or increase payments for land enrollment in programs approved by the commissioner, including the federal conservation reserve program and federal and state waterbank ~~programs~~ program.

Sec. 12. Minnesota Statutes 1986, section 40.45, is amended to read:

40.45 RULEMAKING.

The commissioner ~~shall~~ may adopt emergency rules ~~and is authorized to adopt to implement this act.~~ The emergency rules in order to implement sections 40.41 to 40.45 adopted on August 27, 1986, shall remain in effect until December 31, 1987, or until amended or replaced by emergency or permanent rules. The rules must include standards for tree planting so that planting does not conflict with existing electrical lines, telephone lines, rights-of-way, or drainage ditches.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Sec. 13. Minnesota Statutes 1986, section 84.943, subdivision 1, is amended to read:

Subdivision 1. **ESTABLISHMENT.** The Minnesota critical habitat private sector matching account is established as a separate account in the ~~state treasury~~ reinvest in Minnesota resources fund established under section 84.95. The account shall be administered by the commissioner of natural resources as provided in this section.

Sec. 14. Minnesota Statutes 1986, section 84.943, subdivision 3, is amended to read:

Subd. 3. **APPROPRIATIONS MUST BE MATCHED BY PRIVATE FUNDS.** Appropriations transferred to the critical habitat private sector matching account may be expended only to the extent that they are matched equally with contributions to the account from private sources or by funds contributed to the nongame wildlife management account. The private contributions may be made in cash or in contributions of land or interests in land that are designated by the commissioner of natural resources as program acquisitions. Appropriations transferred to the account that are not matched within three years from the date of the appropriation shall cancel to the source of the appropriation. For the purposes of this section, the private contributions of land or interests in land shall be valued in accordance with their appraised value.

Sec. 15. Minnesota Statutes 1986, section 84.943, subdivision 5, is amended to read:

Subd. 5. **PLEDGES AND CONTRIBUTIONS.** The commissioner of natural resources may accept contributions and pledges to the critical habitat private sector matching account. A pledge that is made contingent on an appropriation is acceptable and shall be reported with other pledges as required in this section. In the budget request for each biennium, the commissioner shall report the balance of contributions in the account and the amount that has been pledged for payment in the succeeding two calendar years.

Money in the account ~~may be expended~~ is appropriated to the commissioner of natural resources only for the direct acquisition or improvement of land or interests in land as provided in section 84.944. To the extent of available appropriations other than bond proceeds, the money matched to the nongame wildlife management account may be used for the management of nongame wildlife projects as specified in section 290.431. Acquisition includes: (1) purchase of land or an interest in land by the commissioner; or (2) acceptance by the commissioner of gifts of land or interests in land as program projects.

Sec. 16. Minnesota Statutes 1986, section 84.944, subdivision 1, is amended to read:

Subdivision 1. **ACQUISITION CONSIDERATIONS.** In determining what critical natural habitat shall be acquired or improved, the commissioner shall consider:

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

(1) the significance of the land or water as existing or potential habitat for fish and wildlife and providing fish and wildlife oriented recreation;

(2) the significance of the land, water, or habitat improvement to maintain or enhance native plant, fish, or wildlife species designated as endangered or threatened under section 97.488;

(3) the presence of native ecological communities that are now uncommon or diminishing; and

(4) the significance of the land, water or habitat improvement to protect or enhance natural features within or contiguous to natural areas including fish spawning areas, wildlife management areas, scientific and natural areas, riparian habitat and fish and wildlife management projects.

Based on the above clauses, the commissioner by order promulgated under section 97A.051, subdivision 3, must establish a process to prioritize what critical habitat shall be acquired or improved.

Sec. 17. Minnesota Statutes 1986, section 84.95, subdivision 2, is amended to read:

Subd. 2. **PURPOSES AND EXPENDITURES.** Money from the reinvest in Minnesota resources fund may only be spent for the following fish and wildlife conservation enhancement purposes:

(1) development and implementation of the comprehensive fish and wildlife management plan under section 84.942;

(2) implementation of the conservation reserve program established by section 40.43;

(3) soil and water conservation practices to improve water quality, reduce soil erosion and crop surpluses;

(4) enhancement of fish and wildlife habitat on lakes, streams, wetlands, and public and private forest lands;

(5) acquisition and development of public access sites and recreation easements to lakes, streams, and rivers for fish and wildlife oriented recreation;

(6) matching funds with government agencies, federally recognized Indian tribes and bands, and the private sector for acquisition and improvement of fish and wildlife habitat;

(7) research and surveys of fish and wildlife species and habitat;

(8) enforcement of natural resource laws and rules;

(9) information and education;

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

- (10) implementing the aspen recycling program under section 88.80; and
- (11) necessary support services to carry out these purposes.

Sec. 18. Minnesota Statutes 1986, section 84.95, is amended by adding a subdivision to read:

Subd. 3. WORK PLAN. By February 1 of each year the commissioner of natural resources, in consultation with the commissioner of agriculture, must present a written work plan for expenditure of money from the reinvest in Minnesota resources fund for the next fiscal year to the senate and house committees on agriculture and environment and natural resources for their review and comment. Any recommendations to the commissioners by the committees must be returned to the commissioners by March 15. By April 30 of each year the commissioner must make the work plan, with any revisions, available to the public for comment. In so doing, the commissioner must hold at least three public meetings to inform the public of the work plan; one meeting to be held in the Twin Cities metropolitan area, the others at non-Twin Cities locations, one each in northern and southern Minnesota. By January 15 of each year, the commissioner must prepare a written progress report on projects undertaken and money encumbered during the fiscal year just ended, and must transmit the report to the above committees and make the report available to the public.

Sec. 19. [84.96] NATIVE PRAIRIE BANK.

Subdivision 1. ESTABLISHMENT. The commissioner shall establish a native prairie bank, determine where native prairie land is located in the state, and prescribe eligibility requirements for inclusion of land in the native prairie bank.

Subd. 2. DEFINITION. For the purposes of this section, "native prairie" means land that has never been plowed, with less than ten percent tree cover and with predominantly native prairie vegetation.

Subd. 3. EASEMENT ACQUISITION. (a) The commissioner may acquire native prairie for conservation purposes by entering into easements with landowners. The easements must be conservation easements as defined in section 84C.01, clause (1), except the easements may be made possessory as well as nonpossessory if agreed upon by the landowner and the commissioner.

(b) The easements may be permanent or of limited duration. Highest priority must be given to permanent easements consistent with the purposes of this section. Easements of limited duration must be for at least 20 years, with provision for renewal for at least another 20-year period. For easements of limited duration, the commissioner may reexamine and adjust the payment rates at the beginning of any renewal period after considering current land and crop values.

Subd. 4. EASEMENT AGREEMENT. (a) In the easement between the commissioner and an owner, the owner must agree:

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

(1) to place in the program for the period of the easement eligible native prairie areas designated by the owner, including prairie covered by a federal or state easement that allows agricultural use and desirable land adjacent to the prairie as determined by the commissioner;

(2) not to alter the native prairie by plowing, heavy grazing, seeding to nonnative grasses or legumes, spraying with large amounts of herbicides, or otherwise destroying the native prairie character of the easement area, except mowing the native prairie tract for wild hay may qualify for easement as determined by the commissioner;

(3) to implement the native prairie conservation and development plan as provided in the easement agreement, unless a requirement in the easement agreement is waived or modified by the commissioner;

(4) to forfeit all rights to further payments under the terms of the easement and to refund to the state all payments received under the easement if the easement is violated at any time when the owner has control of the land subject to the easement, if the commissioner determines that the violation warrants termination of the easement, or if the commissioner determines that the violation does not warrant termination of the easement, the commissioner may determine refunds or payment adjustments to be paid by the commissioner;

(5) not to adopt a practice specified by the commissioner in the easement as a practice that would tend to defeat the purposes of the easement; and

(6) to additional provisions included in the easement that the commissioner determines are desirable.

(b) In return for the easement of the owner, the commissioner shall make payments as provided in subdivision 5 and may provide advice on conservation and development practices on the native prairie in the easement and adjacent areas.

Subd. 5. PAYMENTS. (a) The commissioner must make payments to the landowner under this subdivision for the easement.

(b) For a permanent easement, the commissioner must pay 50 percent of the average equalized estimated market value of cropland in the township as established by the commissioner of revenue for the time period when the application is made.

(c) For an easement of limited duration, the landowner shall receive a lump sum payment equal to the present value of the annual payments for the term of the easement based on 50 percent of the mean adjusted cash rental for cropland in the county as established by the commissioner of revenue for the time period when the application is made.

(d) To maintain and protect native prairies, the commissioner may enter into easements that allow selected agricultural practices. Payment must be

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

based on paragraph (b) or (c) but may be reduced due to the agricultural practices allowed after negotiation with the landowner.

Subd. 6. RENEWAL. A limited-term easement may be converted to a permanent easement or renewed at the end of the easement period by mutual agreement of the commissioner and the owner, subject to any rate redetermination by the commissioner.

Subd. 7. EASEMENT RUNS WITH LAND. If during the easement period the owner sells or otherwise disposes of the ownership or right of occupancy of the land, the new owner must continue the easement under the same terms or conditions.

Subd. 8. MODIFICATION AND TERMINATION BY AGREEMENT. The commissioner may terminate an easement by mutual agreement with the owner if the commissioner determines that the termination would be in the public interest. The commissioner may agree to modifications of agreements if the commissioner determines the modification is desirable to implement the native prairie program.

Subd. 9. RULES. The commissioner of natural resources may adopt rules that include the procedures and payment rates to implement this section.

Sec. 20. Minnesota Statutes 1986, section 105.391, subdivision 3, is amended to read:

Subd. 3. Except as provided below, no public waters or wetlands shall be drained, and no permit authorizing drainage of public waters or wetlands shall be issued, unless the public waters or wetlands being drained are replaced by public waters or wetlands ~~which~~ that will have equal or greater public value. ~~However, after a state waterbank program has been established, Wetlands which are eligible for inclusion in that program, the drainage of which is lawful, feasible, and practical and would provide high quality cropland and that is the projected land use, as determined by the commissioner, may be drained without a permit and without replacement of wetlands of equal or greater public value if the commissioner does not elect, within 60 days of the receipt of an application for a permit to drain the wetlands, to either (1) place the wetlands in the state waterbank program under section 105.392, or (2) acquire it in fee pursuant to section 97A.145; or (3) indemnify the landowner through any other appropriate means; including but not limited to conservation restrictions, easements, leases; or any applicable federal program.~~ The applicant, if not offered a choice of the above alternatives, is entitled to drain the wetlands involved.

In addition, the owner or owners of lands underlying wetlands situated on privately owned lands may apply to the commissioner for a permit to drain the wetlands at any time after the expiration of ten years following the original designation thereof. Upon receipt of an application, the commissioner shall review the current status and conditions of the wetlands. If the commissioner finds that the current status or conditions are such that it appears likely that the

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

economic or other benefits from agricultural use to the owner or owners which would result from drainage would exceed the public benefits of maintaining the wetlands, the commissioner shall grant the application and issue a drainage permit. If the application is denied, no additional application shall be made until the expiration of an additional ten years.

Sec. 21. Minnesota Statutes 1986, section 105.392, subdivision 1, is amended to read:

Subdivision 1. The legislature finds that it is in the public interest to preserve the wetlands of the state and thereby to conserve surface waters, ~~to~~ maintain and improve water quality, preserve wildlife habitat, ~~to~~ reduce runoff, ~~to~~ provide for floodwater retention, ~~to~~ reduce stream sedimentation, ~~to~~ contribute to improved subsurface moisture, ~~to~~ enhance the natural beauty of the landscape, and ~~to~~ promote comprehensive and total water management planning. Therefore, the commissioner of natural resources is authorized to promulgate rules, which shall include the procedures and payment rates designed to effectuate the terms of this section. ~~This program is intended to supplement and complement the federal water bank program and the payment rates established shall be at least equal to the federal rates existing at the time any agreements are entered into.~~

Sec. 22. Minnesota Statutes 1986, section 105.392, subdivision 2, is amended to read:

Subd. 2. For the conservation of wetlands, whether or not included in the definition contained in section 105.37, subdivision 15, the commissioner shall have authority to may acquire wetlands in fee pursuant to section 97A.145, or may enter into easement agreements with landowners for the conservation of wetlands and other waters. These easement agreements shall be conservation easements, as defined in section 84C.01, paragraph (1), but, in addition, may be made possessory as well as nonpossessory if agreed upon by the landowner and the commissioner. These agreements easements shall be entered into for a period of ten not less than 20 years, with provision for renewal for additional ten year not less than 20-year periods, or the agreements may provide that the easement will be permanent in duration. Highest priority must be given to the selection of permanent easements. The commissioner may reexamine the payment rates at the beginning of any ~~ten year~~ 20-year renewal period ~~in the light of the then giving consideration to~~ current land and crop values and make needed adjustments in rates for any renewal period.

Wetlands eligible for inclusion in the waterbank program shall have all the following characteristics as determined by the commissioner: (a) type 3, 4, or 5 as defined in United States Fish and Wildlife Service Circular No. 39 (1971 edition); (b) its drainage is lawful, feasible, and practical; and (c) its drainage would provide high quality cropland and that is the projected land use. Waters which have the foregoing characteristics but are less than ten acres in size in unincorporated areas or less than 2-1/2 acres in size in incorporated areas shall

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

also be eligible for inclusion in the waterbank program, at the discretion of the commissioner.

Sec. 23. Minnesota Statutes 1986, section 105.392, subdivision 3, is amended to read:

Subd. 3. In the agreement easement between the commissioner and an owner, the owner shall agree:

(1) to place in the program for the period of the agreement eligible wetland areas the owner designates, which areas may include wetlands covered by a federal or state government easement ~~which that~~ that permits agricultural use, together with such adjacent areas as determined desirable by the commissioner;

(2) not to drain, burn, fill, or otherwise destroy the wetland character of such areas, nor to use such areas for agricultural purposes, as determined by the commissioner;

(3) to effectuate the wetland conservation and development plan for the land in accordance with the terms of the agreement, unless any requirement thereof is waived or modified by the commissioner;

(4) to forfeit all rights to further payments or grants under the agreement and to refund to the state all payments or grants received thereunder upon violating the agreement at any stage during the time the owner has control of the land subject to the agreement if the commissioner determines that the violation is of such a nature as to warrant termination of the agreement, or to make refunds or accept such payment adjustments as the commissioner may deem appropriate if the commissioner determines that the violation by the owner does not warrant termination of the agreement;

~~(5) upon transfer of right and interest in the land subject to the agreement during the agreement period, to forfeit all rights to further payments or grants under the agreement and refund to the state all payments or grants received thereunder during the year of the transfer unless the transferee of any such land agrees with the commissioner to assume all obligations of the agreement;~~

~~(6) not to adopt any practice specified by the commissioner in the agreement easement as a practice which would tend to defeat the purposes of the agreement easement; and~~

~~(7)~~ (6) to additional provisions which the commissioner determines are desirable and includes in the agreement easement to effectuate the purposes of the program or to facilitate its administration.

Sec. 24. Minnesota Statutes 1986, section 105.392, subdivision 4, is amended to read:

Subd. 4. In return for the agreement easement of the owner, the commissioner shall ~~(1) make an annual payment to the owner for the period of the~~

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

agreement at the rate as the commissioner determines to be fair and reasonable in consideration of the obligations undertaken by the owner; and (2) must provide advice on conservation and development practices on the wetlands and adjacent areas for the purposes of this section as the commissioner determines to be appropriate. In making the determination, the commissioner shall consider, among other things, the rate of compensation necessary to encourage owners of wetlands to participate in the waterbank program. The commissioner must make the following payments to the landowner for the easement: (1) for a permanent easement, 50 percent of the average equalized estimated market value of cropland in the township as established by the commissioner of revenue for the time period when the application is made; (2) for an easement of limited duration, a lump sum payment equal to the present value of the annual payments for the term of the easement based on 50 percent of the mean adjusted cash rental for cropland in the county as established by the commissioner of revenue for the time period when the application is made.

Sec. 25. Minnesota Statutes 1986, section 105.392, subdivision 5, is amended to read:

Subd. 5. Any agreement A limited-term easement may be converted to a permanent easement or renewed or extended at the end of the agreement easement period for an additional period of ~~ten~~ 20 years by mutual agreement of the commissioner and the owner, subject to any rate redetermination by the commissioner. If during the agreement easement period the owner sells or otherwise disposes of the ownership or right of occupancy of the land, the new owner may must continue such agreement the easement under the same terms or conditions, or enter into a new agreement in accordance with the provisions of this section, including the provisions for renewal and adjustment of payment rates, or may choose not to participate in the program, except any water designated as wetlands shall not be drained.

Sec. 26. Minnesota Statutes 1986, section 105.392, subdivision 6, is amended to read:

Subd. 6. The commissioner may terminate any ~~agreement easement~~ by mutual agreement with the owner if the commissioner determines that the termination would be in the public interest, and may agree to any modification of agreements the commissioner may determine to be desirable to carry out the purposes of the program or facilitate its administration.

Sec. 27. APPROPRIATION.

Subdivision 1. COMMISSIONER OF AGRICULTURE. \$1,800,000 is appropriated from the general fund to the commissioner of agriculture for technical services and implementation of the conservation reserve program, to be available until June 30, 1989. \$1,500,000 of this appropriation must be distributed to soil and water conservation districts. The approved complement of the department of agriculture is increased by three positions in the classified service.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Subd. 2. COMMISSIONER OF NATURAL RESOURCES. \$1,200,000 is appropriated from the general fund to the commissioner of natural resources to implement components of the comprehensive fish and wildlife plan under Minnesota Statutes, section 84.942. \$480,000 of this appropriation is to assist both public and private landowners to improve wildlife habitat. The approved complement of the department of natural resources is increased by eight positions in the classified service.

Approved June 2, 1987

CHAPTER 358—S.F.No. 1516

An act relating to the organization and operation of state government; appropriating money for the department of transportation and other agencies with certain conditions; providing for regulation of certain activities and practices; requiring studies and reports; fixing and limiting fees; amending Minnesota Statutes 1986, sections 12.14; 17A.04, subdivision 5; 18.51, subdivision 2; 18.52, subdivision 5; 18.53; 27.041, subdivision 2; 27.07, by adding a subdivision; 28A.08; 32.075; 32.59; 40.01, subdivision 4; 40.03, subdivision 4; 40.035, subdivision 2; 40.21, subdivisions 1 and 3; 40.43, subdivision 1; 60A.14, subdivision 1; 60A.206, subdivision 2; 60A.23, subdivision 7; 70A.14, subdivision 4; 83.23, subdivisions 2 and 3; 83.30, subdivision 2; 105.73; 110B.02, subdivision 2; 112.35, subdivision 4; 116C.03, subdivision 2; 138.65; 138.91, by adding a subdivision; 144.226, subdivision 3; 171.02, subdivision 3; 171.06, subdivision 2; 296.17, subdivision 9a; 297B.09, subdivision 1; 299A.23, subdivision 3; 299A.26; 309.531, subdivision 1; 326.241, subdivision 3; 326.244, subdivision 2; 332.33, subdivisions 3 and 4; 473.39, subdivision 1a; 473.876, by adding a subdivision; 473.877, subdivision 2; 473.8771, subdivisions 1 and 2; 473.878, subdivisions 7 and 8; 611A.61, by adding a subdivision; 626.841; 626.846, by adding a subdivision; and 626.852; proposing coding for new law in Minnesota Statutes, chapters 110B and 626; proposing coding for new law as Minnesota Statutes, chapter 18B; repealing Minnesota Statutes 1986, sections 18A.21 to 18A.48; 40.03, subdivisions 1, 1a, 2, and 3; 105.71; 116C.40, subdivision 3; 116C.41, subdivision 2; 297B.09, subdivision 2; and 626.849.

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

Section 1. TRANSPORTATION AND OTHER AGENCIES; APPROPRIATIONS.

The sums shown in the columns marked "APPROPRIATIONS" are appropriated from the general fund, or another named fund, to the agencies and for the purposes specified in this act, to be available for the fiscal years indicated for each purpose. The figures "1987," "1988," and "1989," where used in this act, mean that the appropriation or appropriations listed under them are available for the year ending June 30, 1987, June 30, 1988, or June 30, 1989, respectively.

SUMMARY BY FUND

| | 1987 | 1988 | 1989 | TOTAL |
|---------|-------------|--------------|--------------|----------------|
| General | \$1,089,200 | \$89,791,000 | \$89,138,200 | \$ 180,018,400 |

Changes or additions are indicated by underline, deletions by ~~strikeout~~.