

(c) For purposes of Minnesota Statutes, section 469.177, subdivision 12, the applicable maximum duration limit of the district authorized by this section shall be as set forth in paragraph (a).

EFFECTIVE DATE. This section is effective upon compliance with the requirements of Minnesota Statutes, sections 469.1782 and 645.021.

Sec. 16. REPEALER.

Laws 1984, chapter 652, section 2, is repealed.

EFFECTIVE DATE. This section is effective for Benton county the day after the governing body of Benton county and its chief clerical officer timely complete their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

This section is effective for Stearns county the day after the governing body of Stearns county and its chief clerical officer timely complete their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Presented to the governor May 24, 2003

Signed by the governor May 25, 2003, 10:49 p.m.

CHAPTER 128—S.F.No. 905

An act relating to state government; appropriating money for environmental, natural resources, agricultural, economic development, and housing purposes; establishing and modifying certain programs; providing for regulation of certain activities and practices; providing for accounts, assessments, and fees; amending Minnesota Statutes 2002, sections 13.462, subdivision 2; 16A.531, subdivision 1, by adding a subdivision; 17.03, subdivision 6; 17.101, subdivision 1; 17.451; 17.452, subdivisions 8, 10, 11, 12, 13, by adding subdivisions; 17.4988; 18.78; 18.79, subdivisions 2, 3, 5, 6, 9, 10; 18.81, subdivisions 2, 3; 18.84, subdivision 3; 18.86; 18B.10; 18B.26, subdivision 3; 18B.37, by adding a subdivision; 21.81, subdivision 8, by adding subdivisions; 21.82; 21.83, subdivision 2; 21.84; 21.85, subdivisions 11, 13; 21.86; 21.88; 21.89, subdivisions 2, 4; 21.90, subdivisions 2, 3; 21.901; 28A.08, subdivision 3; 28A.085, subdivision 1; 28A.09, subdivision 1; 32.394, subdivisions 8, 8b, 8d; 35.155; 38.02, subdivisions 1, 3; 41A.036, subdivision 2; 41A.09, subdivisions 2a, 3a; 43A.24, subdivision 2; 47.59, subdivision 4a; 84.027, subdivision 13; 84.029, subdivision 1; 84.085, subdivision 1; 84.091, subdivisions 2, 3; 84.0911; 84.788, subdivisions 2, 3; 84.798, subdivision 3; 84.803, subdivision 2; 84.92, subdivision 8; 84.922, subdivisions 2, 5; 84.926; 84.927, subdivision 2; 84.928, subdivision 1; 84A.02; 84A.21; 84A.32, subdivision 1; 84A.55, subdivision 8; 84D.14; 85.04; 85.052, subdivision 3; 85.053, subdivision 1; 85.055, subdivision 1; 85A.02, subdivision 17; 86B.415, subdivision 8; 86B.870, subdivision 1; 97A.045, by adding a subdivision; 97A.071, subdivision 2; 97A.075, subdivisions 1, 2, 4; 97A.105, subdivision 1; 97A.401, subdivision 3; 97A.441, subdivision 7, by adding a subdivision; 97A.475, subdivisions 2, 3, 4, 5, 10, 15, 26, 27, 28, 29, 30, 38, 39, 40, 42, by adding a subdivision; 97A.485, subdivision 6; 97A.505, by adding subdivisions; 97B.311; 103B.231, subdivision 3a; 103B.305, subdivision 3, by adding subdivisions; 103B.311, subdivisions 1, 2, 3, 4; 103B.315, subdivisions 4, 5, 6; 103B.321, subdivisions

New language is indicated by underline, deletions by strikethrough.

1, 2; 103B.325, subdivisions 1, 2; 103B.331, subdivisions 1, 2, 3; 103B.3363, subdivision 3; 103B.3369, subdivisions 2, 4, 5, 6; 103B.355; 103D.341, subdivision 2; 103D.345, by adding a subdivision; 103D.405, subdivision 2; 103D.537; 103G.005, subdivision 10e; 103G.222, subdivisions 1, 3; 103G.2242, by adding subdivisions; 103G.271, subdivisions 6, 6a; 103G.611, subdivision 1; 103G.615, subdivision 2; 115.03, by adding subdivisions; 115.073; 115.55, subdivision 1; 115.56, subdivision 4; 115A.0716, subdivision 3; 115A.54, by adding a subdivision; 115A.545, subdivision 2; 115A.908, subdivision 2; 115A.919, subdivision 1; 115A.9651, subdivision 6; 115B.17, subdivisions 6, 7, 14, 16; 115B.19; 115B.20; 115B.22, subdivision 7; 115B.25, subdivisions 1a, 4; 115B.26; 115B.30; 115B.31, subdivisions 1, 3, 4; 115B.32, subdivision 1; 115B.33, subdivision 1; 115B.34; 115B.36; 115B.40, subdivision 4; 115B.41, subdivisions 1, 2, 3; 115B.42, subdivision 2; 115B.421; 115B.445; 115B.48, subdivision 2; 115B.49, subdivisions 1, 3; 115C.02, subdivision 14; 115C.08, subdivision 4; 115C.09, subdivision 3, by adding subdivisions; 115C.11, subdivision 1; 115C.13; 115D.12, subdivision 2; 116.03, subdivision 2; 116.07, subdivisions 4d, 4h, 7a; 116.073, subdivisions 1, 2; 116.46, by adding subdivisions; 116.49, by adding subdivisions; 116.50; 116.994; 116C.834, subdivision 1; 116D.04, subdivision 2a; 116J.011; 116J.411, by adding a subdivision; 116J.415, subdivisions 1, 2, 4, 5, 7, 11; 116J.553, subdivision 2; 116J.554, subdivision 2; 116J.64, subdivision 2; 116J.8731, subdivisions 1, 4, 5, 7; 116J.8764, by adding a subdivision; 116J.955, subdivision 2; 116J.966, subdivision 2; 116J.994, subdivisions 4, 9, 10; 116J.995; 116L.02; 116L.04, subdivisions 1, 1a; 116L.12, subdivision 4; 116L.17, subdivisions 2, 3, 8, by adding a subdivision; 116M.14, subdivision 4; 116O.03, subdivision 2; 116O.09, subdivisions 1, 1a, 2; 116O.091, subdivision 7; 116O.12; 116P.02, subdivision 1; 116P.05, subdivision 2; 116P.09, subdivisions 4, 5, 7; 116P.10; 116P.14, subdivisions 1, 2; 168.66, subdivision 14; 168.71, subdivision 2; 168.75; 175.16, subdivision 1; 177.26, subdivisions 1, 2; 178.01; 178.03, subdivisions 1, 2; 181.9435, subdivision 1; 181.9436; 182.667, subdivision 2; 216C.41, subdivision 1; 248.10; 268A.02, by adding a subdivision; 273.13, subdivision 23; 297A.94; 297F.10, subdivision 1; 297H.13, subdivisions 1, 2; 325E.10, subdivision 1; 469.175, subdivision 7; 473.843, subdivision 2; 473.844, subdivision 1; 473.845, subdivisions 1, 3, 7, 8; 473.846; 517.08, subdivisions 1b, 1c; 624.20, subdivision 1; Laws 2001, First Special Session chapter 4, article 2, section 31; Laws 2002, chapter 220, article 13, section 9, subdivision 2, as amended; Laws 2002, chapter 331, section 19; Laws 2002, chapter 382, article 2, section 1, subdivisions 2, 5; Laws 2002, chapter 382, article 2, section 2, subdivisions 1, 2; Laws 2002, chapter 382, article 2, section 3, subdivision 4; Laws 2002, chapter 382, article 2, section 4, subdivisions 6, 8, 10; Laws 2002, chapter 382, article 2, section 5, subdivision 1, by adding a subdivision; Laws 2002, 382, article 2, section 6; Laws 2002, 382, article 2, section 8, subdivision 3; Laws 2002, 382, article 2, section 9; Laws 2002, 382, article 2, section 10, subdivision 2; Laws 2002, 382, article 2, section 11; Laws 2002, 382, article 2, section 12, subdivision 5; Laws 2002, 382, article 2, section 13, subdivision 3; Laws 2002, 382, article 2, section 16; proposing coding for new law in Minnesota Statutes, chapters 21; 84; 84B; 103B; 115; 115A; 115C; 116; 116J; 178; proposing coding for new law as Minnesota Statutes, chapters 18G; 18H; 18J; repealing Minnesota Statutes 2002, sections 1.31; 1.32; 13.598, subdivision 2; 17.03, subdivision 8; 17.110; 17.23; 18.012; 18.021; 18.022; 18.0223; 18.0225; 18.0227; 18.0228; 18.0229; 18.023; 18.024; 18.041; 18.051; 18.061; 18.071; 18.081; 18.091; 18.101; 18.111; 18.121; 18.131; 18.141; 18.151; 18.161; 18.331; 18.332; 18.333; 18.334; 18.335; 18.44; 18.45; 18.46; 18.47; 18.48; 18.49; 18.50; 18.51; 18.52; 18.525; 18.53; 18.54; 18.55; 18.56; 18.57; 18.59; 18.60; 18.61; 18.85; 18B.05, subdivision 2; 21.85, subdivisions 1, 3, 4, 5, 6, 7, 8, 9; 21.90; 37.26; 41A.09, subdivisions 1, 5a, 6, 7, 8; 84.0887; 84.98; 84.99; 97A.105, subdivisions 3a, 3b; 103B.311, subdivisions 5, 6, 7; 103B.315, subdivisions 1, 2, 3, 7; 103B.321, subdivision 3; 103B.3369, subdivision 3; 115B.02, subdivision 1a; 115B.42, subdivision 1; 116J.411, subdivision 3; 116J.415, subdivisions 6, 9, 10; 116J.617, subdivisions 5, 6; 116J.693; 116J.9665; 138.91; 297H.13, subdivisions 3, 4; 325E.112, subdivision 3; 325E.113; 473.845, subdivision 4;

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Minnesota Rules, parts 1510.0281; 9300.0010; 9300.0020; 9300.0030; 9300.0040; 9300.0050; 9300.0060; 9300.0070; 9300.0080; 9300.0090; 9300.0100; 9300.0110; 9300.0120; 9300.0130; 9300.0140; 9300.0150; 9300.0160; 9300.0170; 9300.0180; 9300.0190; 9300.0200; 9300.0210.

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

ARTICLE 1

ENVIRONMENT AND NATURAL RESOURCES

Section 1. ENVIRONMENT AND NATURAL RESOURCES 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 "2004" and "2005," where used in this act, mean that the appropriation or appropriations listed under them are available for the year ending June 30, 2004, or June 30, 2005, respectively. The term "the first year" means the year ending June 30, 2004, and the term "the second year" means the year ending June 30, 2005.

SUMMARY BY FUND

	2004	2005	TOTAL
General	\$ 141,347,000	\$ 141,116,000	\$ 282,463,000
State Government Special Revenue	48,000	48,000	96,000
Environmental	38,806,000	38,806,000	77,612,000
Natural Resources	52,501,000	50,161,000	102,662,000
Game and Fish	82,350,000	82,292,000	164,642,000
Remediation	11,504,000	11,504,000	23,008,000
Land and Water Conservation Account	2,000,000	-0-	2,000,000
Great Lakes Protection Account	56,000	-0-	56,000
Environment and Natural Resources Trust Fund	15,050,000	15,050,000	30,100,000

Oil Overcharge	519,000	-0-	519,000
Total	344,181,000	338,977,000	683,158,000

Sec. 2. POLLUTION CONTROL
AGENCY

Subdivision 1. Total Appropriation		\$52,979,000	\$52,979,000
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Summary by Fund

General	14,715,000	14,715,000
State Government Special Revenue	48,000	48,000
Environmental	26,812,000	26,812,000
Remediation	11,404,000	11,404,000

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Water

19,456,000 19,456,000

Summary by Fund

General	10,467,000	10,467,000
State Government Special Revenue	48,000	48,000
Environmental	8,941,000	8,941,000

\$2,348,000 the first year and \$2,348,000 the second year are for the clean water partnership program. Any balance remaining in the first year does not cancel and is available for the second year of the biennium.

\$2,324,000 the first year and \$2,324,000 the second year are for grants for county administration of the feedlot permit program. Grants must be matched with a combination of local cash and/or in-kind contributions. Counties receiving these grants shall submit an annual report to the pollution control agency regarding activi-

ties conducted under the grant, expenditures made, and local match contributions. Funding shall be given to counties that have requested and received delegation from the pollution control agency for processing of animal feedlot permit applications under Minnesota Statutes, section 116.07, subdivision 7. The first year, delegated counties shall be eligible to receive an amount of either:

(1) \$50 multiplied by the number of feedlots with greater than ten animal units as reported by the county in their annual report for registration data developed in accordance to Minnesota Rules, part 7020.0350, or Minnesota Statutes, section 116.072; or

(2) \$80 multiplied by the number of feedlots with greater than ten animal units as reported by the county in their annual report and determined by a level 2 or level 3 feedlot inventory conducted in accordance with the "Feedlot Inventory Guidebook" published by the board of water and soil resources, dated June 1991.

The second year, delegated counties shall be eligible to receive an amount of either:

(1) \$50 multiplied by the number of feedlots with greater than ten animal units as reported to the agency under the terms of aggregate reporting as defined in Minnesota Statutes, section 116.0712; or

(2) \$80 multiplied by the number of feedlots with greater than ten animal units based on the agency's statewide database for registration in accordance with Minnesota Rules, part 7020.0350. By June 30, 2004, the agency, in consultation with delegated counties, shall develop a new funding formula incorporating the following criteria at a minimum:

- (i) fee multiplier per feedlot as defined by the state registration program (greater than 50 animal units in nonshoreland areas, and ten to 50 animal units in shoreland areas);
- (ii) use of the state database for determination of the feedlots in item (i); and
- (iii) incentive-based payments for counties exceeding minimum program requirements based on program priorities.

To be eligible for a grant, a county must be delegated by December 31 of the year prior to the year in which awards are distributed. At a minimum, delegated counties are eligible to receive a grant of \$7,500 per year. To receive the award, the county must receive approval by the pollution control agency of the county feedlot work plan and annual county feedlot officer report. Feedlots that have been inactive for five or more years may not be counted in determining the amount of the grant.

Any money remaining after the first year is available for the second year. Any money remaining in either year is available for distribution to all counties on a competitive basis through the challenge grant process for the development of delegated county feedlot programs or to enhance existing delegated county feedlot programs, information and education, or technical assistance efforts to reduce feedlot-related pollution hazards.

\$335,000 the first year and \$335,000 the second year are for community technical assistance and education, including grants and technical assistance to communities for local and basinwide water quality protection.

\$405,000 the first year and \$405,000 the second year are for individual sewage treatment system (ISTS) administration and/or

grants. Of this amount, \$86,000 in each year is for assistance to local units of government through competitive grant programs for ISTS program development. Any unexpended balance in the first year does not cancel but is available in the second year.

\$480,000 the first year and \$480,000 the second year are from the environmental fund to address the need for increased activity in the areas of new technology review, technical assistance for local governments, and enforcement under Minnesota Statutes, sections 115.55 to 115.58, and to complete the requirements of sections 164 and 165. Of this amount, \$48,000 each year is for administration of individual septic tank fees, as provided in section 124.

By February 1, 2004, the commissioner shall report to the environment and natural resources finance committees of the house and senate on the status of discussions with stakeholders on strategies to implement the impaired waters program and any specific recommendations on funding options to address the needs documented in the agency's report to the legislature, "Minnesota's Impaired Waters," dated March 2003.

Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered under contract on or before June 30, 2005, for clean water partnership, ISTS, Minnesota River, and local and basinwide water quality protection grants in this subdivision are available until June 30, 2007.

Subd. 3. Air

8,770,000 8,765,000

Summary by Fund

Environmental 8,770,000 8,765,000

Up to \$150,000 the first year and \$150,000 the second year may be transferred to the

environmental fund for the small business environmental improvement loan program established in Minnesota Statutes, section 116.993.

\$200,000 the first year and \$200,000 the second year are from the environmental fund for a monitoring program under Minnesota Statutes, section 116.454.

\$125,000 the first year and \$125,000 the second year are from the environmental fund for monitoring ambient air for hazardous pollutants in the metropolitan area.

Subd. 4. Land

	18,469,000	18,469,000	
			Summary by Fund
Environmental		7,065,000	7,065,000
Remediation		11,404,000	11,404,000

All money for environmental response, compensation, and compliance in the remediation fund not otherwise appropriated is appropriated to the commissioners of the pollution control agency and the department of agriculture for purposes of Minnesota Statutes, section 115B.20, subdivision 2, clauses (1), (2), (3), (6), and (7). At the beginning of each fiscal year, the two commissioners shall jointly submit an annual spending plan to the commissioner of finance that maximizes the utilization of resources and appropriately allocates the money between the two agencies. This appropriation is available until June 30, 2005.

\$574,000 the first year and \$574,000 the second year are from the petroleum tank fund to be transferred to the remediation fund for purposes of the leaking underground storage tank program to protect the land.

\$200,000 the first year and \$200,000 the second year are from the remediation fund to be transferred to the department of health for private water supply monitoring and health assessment costs in areas contaminated by unpermitted mixed municipal solid waste disposal facilities.

Subd. 5. Multimedia

4,301,000	4,306,000
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Summary by Fund

General	2,265,000	2,265,000
Environmental	2,036,000	2,041,000

Subd. 6. Administrative Support

1,983,000	1,983,000
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Sec. 3. OFFICE OF ENVIRONMENTAL ASSISTANCE

23,754,000	23,754,000
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Summary by Fund

General	11,760,000	11,760,000
Environmental	11,994,000	11,994,000

\$12,500,000 each year is for SCORE block grants to counties. Of that amount, \$7,060,000 is from the general fund and \$5,440,000 is from the environmental fund.

Any unencumbered grant and loan balances in the first year do not cancel but are available for grants and loans in the second year.

All money deposited in the environmental fund for the metropolitan solid waste land-fill fee in accordance with Minnesota Statutes, section 473.843, and not otherwise appropriated, is appropriated to the office of environmental assistance for the purposes of Minnesota Statutes, section 473.844.

\$119,000 the first year and \$119,000 the second year are for environmental assistance grants or loans under Minnesota Statutes, section 115A.0716.

Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered under contract on or before June 30, 2005, for environmental assistance grants awarded under Minnesota Statutes, section 115A.0716, and for technical and research assistance under Minnesota Statutes, section 115A.152, technical assistance under Minnesota Statutes, section 115A.52, and pollution prevention assistance under Minnesota Statutes, section 115D.04, are available until June 30, 2006.

\$4,000,000 each year is from the environmental fund for mixed municipal solid waste processing payments under Minnesota Statutes, section 115A.545.

The office of environmental assistance shall, in consultation with stakeholders, develop and report to the legislative finance and policy committees with jurisdiction over the environment on an incentive-based distribution approach for SCORE funding to replace the allocation formula in Minnesota Statutes, section 115A.557, subdivision 2. The office must submit preliminary recommendations by January 15, 2004, and final recommendations by January 15, 2005.

Sec. 4. ZOOLOGICAL BOARD	6,681,000	6,681,000
Summary by Fund		
General	6,557,000	6,557,000
Natural Resources	124,000	124,000

\$124,000 the first year and \$124,000 the second year are from the natural resources fund from the revenue deposited under Minnesota Statutes, section 297A.94, paragraph (e), clause (5). This is a onetime appropriation.

Sec. 5. NATURAL RESOURCES

Subdivision 1. Total Appropriation	226,120,000	223,492,000
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Summary by Fund

General	91,783,000	91,553,000
Natural Resources	51,887,000	49,547,000
Game and Fish	82,350,000	82,292,000
Remediation	100,000	100,000

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Land and Mineral Resources Management

7,494,000 7,494,000

Summary by Fund

General	6,451,000	6,451,000
Natural Resources	156,000	156,000
Game and Fish	887,000	887,000

\$275,000 the first year and \$275,000 the second year are for iron ore cooperative research, of which \$137,500 the first year and \$137,500 the second year are available only as matched by \$1 of nonstate money for each \$1 of state money. The match may be cash or in-kind. Any unencumbered balance remaining in the first year does not cancel but is available for the second year.

\$172,000 the first year and \$172,000 the second year are for mineral diversification.

\$86,000 the first year and \$86,000 the second year are for minerals cooperative environmental research, of which \$43,000 the first year and \$43,000 the second year are available only as matched by \$1 of nonstate money for each \$1 of state money. The match may be cash or in-kind. Any unencumbered balance remaining in the first year does not cancel but is available for the second year.

Subd. 3. Water Resources Management

11,446,000	10,736,000
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Summary by Fund

General	11,186,000	10,456,000
Natural Resources	280,000	280,000

\$108,000 the first year is for a grant to the Lewis and Clark joint powers board to acquire land for, and to predesign, design, construct, furnish, and equip a rural water system to serve southwestern Minnesota, and to pay additional project development costs that are approved for federal cost-share payment by the United States Bureau of Reclamation, and is available until spent. This appropriation is available when matched by \$8 of federal money and \$1 of local money for each \$1 of state money.

\$210,000 the first year and \$210,000 the second year are for grants associated with the implementation of the Red River mediation agreement.

\$50,000 the first year is for analysis of groundwater flows and aquifer recharge in the state in order to understand whether the appropriation of groundwater is sustainable.

\$625,000 the first year is a onetime appropriation from the general fund for grants to local units of government in the area included in DR-1419 for the state share of flood hazard mitigation grants for flood damage reduction studies, planning, engineering, and publicly owned capital improvements to prevent or alleviate flood damage under Minnesota Statutes, section 103F.161. This appropriation is available until expended.

\$65,000 the first year and \$65,000 the second year are for a grant to the Mississippi headwaters board for up to 50 percent of the cost of implementing the comprehensive plan for the upper Mississippi within areas under its jurisdiction.

\$5,000 the first year and \$5,000 the second year are for payment to the Leech Lake Band of Chippewa Indians to implement its portion of the comprehensive plan for the upper Mississippi.

\$125,000 the first year and \$125,000 the second year are for the construction of ring dikes under Minnesota Statutes, section 103F.161. The ring dikes may be publicly or privately owned. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

Subd. 4. Forest Management

	33,066,000	33,066,000	
			Summary by Fund
General		32,824,000	32,824,000
Game and Fish		242,000	242,000

\$7,650,000 the first year and \$7,650,000 the second year are for prevention, presuppression, and suppression costs of emergency firefighting and other costs incurred under Minnesota Statutes, section 88.12. If the appropriation for either year is insufficient to cover all costs of presuppression and suppression, the amount necessary to pay for these costs during the biennium is appropriated from the general fund. By November 15 of each year, the commissioner of natural resources shall submit a report to the chairs of the house of representatives ways and means committee, the senate finance committee, the environment and agriculture budget division of the senate finance committee, and the house of representatives environment and natural resources finance committee, identifying all firefighting costs incurred and reimbursements received in the prior fiscal year. The report must be in a format agreed to by the

house environment finance committee chair, the senate environment budget division chair, the department, and the department of finance. These appropriations may not be transferred. Any reimbursement of firefighting expenditures made to the commissioner from any source other than federal mobilizations shall be deposited into the general fund.

\$730,000 the first year and \$730,000 the second year are for the forest resources council for implementation of the Sustainable Forest Resources Act.

\$350,000 the first year and \$350,000 the second year are for the FORIST timber management information system and for increased forestry management.

\$242,000 the first year and \$242,000 the second year are from the game and fish fund to implement ecological classification systems (ECS) standards on forested landscapes. This is a onetime appropriation from revenue deposited to the game and fish fund under Minnesota Statutes, section 297A.94, paragraph (e), clause (1).

Subd. 5. Parks and Recreation Management

	36,736,000	36,736,000	
			Summary by Fund
General		19,511,000	19,511,000
Natural Resources		17,225,000	17,225,000

\$640,000 the first year and \$640,000 the second year are from the water recreation account in the natural resources fund for state park development projects.

\$3,300,000 the first year and \$3,300,000 the second year are for a grant to the metropolitan council for metropolitan area regional parks maintenance and operations.

\$3,462,000 the first year and \$3,462,000 the second year are from the natural resources fund for state park and recreation area operations. This appropriation is from the revenue deposited to the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (e), clause (2).

\$4,152,000 the first year and \$4,152,000 the second year are from the natural resources fund for a grant to the metropolitan council for metropolitan area regional parks and trails maintenance and operations. This appropriation is from the revenue deposited to the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (e), clause (3).

\$8,971,000 the first year and \$8,971,000 the second year are from the state parks account in the natural resources fund for state park and recreation area operations.

\$25,000 the first year and \$25,000 the second year are for a grant to the city of Taylors Falls for fire and rescue operations in support of Interstate state park.

Subd. 6. Trails and Waterways
Management

24,060,000	21,173,000	
	Summary by Fund	
General	1,234,000	1,234,000
Natural Resources	20,655,000	18,255,000
Game and Fish	2,171,000	1,684,000

\$5,724,000 the first year and \$5,724,000 the second year are from the snowmobile trails and enforcement account in the natural resources fund for snowmobile grants-in-aid.

\$261,000 the first year and \$261,000 the second year are from the water recreation account in the natural resources fund for a safe harbor program on Lake Superior.

\$690,000 the first year and \$690,000 the second year are from the natural resources fund for state trail operations. This appropriation is from the revenue deposited to the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (e), clause (2). This is a onetime appropriation.

\$553,000 the first year and \$553,000 the second year are from the natural resources fund for trail grants to local units of government on land to be maintained for at least 20 years for the purposes of the grant. This appropriation is from the revenue deposited to the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (e), clause (4). This is a onetime appropriation.

The appropriation in Laws 2001, First Special Session chapter 2, section 5, subdivision 6, from the water recreation account in the natural resources fund for preconstruction, acquisition, and staffing needs for the Mississippi Whitewater trail authorized by Minnesota Statutes, section 85.0156, is available until June 30, 2005.

Upon a showing of need, the commissioner of natural resources may use up to 50 percent of a snowmobile maintenance and grooming grant under Minnesota Statutes, section 84.83, that was available as of December 31, 2002, to reimburse the intended recipient for expenses incurred in the purchase or lease of snowmobile trail grooming equipment to be used for grant-in-aid trails. The costs must be incurred between July 1, 2002, and June 30, 2003, and recipients must provide acceptable documentation of the costs to the commissioner. All applications for reimbursement under this section must be received no later than September 1, 2003.

\$1,000,000 the first year and \$600,000 the second year are from the natural resources fund for off-highway vehicle trail designation, development, maintenance, and repair. Of this amount, \$600,000 the first year and \$360,000 the second year are from the all-terrain vehicle account, \$50,000 the first year and \$30,000 the second year are from the off-highway motorcycle account, and \$350,000 the first year and \$210,000 the second year are from the off-road vehicle account.

\$1,000,000 the first year is from the natural resources fund for the Iron Range off-highway vehicle recreation area. Of this amount, \$600,000 is from the all-terrain vehicle account, \$350,000 is from the off-road vehicle account, and \$50,000 is from the off-highway motorcycle account. This appropriation is available until expended.

By August 1, 2003, the commissioner of finance shall transfer \$475,000 from the all-terrain vehicle account, \$20,000 from the off-highway motorcycle account, and \$5,000 from the off-road vehicle account to the off-highway vehicle damage account in Minnesota Statutes, section 84.780.

\$300,000 is from the snowmobile trails and enforcement account in the natural resources fund to acquire permanent easements for a snowmobile trail to connect the Willard Munger State Trail in Hermantown to the North Shore State Trail in Duluth. This is a onetime appropriation and is available until expended.

\$700,000 the first year is from the water recreation account in the natural resources fund for a cooperative project with the U.S. Army Corps of Engineers to develop the Mississippi Whitewater Park. Of this amount, \$525,000 is available to provide a match for \$975,000 of federal funds, in a ratio of 65 percent federal to 35 percent

state, for construction design development. \$175,000 is available for use by the department for project management, including costs for the project review team, real estate acquisition, staff coordination of the project, and legal services.

Subd. 7. Fish Management

	28,979,000	29,010,000	
	Summary by Fund		
General		455,000	455,000
Natural Resources		197,000	197,000
Game and Fish		28,327,000	28,358,000

\$402,000 the first year and \$402,000 the second year are for resource population surveys in the 1837 treaty area. Of this amount, \$260,000 the first year and \$260,000 the second year are from the game and fish fund.

\$177,000 the first year and \$177,000 the second year are for the reinvest in Minnesota programs of game and fish, critical habitat, and wetlands established under Minnesota Statutes, section 84.95, subdivision 2.

\$1,030,000 the first year and \$1,030,000 the second year are from the trout and salmon management account for only the purposes specified in Minnesota Statutes, section 97A.075, subdivision 3.

\$136,000 the first year and \$136,000 the second year are available for aquatic plant restoration.

\$3,998,000 the first year and \$3,998,000 the second year are from the heritage enhancement account in the game and fish fund for only the purposes specified in Minnesota Statutes, section 297A.94, paragraph (e), clause (1). This appropriation is from the revenue deposited to the game and

fish fund under Minnesota Statutes, section 297A.94, paragraph (e), clause (1).

Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered under contract on or before June 30, 2005, for aquatic restoration grants in this subdivision are available until June 30, 2006.

Subd. 8. Wildlife Management

23,865,000 24,180,000

Summary by Fund

General	1,416,000	1,416,000
Game and Fish	22,449,000	22,764,000

\$565,000 the first year and \$565,000 the second year are for the reinvest in Minnesota programs of game and fish, critical habitat, and wetlands established under Minnesota Statutes, section 84.95, subdivision 2.

\$1,830,000 the first year and \$2,030,000 the second year are from the wildlife acquisition surcharge account for only the purposes specified in Minnesota Statutes, section 97A.071, subdivision 2a.

\$1,269,000 the first year and \$1,269,000 the second year are from the deer habitat improvement account for only the purposes specified in Minnesota Statutes, section 97A.075, subdivision 1, paragraph (b).

\$148,000 the first year and \$148,000 the second year are from the deer and bear management account for only the purposes specified in Minnesota Statutes, section 97A.075, subdivision 1, paragraph (c).

\$808,000 the first year and \$808,000 the second year are from the waterfowl habitat improvement account for only the purposes specified in Minnesota Statutes, section 97A.075, subdivision 2.

\$546,000 the first year and \$546,000 the second year are from the pheasant habitat improvement account for only the purposes specified in Minnesota Statutes, section 97A.075, subdivision 4.

\$120,000 the first year and \$120,000 the second year are from the wild turkey management account for only the purposes specified in Minnesota Statutes, section 97A.075, subdivision 5. Of this amount, \$8,000 the first year and \$8,000 the second year are appropriated from the game and fish fund for transfer to the wild turkey management account for purposes specified in Minnesota Statutes, section 97A.075, subdivision 5.

\$2,560,000 the first year and \$2,560,000 the second year are from the heritage enhancement account in the game and fish fund for only the purposes specified in Minnesota Statutes, section 297A.94, paragraph (e), clause (1). If chronic wasting disease (CWD) is found in the wild deer herd, these appropriations may be used for wildlife health management costs related to fighting the spread of CWD. This appropriation is from the revenue deposited to the game and fish fund under Minnesota Statutes, section 297A.94, paragraph (e), clause (1).

\$13,000 the first year and \$13,000 the second year are to publicize the critical habitat license plate match program.

Notwithstanding Minnesota Statutes, section 297A.94, this appropriation may be used for hunter recruitment and retention and public land user facilities.

Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered under contract on or before June 30, 2005, for wildlife habitat grants in this subdivision are available until June 30, 2006.

Subd. 9. Ecological Services

	8,677,000	8,745,000
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	Summary by Fund	
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General	3,085,000	3,085,000
Natural Resources	2,572,000	2,632,000
Game and Fish	3,020,000	3,028,000

\$1,028,000 the first year and \$1,028,000 the second year are from the nongame wildlife management account in the natural resources fund for the purpose of nongame wildlife management.

\$224,000 the first year and \$224,000 the second year are for population and habitat objectives of the nongame wildlife management program.

\$477,000 the first year and \$477,000 the second year are for the reinvest in Minnesota programs of game and fish, critical habitat, and wetlands established under Minnesota Statutes, section 84.95, subdivision 2.

\$1,263,000 the first year and \$1,263,000 the second year are from the heritage enhancement account in the game and fish fund for only the purposes specified in Minnesota Statutes, section 297A.94, paragraph (e), clause (1). This appropriation is from the revenue deposited to the game and fish fund under Minnesota Statutes, section 297A.94, paragraph (e), clause (1).

Subd. 10. Enforcement

	27,543,000	28,111,000
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	Summary by Fund	
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General	3,487,000	3,987,000
Natural Resources	6,786,000	6,786,000
Game and Fish	17,170,000	17,238,000
Remediation	100,000	100,000

\$1,082,000 the first year and \$1,082,000 the second year are from the water recreation account in the natural resources fund for grants to counties for boat and water safety.

\$100,000 the first year and \$100,000 the second year are from the remediation fund for solid waste enforcement activities under Minnesota Statutes, section 116.073.

\$315,000 the first year and \$315,000 the second year are from the snowmobile trails and enforcement account in the natural resources fund for grants to local law enforcement agencies for snowmobile enforcement activities.

\$1,164,000 the first year and \$1,164,000 the second year are from the heritage enhancement account in the game and fish fund for only the purposes specified in Minnesota Statutes, section 297A.94, paragraph (e), clause (1). This appropriation is from the revenue deposited to the game and fish fund under Minnesota Statutes, section 297A.94, paragraph (e), clause (1).

Overtime shall be distributed to conservation officers at historical levels; however, a reasonable reduction or addition may be made to the officer's allocation, if justified, based on an individual officer's workload. If funding for enforcement is reduced because of an unallotment, the overtime bank may be reduced in proportion to reductions made in other areas of the budget.

\$700,000 the first year and \$700,000 the second year are from the natural resources fund for off-highway vehicle enforcement. Of this amount, \$665,000 the first year and \$665,000 the second year are from the all-terrain vehicle account, \$28,000 the first year and \$28,000 the second year are from

the off-highway motorcycle account, and \$7,000 the first year and \$7,000 the second year are from the off-road vehicle account.

\$130,000 the first year and \$130,000 the second year are from the all-terrain vehicle account in the natural resources fund for administration of the all-terrain vehicle environmental and safety education and training program under Minnesota Statutes, section 84.925.

\$225,000 the first year and \$225,000 the second year are from the natural resources fund for grants to county law enforcement agencies for off-highway vehicle enforcement and public education activities based on off-highway vehicle use in the county. Of this amount, \$213,000 each year is from the all-terrain vehicle account; \$11,000 each year is from the off-highway motorcycle account; and \$1,000 each year is from the off-road vehicle account. The county enforcement agencies may use money received under this appropriation to make grants to other local enforcement agencies within the county that have a high concentration of off-highway vehicle use. Of this appropriation, \$25,000 each year is for administration of these grants.

Subd. 11. Operations Support

	24,234,000	24,241,000	
			Summary by Fund
General		12,134,000	12,134,000
Natural Resources		4,016,000	4,016,000
Game and Fish		8,084,000	8,091,000

\$189,000 the first year and \$189,000 the second year are for technical assistance and grants to assist local government units and organizations in the metropolitan area to acquire and develop natural areas and greenways.

\$375,000 the first year and \$375,000 the second year are for the community assistance program to provide for technical assistance and regional resource enhancement grants.

\$246,000 the first year and \$246,000 the second year are from the natural resources fund for grants to be divided equally between the city of St. Paul for the Como Zoo and Conservatory and the city of Duluth Zoo. This appropriation is from the revenue deposited to the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (e), clause (5). This is a onetime appropriation.

The commissioner may allow payments to be made by credit or debit cards, at the customer's discretion, with a charge of a reasonable fee. Money received from the fees is appropriated to the commissioner to cover the costs of processing payments from credit and debit cards.

Any unencumbered balance for state project reimbursements received in fiscal year 2003 from the federal Land and Water Conservation Fund Act and deposited in the state land and water conservation account in the future resources fund shall be transferred to the account in the natural resources fund. This provision is effective the day following final enactment.

Sec. 6. MINNESOTA CONSERVATION CORPS		840,000	840,000
	Summary by Fund		
General	350,000	350,000	
Natural Resources	490,000	490,000	
Sec. 7. BOARD OF WATER AND SOIL RESOURCES		15,432,000	15,431,000

\$4,102,000 the first year and \$4,102,000 the second year are for natural resources block grants to local governments.

The board may reduce the amount of the natural resources block grant to a county by an amount equal to any reduction in the county's general services allocation to a soil and water conservation district from the county's previous year allocation when the board determines that the reduction was disproportionate.

Grants must be matched with a combination of local cash or in-kind contributions. The base grant portion related to water planning must be matched by an amount that would be raised by a levy under Minnesota Statutes, section 103B.3369.

\$3,566,000 the first year and \$3,566,000 the second year are for grants to soil and water conservation districts for general purposes, nonpoint engineering, and implementation of the Reinvest in Minnesota conservation reserve program. Upon approval of the board, expenditures may be made from these appropriations for supplies and services benefiting soil and water conservation districts.

\$3,285,000 the first year and \$3,285,000 the second year are for grants to soil and water conservation districts for cost-sharing contracts for erosion control and water quality management. Of this amount, at least \$1,500,000 the first year and \$1,500,000 the second year are for grants for cost-sharing contracts for water quality management on feedlots.

Any unencumbered balance in the board's program of grants does not cancel at the end of the first year and is available for the second year for the same grant program. This appropriation is available until expended. If the appropriation in either year is insufficient, the appropriation in the other year is available for it.

\$105,000 the first year and \$105,000 the second year are for grants to watershed

districts and other local units of government in the southern Minnesota River basin study area 2 for floodplain management. If the appropriation in either year is insufficient, the appropriation in the other year is available for it.

\$100,000 the first year and \$100,000 the second year are for a grant to the Red River basin commission to develop a Red River basin plan and to coordinate water management activities in the states and provinces bordering the Red River. The unencumbered balance in the first year does not cancel but is available for the second year.

Sec. 8. SCIENCE MUSEUM OF MINNESOTA		750,000	750,000
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Sec. 9. MINNESOTA RESOURCES

Subdivision 1. Total Appropriation		17,625,000	15,050,000
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Summary by Fund

State Land and Water Conservation Account (LAWCON)	2,000,000	-0-	
Environment and Natural Resources Trust Fund	15,050,000	15,050,000	
Oil Overcharge Money in the Special Revenue Fund	519,000	-0-	
Great Lakes Protection Account	56,000	-0-	

Appropriations from the oil overcharge money in the special revenue fund and Great Lakes protection account are available for either year of the biennium.

For appropriations from the environment and natural resources trust fund, any unencumbered balance remaining in the first year does not cancel and is available for the second year of the biennium.

Unless otherwise provided, the amounts in this section are available until June 30, 2005, when projects must be completed and final products delivered.

Subd. 2. Definitions

(a) "State Land and Water Conservation Account (LAWCON)" means the state land and water conservation account in the natural resources fund.

(b) "Great Lakes protection account" means the Great Lakes protection account referred to in Minnesota Statutes, section 116Q.02, subdivision 1.

(c) "Trust fund" means the Minnesota environment and natural resources trust fund referred to in Minnesota Statutes, section 116P.02, subdivision 6.

(d) "Oil overcharge money" means the money referred to in Minnesota Statutes, section 4.071, subdivision 2.

Subd. 3. Administration	412,000	406,000
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Summary by Fund

Trust Fund	412,000	406,000
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(a) Legislative Commission on Minnesota Resources

\$326,000 the first year and \$346,000 the second year are from the trust fund for administration as provided in Minnesota Statutes, section 116P.09, subdivision 5.

(b) LCMR Study Commission on Park Systems

\$26,000 the first year is from the trust fund to the legislative commission on Minnesota resources to evaluate the use of fees to assist the financial stability and the potential of fees to provide for self-sufficiency in Minnesota's park systems, including state

parks, metropolitan regional parks, and rural regional parks in greater Minnesota. The study commission will report to the chairs of the senate and house environment finance committees by February 16, 2004.

(c) Contract Administration

\$60,000 the first year and \$60,000 the second year are from the trust fund to the commissioner of natural resources for contract administration activities assigned to the commissioner in this section. This appropriation is available until June 30, 2006.

Subd. 4. Advisory Committee	23,000	22,000
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\$23,000 the first year and \$22,000 the second year are from the trust fund to the legislative commission on Minnesota resources for expenses of the citizen advisory committee as provided in Minnesota Statutes, section 116P.06.

Subd. 5. Fish and Wildlife Habitat	6,223,000	6,223,000
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Summary by Fund

Trust Fund	6,223,000
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6,223,000

(a) Restoring Minnesota's Fish and Wildlife Habitat Corridors - Phase II

\$2,425,000 the first year and \$2,425,000 the second year are from the trust fund to the commissioner of natural resources for the second biennium for acceleration of agency programs and cooperative agreements with Minnesota Deer Hunters Association, Ducks Unlimited, Inc., National Wild Turkey Federation, Pheasants Forever, the Nature Conservancy, Minnesota Land Trust, the Trust for Public Land, Minnesota Valley National Wildlife Refuge Trust, Inc., U.S. Fish and Wildlife Service, U.S. Bureau of Indian Affairs, Red Lake Band of Chippewa, Leech Lake Band of Chippewa, Fond du Lac Band of Chippewa, USDA-Natural Resources Con-

ervation Service, and the board of water and soil resources to plan, restore, and acquire fragmented landscape corridors that connect areas of quality habitat to sustain fish, wildlife, and plants. As part of the required work program, criteria and priorities for planned acquisition and restoration activities must be submitted to the legislative commission on Minnesota resources for review and approval before expenditure. Expenditures are limited to the 11 project areas as defined in the work program. Land acquired with this appropriation must be sufficiently improved to meet at least minimum habitat and facility management standards as determined by the commissioner of natural resources. This appropriation may not be used for the purchase of residential structures unless expressly approved in the work program. Any land acquired in fee title by the commissioner of natural resources with money from this appropriation must be designated: (1) as an outdoor recreation unit under Minnesota Statutes, section 86A.07; or (2) as provided in Minnesota Statutes, sections 89.018, subdivision 2, paragraph (a); 97A.101; 97A.125; 97C.001; and 97C.011. The commissioner may so designate any lands acquired in less than fee title. This appropriation is available until June 30, 2006, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

(b) Metropolitan Area Wildlife Corridors

\$2,425,000 the first year and \$2,425,000 the second year are from the trust fund to the commissioner of natural resources. \$3,700,000 of this appropriation is for acceleration of agency programs and cooperative agreements with the Trust for Public Land, Ducks Unlimited, Inc., Friends of the Mississippi River, Great River Green-

ing, Minnesota Land Trust, and Minnesota Valley National Wildlife Refuge Trust, Inc., for the purposes of planning, improving, and protecting important natural areas in the metropolitan region, as defined by Minnesota Statutes, section 473.121, subdivision 2, through grants, contracted services, conservation easements, and fee acquisition. \$500,000 of this appropriation is for an agreement with the city of Ramsey for the Trott Brook Corridor acquisition. \$800,000 of this appropriation is for an agreement with the Rice Creek Watershed District for Hardwood Creek acquisition and restoration. Land acquired with this appropriation must be sufficiently improved to meet at least minimum management standards as determined by the commissioner of natural resources. As part of the required work program, criteria and priorities for planned acquisition and restoration activities must be submitted to the legislative commission on Minnesota resources for review and approval before expenditure. Expenditures are limited to the identified project areas as defined in the work program. This appropriation may not be used for the purchase of residential structures unless expressly approved in the work program. Any land acquired in fee title by the commissioner of natural resources with money from this appropriation must be designated: (1) as an outdoor recreation unit under Minnesota Statutes, section 86A.07; or (2) as provided in Minnesota Statutes, sections 89.018, subdivision 2, paragraph (a); 97A.101; 97A.125; 97C.001; and 97C.011. The commissioner may so designate any lands acquired in less than fee title. This appropriation is available until June 30, 2006, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

(c) Restoring RIM Match

\$200,000 the first year and \$200,000 the second year are from the trust fund to the commissioner of natural resources for the RIM critical habitat matching program to acquire and enhance fish, wildlife, and native plant habitat. Land acquired with this appropriation must be sufficiently improved to meet at least minimum management standards as determined by the commissioner of natural resources. Up to \$27,000 of this appropriation is for matching nongame program activities.

(d) Acquisition and Development of Scientific and Natural Areas

\$240,000 the first year and \$240,000 the second year are from the trust fund to the commissioner of natural resources to acquire and develop lands with natural features of state ecological or geological significance in accordance with the scientific and natural area program long-range plan. Land acquired with this appropriation must be sufficiently improved to meet at least minimum management standards as determined by the commissioner of natural resources.

(e) Forest and Prairie Stewardship of Public and Private Lands

\$196,000 the first year and \$196,000 the second year are from the trust fund to the commissioner of natural resources. \$147,000 of this appropriation is to develop stewardship plans for private forested lands and implement stewardship plans on a cost-share basis. \$245,000 of this appropriation is to develop stewardship plans on private prairie lands and implement prairie management on public and private lands. This appropriation is available until June 30, 2006, at which time the project must be completed and final prod-

ucts delivered, unless an earlier date is specified in the work program.

(f) Local Initiative Grants-Conservation Partners and Environmental Partnerships

\$256,000 the first year and \$256,000 the second year are from the trust fund to the commissioner of natural resources for matching grants of up to \$20,000 to local government and private organizations for enhancement, research, and education associated with natural habitat and environmental service projects. This appropriation is available until June 30, 2006, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

(g) Minnesota ReLeaf Community Forest Development and Protection

\$257,000 the first year and \$257,000 the second year are from the trust fund to the commissioner of natural resources for acceleration of the agency program and a cooperative agreement with Tree Trust to protect forest resources, develop inventory-based management plans, and provide matching grants to communities to plant native trees. At least \$350,000 of this appropriation must be used for grants to communities. For the purposes of this paragraph, the match must be a nonstate contribution, but may be either cash or qualifying in-kind. This appropriation is available until June 30, 2006, at which time the project must be completed and final projects delivered, unless an earlier date is specified in the work program.

(h) Developing Pheromones for Use in Carp Control

\$50,000 the first year and \$50,000 the second year are from the trust fund to the University of Minnesota for research on

new options for controlling carp. This appropriation is available until June 30, 2006, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

(i) Biological Control of European Buckthorn and Spotted Knapweed

\$99,000 the first year and \$99,000 the second year are from the trust fund. Of this amount, \$54,000 the first year and \$55,000 the second year are to the commissioner of natural resources for research to evaluate potential insects for biological control of invasive European buckthorn species. \$45,000 the first year and \$44,000 the second year are to the commissioner of agriculture to assess the effectiveness of spotted knapweed biological control agents. This appropriation is available until June 30, 2006, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

(j) Resources for Redevelopment of Brownfields to Greenspaces

\$75,000 the first year and \$75,000 the second year are from the trust fund to the commissioner of natural resources for an agreement with Minnesota Environmental Initiatives to identify and assess redevelopment of brownfields for recreation, habitat, and natural resource reuse.

Subd. 6. Recreation		7,622,000	5,870,000
	Summary by Fund		
Trust Fund	5,622,000	5,870,000	
State Land and Conservation Account (LAWCON)	2,000,000		

(a) State Park and Recreation Area Land Acquisition

\$750,000 the first year and \$750,000 the second year are from the trust fund to the commissioner of natural resources to acquire in-holdings for state park and recreation areas. Land acquired with this appropriation must be sufficiently improved to meet at least minimum management standards as determined by the commissioner of natural resources. This appropriation is available until June 30, 2006, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

(b) LAWCON Federal Reimbursements

\$2,000,000 is from the state land and water conservation account (LAWCON) in the natural resources fund to the commissioner of natural resources for eligible state projects and administrative and planning activities consistent with Minnesota Statutes, section 116P.14, and the federal Land and Water Conservation Fund Act. This appropriation is contingent upon receipt of the federal obligation and remains available until June 30, 2006, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

(c) Local Initiative Grants-Parks and Natural Areas

\$1,290,000 the first year and \$1,289,000 the second year are from the trust fund to the commissioner of natural resources for matching grants to local governments for acquisition and development of natural and scenic areas and local parks as provided in Minnesota Statutes, section 85.019, subdivisions 2 and 4a, and regional parks outside of the metropolitan area. Grants may provide up to 50 percent of the nonfederal

share of the project cost, except nonmetropolitan regional park grants may provide up to 60 percent of the nonfederal share of the project cost. The commission will monitor the grants for approximate balance over extended periods of time between the metropolitan area, under Minnesota Statutes, section 473.121, subdivision 2, and the nonmetropolitan area through work program oversight and periodic allocation decisions. For the purposes of this paragraph, the match must be a nonstate contribution, but may be either cash or qualifying in-kind. Recipients may receive funding for more than one project in any given grant period. This appropriation is available until June 30, 2006, at which time the project must be completed and final products delivered.

(d) Metropolitan Regional Parks Acquisition, Rehabilitation, and Development

\$1,670,000 the first year and \$1,669,000 the second year are from the trust fund to the commissioner of natural resources for an agreement with the metropolitan council for subgrants for the acquisition, development, and rehabilitation in the metropolitan regional park system, consistent with the metropolitan council regional recreation open space capital improvement plan. This appropriation may not be used for the purchase of residential structures. This appropriation may be used to reimburse implementing agencies for acquisition of nonresidential property as expressly approved in the work program. This appropriation is available until June 30, 2006, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program. In addition, if a project financed under this program receives a federal grant, the availability of the financing from this

paragraph for that project is extended to equal the period of the federal grant.

(e) Local and Regional Trail Grant Initiative Program

\$160,000 the first year and \$160,000 the second year are from the trust fund to the commissioner of natural resources to provide matching grants to local units of government for the cost of acquisition, development, engineering services, and enhancement of existing and new trail facilities. This appropriation is available until June 30, 2006, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program. In addition, if a project financed under this program receives a federal grant, the availability of the financing from this paragraph for that project is extended to equal the period of the federal grant.

(f) Gitchi-Gami State Trail

\$650,000 the first year and \$650,000 the second year are from the trust fund to the commissioner of natural resources, in cooperation with the Gitchi-Gami Trail Association, for the third biennium, to design and construct approximately five miles of Gitchi-Gami state trail segments. This appropriation must be matched by at least \$400,000 of nonstate money. The availability of the financing from this paragraph is extended to equal the period of any federal money received.

(g) Water Recreation: Boat Access, Fishing Piers, and Shore-fishing

\$450,000 the first year and \$700,000 the second year are from the trust fund to the commissioner of natural resources to acquire and develop public water access sites statewide, construct shore-fishing and pier sites, and restore shorelands at public ac-

cesses. This appropriation is available until June 30, 2006, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

(h) Mesabi Trail

\$190,000 the first year and \$190,000 the second year are from the trust fund to the commissioner of natural resources for an agreement with St. Louis and Lake Counties Regional Rail Authority for the sixth biennium to acquire and develop segments of the Mesabi trail. If a federal grant is received, the availability of the financing from this paragraph is extended to equal the period of the federal grant.

(i) Linking Communities Design, Technology, and DNR Trail Resources

\$92,000 the first year and \$92,000 the second year are from the trust fund to the commissioner of natural resources for an agreement with the University of Minnesota to provide designs for up to three state trails incorporating recreation, natural, and cultural features.

(j) Ft. Ridgley Historic Site Interpretive Trail

\$75,000 the first year and \$75,000 the second year are from the trust fund to the Minnesota historical society to construct a trail through the original fort site and install interpretive markers. This appropriation is available until June 30, 2006, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

(k) Development and Rehabilitation of Minnesota Shooting Ranges

\$120,000 the first year and \$120,000 the second year are from the trust fund to the

commissioner of natural resources to provide technical assistance and matching cost-share grants to local recreational shooting and archery clubs for the purpose of developing or rehabilitating shooting and archery facilities for public use. Recipient facilities must be open to the general public at reasonable times and for a reasonable fee on a walk-in basis. This appropriation is available until June 30, 2006, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

(l) Land Acquisition, Minnesota Landscape Arboretum

\$175,000 the first year and \$175,000 the second year are from the trust fund to the University of Minnesota for an agreement with the University of Minnesota Landscape Arboretum Foundation for the fifth biennium to acquire in-holdings within the arboretum's boundary. This appropriation must be matched by an equal amount of nonstate money. This appropriation is available until June 30, 2006, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

Subd. 7. Water Resources		1,198,000	899,000
	Summary by Fund		
Trust Fund	1,142,000	899,000	
Great Lakes Protection Account	56,000		

(a) Local Water Planning Matching Challenge Grants

\$222,000 the first year and \$222,000 the second year are from the trust fund and \$56,000 is from the Great Lakes protection account to the board of water and soil resources to accelerate the local water plan-

ning challenge grant program under Minnesota Statutes, sections 103B.3361 to 103B.3369, through matching grants to implement high-priority activities in comprehensive water management plans, plan development guidance, and regional resource assessments. For the purposes of this paragraph, the match must be a non-state contribution, but may be either cash or qualifying in-kind. This appropriation is available until June 30, 2006, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

(b) Accelerating and Enhancing Surface Water Monitoring for Lakes and Streams

\$370,000 the first year and \$370,000 the second year are from the trust fund to the commissioner of the pollution control agency for acceleration of agency programs and cooperative agreements with the Minnesota Lakes Association, Rivers Council of Minnesota, the Minnesota Initiative Foundation, and the University of Minnesota to accelerate monitoring efforts through assessments, citizen training, and implementation grants. This appropriation is available until June 30, 2006, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

(c) Intercommunity Groundwater Protection

\$62,000 the first year and \$63,000 the second year are from the trust fund to the commissioner of natural resources for an agreement with Washington county for groundwater monitoring, modeling, and implementation of management strategies.

(d) TAPwaters: Technical Assistance Program for Watersheds

\$80,000 the first year and \$80,000 the second year are from the trust fund to the commissioner of natural resources for an agreement with the Science Museum of Minnesota to assess the St. Croix river and its tributaries to identify solutions to pollution threats. This appropriation is available until June 30, 2006, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

(e) Wastewater Phosphorus Control and Reduction Initiative

\$392,000 the first year and \$148,000 the second year are from the trust fund to the commissioner of the pollution control agency to study human causes of excess phosphorus and for cooperation and an agreement with the Minnesota environmental science and economic review board to assess phosphorus reduction techniques at wastewater treatment plants.

(f) Maintaining Zooplankton (Daphnia) for Water Quality: Square Lake

\$16,000 the first year and \$16,000 the second year are from the trust fund to the commissioner of natural resources for an agreement with Marine On St. Croix water management organization to determine whether trout predation on Daphnia significantly affects Daphnia abundance and water quality of Square lake, Washington county. This appropriation is available until June 30, 2006, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

Subd. 8. Land Use and Natural Resource Information	691,000	691,000
Summary by Fund		
Trust Fund	691,000	

(a) Minnesota County Biological Survey

\$450,000 the first year and \$450,000 the second year are from the trust fund to the commissioner of natural resources for the ninth biennium to accelerate the survey that identifies significant natural areas and systematically collects and interprets data on the distribution and ecology of native plant communities, rare plants, and rare animals.

(b) Updating Outmoded Soil Survey

\$118,000 the first year and \$118,000 the second year are from the trust fund to the board of water and soil to continue updating and digitizing outmoded soil surveys in Fillmore, Goodhue, Dodge, and Wabasha counties in southeast Minnesota. Participating counties must provide a cost share as reflected in the work program. This appropriation is available until June 30, 2006, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

(c) Mesabi Iron Range Geologic and Hydrologic Map and Databases

\$123,000 the first year and \$123,000 the second year are from the trust fund. \$58,000 the first year and \$57,000 the second year of this appropriation are to the commissioner of natural resources to develop a database of hydrogeologic data across the Mesabi iron range. \$65,000 the first year and \$66,000 the second year are to the Minnesota geological survey at the University of Minnesota for geologic and hydrogeologic maps of the Mesabi iron range.

Subd. 9. Agriculture and Natural
Resource Industries

311,000

311,000

Native Plants and Alternative Crops for
Water Quality

\$311,000 the first year and \$311,000 the second year are from the trust fund to the board of water and soil resources for agreements with the Blue Earth river basin initiative and the University of Minnesota to accelerate the use of native plants and alternative crops through easements, demonstration, research, and education. This appropriation is available until June 30, 2006, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

Subd. 10. Energy		630,000	110,000
	Summary by Fund		
Trust Fund	111,000	110,000	
Oil Overcharge	519,000	-0-	

(a) Community Energy Development Program

\$519,000 is from the oil overcharge money to the commissioner of administration for transfer to the commissioner of commerce to assist communities in identifying cost-effective energy projects and developing locally owned wind energy projects through local wind resource assessment and financial assistance.

(b) Advancing Utilization of Manure Methane Digester Electrical Generation

\$111,000 the first year and \$110,000 the second year are from the trust fund to the commissioner of agriculture to maximize use of manure methane digesters by identifying compatible waste streams and the feasibility of microturbine and fuel cell technologies.

Subd. 11. Environmental Education		234,000	236,000
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(a) Dodge Nature Center - Restoration Plan

\$41,000 the first year and \$42,000 the second year are from the trust fund to the

commissioner of natural resources for an agreement with Dodge Nature Center to restore up to 155 acres in Mendota Heights.

(b) Bucks and Buckthorn: Engaging Young Hunters in Restoration

\$127,000 the first year and \$128,000 the second year are from the trust fund to the commissioner of natural resources for agreements with Great River Greening, Minnesota Deer Hunters Association, and the St. Croix Watershed Research Station for a pilot program linking hunting and habitat restoration opportunities for youth.

(c) Putting Green Environmental Adventure Park: Sustainability Education

\$66,000 the first year and \$66,000 the second year are from the trust fund to the commissioner of natural resources for an agreement with Putting Green, Inc. to construct educational exhibits for up to nine putting green learning stations in New Ulm.

Subd. 12. Children’s Environmental Health

281,000

282,000

(a) Healthy Schools: Indoor Air Quality and Asthma Management

\$84,000 the first year and \$84,000 the second year are from the trust fund to the commissioner of health to assist school districts with developing and implementing effective indoor air quality and asthma management plans.

(b) Economic-based Analysis of Children’s Environmental Health Risks

\$47,000 the first year and \$48,000 the second year are from the trust fund to the commissioner of health to assess economic

strategies for children's environmental health risks.

(c) Continuous Indoor Air Quality Monitoring in Minnesota Schools

\$150,000 the first year and \$150,000 the second year are from the trust fund to the commissioner of natural resources for an agreement with Schulte Associates, LLC to provide continuous, real-time indoor air quality monitoring in at least six selected schools.

Subd. 13. Data Availability Requirements

(a) During the biennium ending June 30, 2005, data collected by the projects funded under this section that have value for planning and management of natural resource, emergency preparedness, and infrastructure investments must conform to the enterprise information architecture developed by the office of technology. Spatial data must conform to geographic information system guidelines and standards outlined in that architecture and adopted by the Minnesota geographic data clearinghouse at the land management information center. A description of these data must be made available on-line through the clearinghouse, and the data themselves must be accessible and free to the public unless made private under the Data Practices Act, Minnesota Statutes, chapter 13.

(b) To the extent practicable, summary data and results of projects funded under this section should be readily accessible on the Internet.

(c) As part of project expenditures, recipients of land acquisition appropriations must provide the information necessary to update public recreation information maps to the department of natural resources in the specified form.

Subd. 14. Project Requirements

It is a condition of acceptance of the appropriations in this section that any agency or entity receiving the appropriation must comply with Minnesota Statutes, chapter 116P, and vegetation planted must be native to Minnesota and preferably of the local ecotype unless the work program approved by the commission expressly allows the planting of species that are not native to Minnesota.

Subd. 15. Match Requirements

Unless specifically authorized, appropriations in this section that must be matched and for which the match has not been committed by December 31, 2003, are canceled, and in-kind contributions may not be counted as matching funds.

Subd. 16. Payment Conditions and Capital Equipment Expenditures

All agreements, grants, or contracts referred to in this section must be administered on a reimbursement basis. Notwithstanding Minnesota Statutes, section 16A.41, expenditures made on or after July 1, 2003, or the date the work program is approved, whichever is later, are eligible for reimbursement unless otherwise provided in this section. Payment must be made upon receiving documentation that project-eligible reimbursable amounts have been expended, except that reasonable amounts may be advanced to projects in order to accommodate cash flow needs. The advances must be approved as part of the work program. No expenditures for capital equipment are allowed unless expressly authorized in the project work program.

Subd. 17. Purchase of Recycled and Recyclable Materials

A political subdivision, public or private corporation, or other entity that receives an appropriation in this section must use the appropriation in compliance with Minnesota Statutes, sections 16B.121 and 16B.122, requiring the purchase of recycled, repairable, and durable materials; the purchase of uncoated paper stock; and the use of soy-based ink, the same as if it were a state agency.

Subd. 18. Energy Conservation

A recipient to whom an appropriation is made in this section for a capital improvement project shall ensure that the project complies with the applicable energy conservation standards contained in law, including Minnesota Statutes, sections 216C.19 and 216C.20, and rules adopted thereunder. The recipient may use the energy planning, advocacy, and state energy office units of the department of commerce to obtain information and technical assistance on energy conservation and alternative energy development relating to the planning and construction of the capital improvement project.

Subd. 19. Accessibility

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

Subd. 20. Carryforward

(a) The availability of the appropriations for the following projects is extended to June 30, 2004: Laws 2001, First Special Session chapter 2, section 14, subdivision 4, paragraph (b), state fish hatchery rehabilitation, paragraph (c), enhancing Canada goose hunting and management; subdivision 5, paragraph (g), McQuade small craft harbor, paragraph (i), Gateway trail bridge,

paragraph (p), state park and recreation area acquisition, paragraph (q), LAWCON; subdivision 6, paragraph (d), determination of fecal pollution sources in Minnesota; subdivision 7, paragraph (e), Lake Superior Lakewide Management Plan (LaMP); subdivision 8, paragraph (b), agricultural land preservation, paragraph (d), accelerated technology transfer for starch-based plastics; and subdivision 9, improving air quality by using biodiesel in generators.

(b) The availability of the appropriation from the trust fund for the following project is extended to June 30, 2004: Laws 2001, First Special Session chapter 2, section 14, subdivision 3, paragraph (a), legislative commission on Minnesota resources. During the 2004-2005 biennium the legislative commission on Minnesota resources is not subject to the limitation in uses of funds provided under Minnesota Statutes, section 16A.281.

(c) The availability of the appropriation for the following project is extended to June 30, 2005: Laws 2001, First Special Session chapter 2, section 14, subdivision 5, paragraph (k), Gitchi-Gami state trail; and subdivision 7, paragraph (a), hydraulic impacts of quarries and gravel pits.

Subd. 21. Future Resources Funds

Minnesota future resources fund appropriations remaining from appropriations in Laws 1999, chapter 231, section 16; and Laws 2001, First Special Session chapter 2, section 14, as amended in subdivision 19 are continued to the date of their availability in law.

Any projects with dollars appropriated from the Minnesota future resources fund prior to July 1, 2003, continue to be subject to the requirements of Minnesota Statutes, chapter 116P.

Sec. 10. FUND TRANSFER.

(a) By June 30, 2003, the commissioner of the pollution control agency shall transfer \$11,000,000 from the unreserved balance of the solid waste fund to the commissioner of finance for cancellation to the general fund.

(b) The commissioner of the pollution control agency shall transfer \$5,000,000 before July 30, 2003, and \$5,000,000 before July 30, 2004, from the unreserved balance of the environmental fund to the commissioner of finance for cancellation to the general fund.

(c) By June 30, 2005, the commissioner of the pollution control agency shall transfer \$1,370,000 from the environmental fund to the commissioner of finance for cancellation to the general fund.

(d) By June 30, 2007, the commissioner of the pollution control agency shall transfer \$1,370,000 from the environmental fund to the commissioner of finance for cancellation to the general fund.

(e) By June 30, 2004, the commissioner of the pollution control agency shall transfer \$9,905,000 from the metropolitan landfill contingency action trust fund to the commissioner of finance for cancellation to the general fund. This is a onetime transfer from the metropolitan landfill contingency action trust fund to the general fund. It is the intent of the legislature to restore these funds to the metropolitan landfill contingency action trust fund as revenues become available in the future to ensure the state meets future financial obligations under Minnesota Statutes, section 473.845.

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

Sec. 11. Minnesota Statutes 2002, section 17.4988, is amended to read:

17.4988 LICENSE AND INSPECTION FEES.

Subdivision 1. **REQUIREMENTS FOR ISSUANCE.** A permit or license must be issued by the commissioner if the requirements of law are met and the license and permit fees specified in this section are paid.

Subd. 2. **AQUATIC FARMING LICENSE.** (a) The annual fee for an aquatic farming license is ~~\$70~~ \$210.

(b) The aquatic farming license may contain endorsements for the rights and privileges of the following licenses under the game and fish laws. The endorsement must be made upon payment of the license fee prescribed in section 97A.475 for the following licenses:

- (1) minnow dealer license;
- (2) minnow retailer license for sale of minnows as bait;
- (3) minnow exporting license;
- (4) aquatic farm vehicle endorsement, which includes a minnow dealer vehicle license, a minnow retailer vehicle license, an exporting minnow vehicle license, and a fish vendor license;

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- (5) sucker egg taking license; and
- (6) game fish packers license.

Subd. 3. **INSPECTION FEES.** The fees for the following inspections are:

- (1) initial inspection of each water to be licensed, \$50;
- (2) fish health inspection and certification, ~~\$20~~ \$60 plus ~~\$100~~ \$150 per lot thereafter; and
- (3) initial inspection for containment and quarantine facility inspections, ~~\$50~~ \$100.

Subd. 4. **AQUARIUM FACILITY.** (a) A person operating a commercial aquarium facility must have a commercial aquarium facility license issued by the commissioner if the facility contains species of aquatic life that are for sale and that are present in waters of the state. The commissioner may require an aquarium facility license for aquarium facilities importing or holding species of aquatic life that are for sale and that are not present in Minnesota if those species can survive in waters of the state. The fee for an aquarium facility license is ~~\$19~~ \$90.

(b) Game fish transferred by an aquarium facility must be accompanied by a receipt containing the information required on a shipping document by section 17.4985, subdivision 3, paragraph (b).

EFFECTIVE DATE. This section is effective March 1, 2004.

Sec. 12. Minnesota Statutes 2002, section 84.027, subdivision 13, is amended to read:

Subd. 13. **GAME AND FISH RULES.** (a) The commissioner of natural resources may adopt rules under sections 97A.0451 to 97A.0459 and this subdivision that are authorized under:

(1) chapters 97A, 97B, and 97C to set open seasons and areas, to close seasons and areas, to select hunters for areas, to provide for tagging and registration of game, to prohibit or allow taking of wild animals to protect a species, to prevent or control wildlife disease, and to prohibit or allow importation, transportation, or possession of a wild animal;

(2) sections 84.093, 84.15, and 84.152 to set seasons for harvesting wild ginseng roots and wild rice and to restrict or prohibit harvesting in designated areas; and

(3) section 84D.12 to designate prohibited exotic species, regulated exotic species, unregulated exotic species, and infested waters.

(b) If conditions exist that do not allow the commissioner to comply with sections 97A.0451 to 97A.0459, the commissioner may adopt a rule under this subdivision by submitting the rule to the attorney general for review under section 97A.0455, publishing a notice in the State Register and filing the rule with the secretary of state and the legislative coordinating commission, and complying with section 97A.0459, and including a statement of the emergency conditions and a copy of the rule in the

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notice. The notice may be published after it is received from the attorney general or five business days after it is submitted to the attorney general, whichever is earlier.

(c) Rules adopted under paragraph (b) are effective upon publishing in the State Register and may be effective up to seven days before publishing and filing under paragraph (b), if:

- (1) the commissioner of natural resources determines that an emergency exists;
- (2) the attorney general approves the rule; and

(3) for a rule that affects more than three counties the commissioner publishes the rule once in a legal newspaper published in Minneapolis, St. Paul, and Duluth, or for a rule that affects three or fewer counties the commissioner publishes the rule once in a legal newspaper in each of the affected counties.

(d) Except as provided in paragraph (e), a rule published under paragraph (c), clause (3), may not be effective earlier than seven days after publication.

(e) A rule published under paragraph (c), clause (3), may be effective the day the rule is published if the commissioner gives notice and holds a public hearing on the rule within 15 days before publication.

(f) The commissioner shall attempt to notify persons or groups of persons affected by rules adopted under paragraphs (b) and (c) by public announcements, posting, and other appropriate means as determined by the commissioner.

(g) Notwithstanding section 97A.0458, a rule adopted under this subdivision is effective for the period stated in the notice but not longer than 18 months after the rule is adopted.

Sec. 13. Minnesota Statutes 2002, section 84.029, subdivision 1, is amended to read:

Subdivision 1. **ESTABLISHMENT, DEVELOPMENT, MAINTENANCE AND OPERATION.** In addition to other lawful authority, the commissioner of natural resources may establish, develop, maintain, and operate recreational areas, including but not limited to trails and canoe routes, for the use and enjoyment of the public on any state-owned or leased land under the commissioner's jurisdiction. ~~Each employee of the department of natural resources, while engaged in employment in connection with such recreational areas, has and possesses the authority and power of a peace officer when so designated by the commissioner.~~ The commissioner may employ and designate individuals according to section 85.04 to enforce laws governing the use of recreational areas.

Sec. 14. Minnesota Statutes 2002, section 84.085, subdivision 1, is amended to read:

Subdivision 1. **AUTHORITY.** (a) The commissioner of natural resources may accept for and on behalf of the state any gift, bequest, devise, or grants of lands or interest in lands or personal property of any kind or of money tendered to the state for any purpose pertaining to the activities of the department or any of its divisions. Any

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money so received is hereby appropriated and dedicated for the purpose for which it is granted. Lands and interests in lands so received may be sold or exchanged as provided in chapter 94.

(b) The commissioner of natural resources, on behalf of the state, may accept and use grants of money or property from the United States or other grantors for conservation purposes not inconsistent with the laws of this state. Any money or property so received is hereby appropriated and dedicated for the purposes for which it is granted, and shall be expended or used solely for such purposes in accordance with the federal laws and regulations pertaining thereto, subject to applicable state laws and rules as to manner of expenditure or use providing that the commissioner may make subgrants of any money received to other agencies, units of local government, private individuals, private organizations, and private nonprofit corporations. Appropriate funds and accounts shall be maintained by the commissioner of finance to secure compliance with this section.

(c) The commissioner may accept for and on behalf of the permanent school fund a donation of lands, interest in lands, or improvements on lands. A donation so received shall become state property, be classified as school trust land as defined in section 92.025, and be managed consistent with section 127A.31.

Sec. 15. Minnesota Statutes 2002, section 84.091, subdivision 2, is amended to read:

Subd. 2. **LICENSE REQUIRED; EXCEPTION.** (a) Except as provided in paragraph (b), a person may not harvest, buy, sell, transport, or possess aquatic plants without a license required under this chapter. A license shall be issued in the same manner as provided under the game and fish laws.

(b) A resident under the age of ~~16~~ 18 years may harvest wild rice without a license, if accompanied by a person with a wild rice license.

EFFECTIVE DATE. This section is effective March 1, 2004.

Sec. 16. Minnesota Statutes 2002, section 84.091, subdivision 3, is amended to read:

Subd. 3. **LICENSE FEES.** (a) The fees for the following licenses, to be issued to residents only, are:

(1) for harvesting wild rice, ~~\$12.50~~;

(i) for a season, \$25; and

(ii) for one day, \$15;

(2) for buying and selling wild ginseng, \$5;

(3) for a wild rice dealer's license to buy and sell 50,000 pounds or less, \$70; and

(4) for a wild rice dealer's license to buy and sell more than 50,000 pounds, \$250.

(b) The fee for a nonresident one-day license to harvest wild rice is \$30.

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(c) The weight of the wild rice shall be determined in its raw state.

EFFECTIVE DATE. This section is effective March 1, 2004.

Sec. 17. Minnesota Statutes 2002, section 84.0911, is amended to read:

84.0911 WILD RICE MANAGEMENT ACCOUNT.

Subdivision 1. ~~ESTABLISHMENT ACCOUNT ESTABLISHED.~~ The wild rice management account is established as an account in the state treasury game and fish fund.

Subd. 2. **RECEIPTS.** Money received from the sale of wild rice licenses issued by the commissioner under section 84.091, subdivision 3, paragraph (a), clauses (1) and (3), and (4), and subdivision 3, paragraph (b), shall be credited to the wild rice management account.

Subd. 3. **USE OF MONEY IN ACCOUNT.** ~~(a) Money in the wild rice management account shall be used by is annually appropriated to the commissioner and shall be used for management of designated public waters to improve natural wild rice production.~~

~~(b) Money that is not appropriated from the wild rice management account does not cancel but shall remain in the wild rice management account until appropriated.~~

EFFECTIVE DATE. This section is effective March 1, 2004.

Sec. 18. [84.771] OFF-HIGHWAY VEHICLE DEFINITION.

For the purposes of sections 84.771 to 84.930, "off-highway vehicle" means an off-highway motorcycle, as defined under section 84.787, subdivision 7; an off-road vehicle, as defined under section 84.797, subdivision 7; or an all-terrain vehicle, as defined under section 84.92, subdivision 8.

Sec. 19. [84.773] RESTRICTIONS ON OPERATION.

A person may not intentionally operate an off-highway vehicle:

(1) on a trail on public land that is designated for nonmotorized use only;

(2) on restricted areas within public lands that are posted or where gates or other clearly visible structures are placed to prevent unauthorized motorized vehicle access;
or

(3) except as specifically authorized by law or rule adopted by the commissioner, in: type 3, 4, 5, and 8 wetlands or unfrozen public waters, as defined in section 103G.005; in a state park; in a scientific and natural area; or in a wildlife management area.

Sec. 20. [84.775] OFF-HIGHWAY VEHICLE CIVIL CITATIONS.

Subdivision 1. CIVIL CITATION; AUTHORITY TO ISSUE. (a) A conservation officer or other licensed peace officer may issue a civil citation to a person who operates:

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(1) an off-highway motorcycle in violation of sections 84.773; 84.777; 84.788 to 84.795; or 84.90;

(2) an off-road vehicle in violation of sections 84.773; 84.777; 84.798 to 84.804; or 84.90; or

(3) an all-terrain vehicle in violation of sections 84.773; 84.777; 84.90; or 84.922 to 84.928.

(b) A civil citation shall require restitution for public and private property damage and impose a penalty of no more than \$100 for the first offense, no more than \$200 for the second offense, and no more than \$500 for third and subsequent offenses. If the peace officer determines that there is damage to property requiring restitution, the commissioner must send a written explanation of the extent of the damage and the cost of the repair by first class mail to the address provided by the person receiving the citation within 15 days of the date of the citation.

Subd. 2. APPEALS. Civil citations issued under subdivision 1 may be appealed according to section 116.072, if the recipient of the citation requests a hearing by notifying the commissioner in writing within 30 days after receipt of the citation or, if applicable, within 15 days after the date of mailing the explanation of restitution. For the purposes of this section, the terms "commissioner" and "agency" as used in section 116.072 mean the commissioner of natural resources. If a hearing is not requested within the 30-day period, the citation becomes a final order not subject to further review.

Subd. 3. ENFORCEMENT. Civil citations issued under subdivision 1 may be enforced under section 116.072, subdivision 9. Penalty amounts must be remitted within 30 days of issuance of the citation.

Subd. 4. ALLOCATION OF PENALTY AMOUNTS. Penalty amounts collected from civil citations issued under this section must be paid to the treasury of the unit of government employing the officer that issued the civil citation. Penalties retained by the commissioner shall be credited as follows: to the off-highway motorcycle account under section 84.794 for citations involving off-highway motorcycles; to the off-road vehicle account under section 84.803 for citations involving off-road vehicles; or to the all-terrain vehicle account under section 84.927 for citations involving all-terrain vehicles. Penalty amounts credited under this subdivision are dedicated for the enforcement of off-highway vehicle laws.

Subd. 5. SELECTION OF REMEDY. A peace officer may not seek both civil and misdemeanor penalties for offenses listed in subdivision 1.

Sec. 21. [84.777] OFF-HIGHWAY VEHICLE USE OF STATE LANDS RESTRICTED.

(a) Except as otherwise allowed by law or rules adopted by the commissioner, effective June 1, 2003, notwithstanding sections 84.787 to 84.805 and 84.92 to 84.929, the use of off-highway vehicles is prohibited on state land administered by the commissioner of natural resources, and on county-administered forest land within the

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boundaries of a state forest, except on roads and trails specifically designated and posted by the commissioner for use by off-highway vehicles.

(b) Paragraph (a) does not apply to county-administered land within a state forest if the county board adopts a resolution that modifies restrictions on the use of off-highway vehicles on county-administered land within the forest.

Sec. 22. [84.780] OFF-HIGHWAY VEHICLE DAMAGE ACCOUNT.

(a) The off-highway vehicle damage account is created in the natural resources fund. Money in the off-highway vehicle damage account is appropriated to the commissioner of natural resources for the repair or restoration of property damaged by the operation of off-highway vehicles in an unpermitted area after August 1, 2003, and for the costs of administration for this section. Before the commissioner may make a payment from this account, the commissioner must determine whether the damage to the property was caused by the unpermitted use of off-highway vehicles, that the applicant has made reasonable efforts to identify the responsible individual and obtain payment from the individual, and that the applicant has made reasonable efforts to prevent reoccurrence. By June 30, 2005, the commissioner of finance must transfer the remaining balance in the account to the off-highway motorcycle account under section 84.794, the off-road vehicle account under section 84.803, and the all-terrain vehicle account under section 84.927. The amount transferred to each account must be proportionate to the amounts received in the damage account from the relevant off-highway vehicle accounts.

(b) This section expires July 1, 2005.

Sec. 23. Minnesota Statutes 2002, section 84.788, subdivision 2, is amended to read:

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

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

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

(3) used exclusively in organized track racing events;

(4) being used on private land with the permission of the landowner; or

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

Sec. 24. Minnesota Statutes 2002, section 84.788, subdivision 3, is amended to read:

Subd. 3. **APPLICATION; ISSUANCE; REPORTS.** (a) Application for registration or continued registration must be made to the commissioner or an authorized deputy registrar of motor vehicles in a form prescribed by the commissioner. The form

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must state the name and address of every owner of the off-highway motorcycle.

(b) A person who purchases from a retail dealer an off-highway motorcycle that is intended to be operated on public lands or waters shall make application for registration to the dealer at the point of sale. The dealer shall issue a temporary ten-day registration permit to each purchaser who applies to the dealer for registration. The dealer shall submit the completed registration applications and fees to the deputy registrar at least once each week. No fee may be charged by a dealer to a purchaser for providing the temporary permit.

(c) Upon receipt of the application and the appropriate fee, the commissioner or deputy registrar shall issue to the applicant, or provide to the dealer, a 60-day temporary receipt and shall assign a registration number that must be affixed to the motorcycle in a manner prescribed by the commissioner. A dealer subject to paragraph (b) shall provide the registration materials and temporary receipt to the purchaser within the ten-day temporary permit period.

(d) The commissioner shall develop a registration system to register vehicles under this section. A deputy registrar of motor vehicles acting under section 168.33, is also a deputy registrar of off-highway motorcycles. The commissioner of natural resources in agreement with the commissioner of public safety may prescribe the accounting and procedural requirements necessary to ensure efficient handling of registrations and registration fees. Deputy registrars shall strictly comply with the accounting and procedural requirements.

(e) A fee of \$2 In addition to other fees prescribed by law, a filing fee of \$4.50 is charged for each off-highway motorcycle registration renewal, duplicate or replacement registration card, and replacement decal and a filing fee of \$7 is charged for each off-highway motorcycle registered registration and registration transfer issued by:

(1) a deputy registrar and must be deposited in the treasury of the jurisdiction where the deputy is appointed, or kept if the deputy is not a public official; or

(2) the commissioner and must be deposited in the state treasury and credited to the off-highway motorcycle account.

Sec. 25. Minnesota Statutes 2002, section 84.798, subdivision 3, is amended to read:

Subd. 3. **APPLICATION; ISSUANCE.** (a) Application for registration or continued registration must be made to the commissioner, or an authorized deputy registrar of motor vehicles in a form prescribed by the commissioner. The form must state the name and address of every owner of the off-road vehicle. Upon receipt of the application and the appropriate fee, the commissioner shall register the off-road vehicle and assign a registration number that must be affixed to the vehicle in accordance with subdivision 4.

(b) A deputy registrar of motor vehicles acting under section 168.33 is also a deputy registrar of off-road vehicles. The commissioner of natural resources in cooperation with the commissioner of public safety may prescribe the accounting and

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procedural requirements necessary to ensure efficient handling of registrations and registration fees. Deputy registrars shall strictly comply with the accounting and procedural requirements. A fee of \$2 ~~In addition to other fees prescribed by law must be, a filing fee of \$4.50 is charged for each off-road vehicle registration renewal, duplicate or replacement registration card, and replacement decal and a filing fee of \$7 is charged for each off-road vehicle registered registration and registration transfer issued by:~~

(1) a deputy registrar and must be deposited in the treasury of the jurisdiction where the deputy is appointed, or retained if the deputy is not a public official; or

(2) the commissioner and must be deposited in the state treasury and credited to the off-road vehicle account.

Sec. 26. Minnesota Statutes 2002, section 84.803, subdivision 2, is amended to read:

Subd. 2. **PURPOSES.** Subject to appropriation by the legislature, money in the off-road vehicle account may only be spent for:

(1) administration, enforcement, and implementation of sections ~~84.797~~ 84.773 to 84.805 and Laws 1993, chapter 311, article 2, section 18;

(2) acquisition, maintenance, and development of off-road vehicle trails and use areas;

(3) grant-in-aid programs to counties and municipalities to construct and maintain off-road vehicle trails and use areas; and

(4) grants-in-aid to local safety programs; and

(5) enforcement and public education grants to local law enforcement agencies.

Sec. 27. **[84.901] OFF-HIGHWAY VEHICLE SAFETY AND CONSERVATION PROGRAM.**

Subdivision 1. **CREATION.** The commissioner of natural resources shall establish a program to promote the safe and responsible operation of off-highway vehicles in a manner that does not harm the environment. The commissioner shall coordinate the program through the regional offices of the department of natural resources.

Subd. 2. **PURPOSE.** The purpose of the program is to encourage off-highway vehicle clubs to assist, on a volunteer basis, in improving, maintaining, and monitoring of trails on state forest land and other public lands.

Subd. 3. **AGREEMENTS.** (a) The commissioner shall enter into informal agreements with off-highway vehicle clubs for volunteer services to maintain, make improvements to, and monitor trails on state forest land and other public lands. The off-highway vehicle clubs shall promote the operation of off-highway vehicles in a safe and responsible manner that complies with the laws and rules that relate to the operation of off-highway vehicles.

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(b) The off-highway vehicle clubs may provide assistance to the department in locating, recruiting, and training instructors for off-highway vehicle training programs.

(c) The commissioner may provide assistance to enhance the comfort and safety of volunteers and to facilitate the implementation and administration of the safety and conservation program.

Subd. 4. WORKER DISPLACEMENT PROHIBITED. The commissioner may not enter into any agreement that has the purpose of or results in the displacement of public employees by volunteers participating in the off-highway safety and conservation program under this section. The commissioner must certify to the appropriate bargaining agent that the work performed by a volunteer will not result in the displacement of currently employed workers or workers on seasonal layoff or layoff from a substantially equivalent position, including partial displacement such as reduction in hours of nonovertime work, wages, or other employment benefits.

Sec. 28. Minnesota Statutes 2002, section 84.92, subdivision 8, is amended to read:

Subd. 8. ALL-TERRAIN VEHICLE. "All-terrain vehicle" or "vehicle" means a motorized flotation-tired vehicle of not less than three low pressure tires, but not more than six tires, that is limited in engine displacement of less than 800 cubic centimeters and total dry weight less than ~~800~~ 900 pounds.

Sec. 29. Minnesota Statutes 2002, section 84.922, subdivision 2, is amended to read:

Subd. 2. APPLICATION, ISSUANCE, REPORTS. (a) Application for registration or continued registration shall be made to the commissioner of natural resources, the commissioner of public safety or an authorized deputy registrar of motor vehicles in a form prescribed by the commissioner. The form must state the name and address of every owner of the vehicle.

(b) A person who purchases an all-terrain vehicle from a retail dealer shall make application for registration to the dealer at the point of sale. The dealer shall issue a temporary ten-day registration permit to each purchaser who applies to the dealer for registration. The dealer shall submit the completed registration application and fees to the deputy registrar at least once each week. No fee may be charged by a dealer to a purchaser for providing the temporary permit.

(c) Upon receipt of the application and the appropriate fee, the commissioner or deputy registrar shall issue to the applicant, or provide to the dealer, a 60-day temporary receipt and shall assign a registration number that must be affixed to the vehicle in a manner prescribed by the commissioner. A dealer subject to paragraph (b) shall provide the registration materials and temporary receipt to the purchaser within the ten-day temporary permit period. The commissioner shall use the snowmobile registration system to register vehicles under this section.

(d) Each deputy registrar of motor vehicles acting under section 168.33, is also a deputy registrar of all-terrain vehicles. The commissioner of natural resources in

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agreement with the commissioner of public safety may prescribe the accounting and procedural requirements necessary to assure efficient handling of registrations and registration fees. Deputy registrars shall strictly comply with the accounting and procedural requirements.

(e) A fee of \$2 In addition to other fees prescribed by law shall be, a filing fee of \$4.50 is charged for each all-terrain vehicle registration renewal, duplicate or replacement registration card, and replacement decal and a filing fee of \$7 is charged for each all-terrain vehicle registered registration and registration transfer issued by:

(1) a deputy registrar and shall be deposited in the treasury of the jurisdiction where the deputy is appointed, or retained if the deputy is not a public official; or

(2) the commissioner and shall be deposited to the state treasury and credited to the all-terrain vehicle account in the natural resources fund.

Sec. 30. Minnesota Statutes 2002, section 84.922, subdivision 5, is amended to read:

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

(1) for public use before January 1, 2005, \$18 \$23;

(2) for public use on January 1, 2005, and after, \$30;

(3) for private use, \$6; and

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

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

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

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

Sec. 31. Minnesota Statutes 2002, section 84.926, is amended to read:

84.926 VEHICLE USE ALLOWED ON PUBLIC LANDS BY THE COMMISSIONER.

Notwithstanding section 84.777, on a case by case basis, after notice and public hearing, the commissioner may allow vehicles issue a permit authorizing a person to operate an off-highway vehicle on individual public trails under the commissioner's jurisdiction during specified times and for specified purposes.

Sec. 32. Minnesota Statutes 2002, section 84.927, subdivision 2, is amended to read:

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Subd. 2. **PURPOSES.** Subject to appropriation by the legislature, money in the all-terrain vehicle account may only be spent for:

- (1) the education and training program under section 84.925;
- (2) ~~administration, enforcement, and implementation of sections 84.92 to 84.929 and Laws 1984, chapter 647, sections 9 and 10;~~ 84.773 to 84.773;
- (3) acquisition, maintenance, and development of vehicle trails and use areas;
- (4) grant-in-aid programs to counties and municipalities to construct and maintain all-terrain vehicle trails and use areas; and
- (5) grants-in-aid to local safety programs; and
- (6) enforcement and public education grants to local law enforcement agencies.

The distribution of funds made available through grant-in-aid programs must be guided by the statewide comprehensive outdoor recreation plan.

Sec. 33. Minnesota Statutes 2002, section 84.928, subdivision 1, is amended to read:

Subdivision 1. **OPERATION ON ROADS AND RIGHTS-OF-WAY.** (a) Unless otherwise allowed in sections 84.92 to 84.929, a person shall not operate an all-terrain vehicle in this state along or on the roadway, shoulder, or inside bank or slope of a public road right-of-way of a trunk, county state-aid, or county highway other than in the ditch or the outside bank or slope of a trunk, county state-aid, or county highway in this state unless otherwise allowed in sections 84.92 to 84.929 unless prohibited under paragraph (b).

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

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

- (1) degradation of vegetation on adjacent public property;
- (2) siltation of waters of the state;
- (3) impairment or enhancement to the act of taking game; or
- (4) a threat to safety of the right-of-way users or to individuals on adjacent public property.

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

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

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

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

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

Sec. 34. [84.930] MOTORIZED TRAIL GRANTS-IN-AID.

(a) This section applies to grants-in-aid for motorized trail construction and maintenance under sections 84.794, 84.803, 84.83, and 84.927.

(b) If the commissioner of natural resources determines that a grant-in-aid recipient has violated any federal or state law or any of the terms of the grant agreement with the commissioner, the commissioner may withhold all grant payments for any work occurring after the date the recipient was notified of the violation and seek restitution for any property damage caused by the violation.

(c) A grant-in-aid recipient may appeal the commissioner's decision under paragraph (b) in a contested case hearing under section 14.58.

Sec. 35. [84.991] MINNESOTA CONSERVATION CORPS.

Subdivision 1. TRANSFER. (a) The Minnesota conservation corps is moved to the friends of the Minnesota conservation corps, an existing nonprofit corporation under section 501(c)(3) of the Internal Revenue Code of 1986, as amended, doing business as the Minnesota conservation corps under the supervision of a board of directors.

(b) The expenditure of state funds by the Minnesota conservation corps is subject to audit by the legislative auditor and regular annual report to the legislature in general and specifically to the house of representatives and senate committees with jurisdiction over environment and natural resources policy and finance.

Subd. 2. STAFF; CORPS MEMBERS. (a) Staff employed by the Minnesota conservation corps are not state employees, but, at the option of the board of directors of the nonprofit corporation and at the expense of the corporation or its staff, employees who are in the employ of the Minnesota conservation corps on or before June 30, 2003, may continue to participate in state retirement and deferred compensation, that apply to state employees.

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(b) Employment as a Minnesota conservation corps member is noncovered employment for purposes of eligibility for unemployment benefits under chapter 268.

(c) The Minnesota conservation corps is authorized to continue to have staff and corps members participate in the state of Minnesota workers' compensation program through the department of natural resources. Staff and corps members' claim and administrative costs must be allocated and set annually by the department of natural resources in a manner that is consistent with how these costs are allocated across that agency's operations. The friends of the Minnesota conservation corps shall establish and follow loss-control strategies that are consistent with loss-control activities of the department of natural resources. In the event that the friends of the Minnesota conservation corps becomes insolvent or cannot otherwise fund its claim and administrative costs, liability for these costs shall be assumed by the department of natural resources.

(d) The Minnesota conservation corps is a training and service program and exempt from Minnesota prevailing wage guidelines.

Subd. 3. STATE AND OTHER AGENCY COLLABORATION. The departments of natural resources, agriculture, public safety, transportation, and other appropriate state agencies must constructively collaborate with the Minnesota conservation corps.

Subd. 4. EQUIPMENT AND SERVICE PURCHASES; STATE CONTRACTS. The Minnesota conservation corps may purchase or lease equipment and services, including fleet, through state contracts administered by the commissioner of administration or the department of natural resources.

Subd. 5. LIMITATIONS ON MINNESOTA CONSERVATION CORPS PROJECTS. Each employing state or local agency must certify that the assignment of Minnesota conservation corps members will not result in the displacement of currently employed workers or workers on seasonal layoff, including partial displacement such as reduction in hours of nonovertime work, wages, or other employment benefits. Supervising agencies that participate in the program may not terminate, lay off, reduce the seasonal hours, or reduce the working hours of any employee for the purpose of using a corps member with available funds. The positions and job duties of corps members employed in projects shall be submitted to affected exclusive representatives prior to actual assignment.

Subd. 6. JOINT POWERS. Section 471.59 relating to joint exercise of powers applies to the Minnesota conservation corps.

Sec. 36. Minnesota Statutes 2002, section 84A.02, is amended to read:

84A.02 DEPARTMENT TO MANAGE PRESERVE.

(a) The department of natural resources shall manage and control the Red Lake game preserve. The department may adopt and enforce rules for the care, preservation, protection, breeding, propagation, and disposition of all species of wildlife in the preserve. The department may adopt and enforce rules for the regulation, issuance,

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sale, and revocation of special licenses or special permits for hunting, fishing, camping, and other uses of this area, consistent with sections 84A.01 to 84A.11. The department may by rule set the terms, conditions, and charges for these licenses and permits.

(b) The rules may specify and control the terms under which wildlife may be taken, captured, or killed in the preserve, and under which fur-bearing animals, or animals and fish otherwise having commercial value, may be taken, captured, trapped, killed, sold, and removed from it. These rules may also provide for (1) the afforestation and reforestation of state lands in the preserve, (2) the sale of merchantable timber from these lands when, in the opinion of the department, it can be sold and removed without damage or injury to the further use and development of the land for wildlife and game in the preserve, and (3) the purposes for which the preserve is established by sections 84A.01 to 84A.11.

(c) The department may provide for the policing of the preserve as necessary for its proper development and use for the purposes specified. ~~Supervisors, guards, eustodians, and caretakers assigned to duty in the preserve have the powers of peace officers while in their employment~~ The commissioner of natural resources may employ and designate individuals according to section 85.04 to enforce laws governing the use of the preserve.

(d) The department shall also adopt and enforce rules concerning the burning of grass, timber slashings, and other flammable matter, and the clearing, development, and use of lands in the preserve as necessary to prevent forest fires and grass fires that would injure the use and development of this area for wildlife preservation and propagation and to protect its forest and wooded areas.

(e) Lands within the preserve are subject to the rules, whether owned by the state or privately, consistent with the rights of the private owners and with applicable state law. The rules may establish areas and zones within the preserve where hunting, fishing, trapping, or camping is prohibited or specially regulated, to protect and propagate particular wildlife in the preserve.

(f) Rules adopted under sections 84A.01 to 84A.11 must be posted on the boundaries of the preserve.

Sec. 37. Minnesota Statutes 2002, section 84A.21, is amended to read:

84A.21 DEPARTMENT TO MANAGE PROJECTS.

(a) The department shall manage and control each project approved and accepted under section 84A.20. The department may adopt and enforce rules for the purposes in section 84A.20, subdivision 1, for the prevention of forest fires in the projects, and for the sale of merchantable timber from lands so acquired by the state when, in the opinion of the department, the timber may be sold and removed without damage to the project.

(b) These rules may relate to the care, preservation, protection, breeding, propagation, and disposition of any species of wildlife in the project and the regulation, issuance, sale, and revocation of special licenses or special permits for hunting, fishing,

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camping, and other uses of the areas consistent with applicable state law.

(c) The department may provide for the policing of each project as needed for the proper development, use, and protection of the project and its purposes. ~~Supervisors, guards, custodians, and caretakers assigned to duty in any project have the powers of peace officers while employed by the department~~ The commissioner of natural resources may employ and designate individuals according to section 85.04 to enforce laws governing the use of the projects.

(d) Lands within a project are subject to these rules, whether owned by the state or privately, consistent with the rights of the private owners or with applicable state law. The rules must be published once in one qualified newspaper in each county affected and take effect after publication. They must also be posted on the boundaries of each project affected.

Sec. 38. Minnesota Statutes 2002, section 84A.32, subdivision 1, is amended to read:

Subdivision 1. **RULES.** (a) The department shall manage and control each project approved and accepted under section 84A.31. The department may adopt and enforce rules for the purposes in section 84A.31, subdivision 1, for the prevention of forest fires in the projects, and for the sale of merchantable timber from lands acquired by the state in the projects when, in the opinion of the department, the timber may be sold and removed without damage to the purposes of the projects. Rules must not interfere with, destroy, or damage any privately owned property without just compensation being made to the owner of the private property by purchase or in lawful condemnation proceedings. The rules may relate to the care, preservation, protection, breeding, propagation, and disposition of any species of wildlife in the projects and the regulation, issuance, sale, and revocation of special licenses or special permits for hunting, fishing, camping, or other uses of these areas consistent with applicable state law.

(b) The department may provide for the policing of each project as necessary for the proper development, use, and protection of the project, and of its purpose. ~~Supervisors, guards, custodians, and caretakers assigned to duty in a project have the powers of peace officers while employed by the department~~ The commissioner of natural resources may employ and designate individuals according to section 85.04 to enforce laws governing the use of the projects.

(c) Lands within the project are subject to these rules, whether owned by the state, or privately, consistent with the constitutional rights of the private owners or with applicable state law. The department may exclude from the operation of the rules any lands owned by private individuals upon which taxes are delinquent for three years or less. Rules must be published once in the official newspaper of each county affected and take effect 30 days after publication. They must also be posted on each of the four corners of each township of each project affected.

(d) In the management, operation, and control of areas taken for afforestation, reforestation, flood control projects, and wild game and fishing reserves, nothing shall

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be done that will in any manner obstruct or interfere with the operation of ditches or drainage systems existing within the areas, or damage or destroy existing roads or highways within these areas or projects, unless the ditches, drainage systems, roads, or highways are first taken under the right of eminent domain and compensation made to the property owners and municipalities affected and damaged. Each area or project shall contribute from the funds of the project, in proportion of the state land within the project, for the construction and maintenance of roads and highways necessary within the areas and projects to give the settlers and private owners within them access to their land. The department may construct and maintain roads and highways within the areas and projects as it considers necessary.

Sec. 39. Minnesota Statutes 2002, section 84A.55, subdivision 8, is amended to read:

Subd. 8. **POLICING.** The commissioner may police the game preserves, areas, and projects as necessary to carry out this section. ~~Persons assigned to the policing have the powers of police officers while so engaged~~ The commissioner may employ and designate individuals according to section 85.04 to enforce laws governing the use of the game preserves, areas, and projects.

Sec. 40. **[84B.12] CITIZENS COUNCIL ON VOYAGEURS NATIONAL PARK.**

(a) The governor may appoint, except for the legislative members, a citizens council on Voyageurs National Park, consisting of 17 members as follows:

- (1) four residents of Koochiching county;
- (2) four residents of St. Louis county;
- (3) five residents of the state, at large, from outside Koochiching and St. Louis counties;
- (4) two members of the senate to be appointed by the committee on committees;
- (5) two members of the house of representatives to be appointed by the speaker of the house.

(b) The governor shall designate one of the appointees to serve as chair and the committee may elect other officers that it considers necessary. Members shall be appointed so as to represent differing viewpoints and interest groups on the facilities included in and around the park. Legislative members shall serve for the term of the legislative office to which they were elected. The terms, compensation and removal of nonlegislative members of the council are as provided in section 15.059. The council expires June 30, 2007.

(c) The executive committee of the council consists of the legislative members and the chair. The executive committee shall act on matters of personnel, out-of-state trips by members of the council, and nonroutine monetary issues.

(d) The committee shall conduct meetings and research into all matters related to the establishment and operation of Voyageurs National Park, and shall make such

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recommendations to the United States National Park Service and other federal and state agencies concerned regarding operation of the park as the committee deems advisable. A copy of each recommendation shall be filed with the legislative reference library. Subject to the availability of legislative appropriation or other funding, the committee may employ staff and may contract for consulting services relating to matters within its authority.

(e) Money appropriated to provide the payments prescribed by this section is appropriated to the commissioner of administration.

Sec. 41. Minnesota Statutes 2002, section 84D.14, is amended to read:

84D.14 EXEMPTIONS.

This chapter does not apply to:

(1) pathogens and terrestrial arthropods regulated under sections 18.44 to 18.61;
or

(2) mammals and birds defined by statute as livestock.

Sec. 42. Minnesota Statutes 2002, section 85.04, is amended to read:

85.04 ENFORCEMENT DIVISION EMPLOYEES AS PEACE OFFICERS.

Subdivision 1. PEACE OFFICER EMPLOYMENT. All supervisors, guards, custodians, keepers, and caretakers The commissioner of natural resources may employ peace officers as defined under section 626.84, subdivision 1, paragraph (c), to enforce laws governing the use of state parks, state monuments, state recreation areas, and state waysides shall have and possess the authority and powers of peace officers while in their employment.

Subd. 2. OTHER EMPLOYEES. Until August 1, 2004, the commissioner of natural resources may designate certain employees to enforce laws governing the use of state parks, state monuments, state recreation areas, state waysides, and state forest subareas. The designation by the commissioner is not subject to rulemaking under Minnesota Statutes, chapter 14.

Sec. 43. Minnesota Statutes 2002, section 85.052, subdivision 3, is amended to read:

Subd. 3. FEE FOR CERTAIN PARKING AND CAMPSITE USE. (a) An individual using spaces in state parks under subdivision 1, clause (2), shall be charged daily rates determined and set by the commissioner in a manner and amount consistent with the type of facility provided for the accommodation of guests in a particular park and with similar facilities offered for tourist camping and similar use in the area.

(b) The fee for special parking spurs, campgrounds for automobiles, sites for tent camping, and special auto trailer coach parking spaces is one-half of the fee set in paragraph (a) on Sunday through Thursday of each week for a physically handicapped person:

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(1) an individual age 65 or over who is a resident of the state and who furnishes satisfactory proof of age and residence;

(2) a physically handicapped person with a motor vehicle that has special plates issued under section 168.021, subdivision 1; or

(3) a physically handicapped person (2) who possesses a certificate issued under section 169.345, subdivision 3.

Sec. 44. Minnesota Statutes 2002, section 85.053, subdivision 1, is amended to read:

Subdivision 1. **FORM, ISSUANCE, VALIDITY.** (a) The commissioner shall prepare and provide state park permits for each calendar year that state a motor vehicle may enter and use state parks, state recreation areas, and state waysides over 50 acres in area. State park permits must be available and placed on sale by ~~October~~ January 1 of the year preceding the calendar year that the permit is valid. A separate motorcycle permit may be prepared and provided by the commissioner.

(b) An annual state park permit must be affixed when purchased and may be used from the time it is affixed for a 12-month period. State park permits in each category must be numbered consecutively for each year of issue.

(c) State park permits shall be issued by employees of the division of parks and recreation as designated by the commissioner. State park permits also may be consigned to and issued by agents designated by the commissioner who are not employees of the division of parks and recreation. All proceeds from the sale of permits and all unsold permits consigned to agents shall be returned to the commissioner at such times as the commissioner may direct, but no later than the end of the calendar year for which the permits are effective. No part of the permit fee may be retained by an agent. An additional charge or fee in an amount to be determined by the commissioner, but not to exceed four percent of the price of the permit, may be collected and retained by an agent for handling or selling the permits.

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

Sec. 45. Minnesota Statutes 2002, section 85.055, subdivision 1, is amended to read:

Subdivision 1. **FEES.** The fee for state park permits for:

(1) an annual use of state parks is ~~\$20~~ \$25;

(2) a second vehicle state park permit is ~~\$15~~ \$18;

(3) a state park permit valid for one day is ~~\$4~~ \$7;

(4) a daily vehicle state park permit for groups is ~~\$2~~ \$5;

(5) an employee's state park permit is without charge; and

(6) a state park permit for handicapped persons under section 85.053, subdivision 7, clauses (1) and (2), is \$12.

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The fees specified in this subdivision include any sales tax required by state law.

Sec. 46. Minnesota Statutes 2002, section 85A.02, subdivision 17, is amended to read:

Subd. 17. **ADDITIONAL POWERS.** (a) The board may establish a schedule of charges for admission to or the use of the Minnesota zoological garden or any related facility. Notwithstanding section 16A.1283, legislative approval is not required for the board to establish a schedule of charges for admission or use of the Minnesota zoological garden or related facilities. The board shall have a policy admitting elementary school children at no reduced charge when they are part of an organized school activity. The Minnesota zoological garden will offer free admission throughout the year to economically disadvantaged Minnesota citizens equal to ten percent of the average annual attendance. However, the zoo may charge at any time for parking, special services, and for admission to special facilities for the education, entertainment, or convenience of visitors.

(b) The board may provide for the purchase, reproduction, and sale of gifts, souvenirs, publications, informational materials, food and beverages, and grant concessions for the sale of these items. Notwithstanding subdivision 5b, section 16C.09 does not apply to activities authorized under this paragraph.

Sec. 47. Minnesota Statutes 2002, section 86B.415, subdivision 8, is amended to read:

Subd. 8. **REGISTRAR'S FEE.** In addition to ~~the license fee~~ other fees prescribed by law, a filing fee of \$2 \$4.50 shall be charged for a each watercraft license renewal, duplicate or replacement license, and replacement decal and a filing fee of \$7 shall be charged for each watercraft license and license transfer issued by:

(1) ~~issued through~~ the registrar or a deputy registrar of motor vehicles and the additional fee shall be disposed of in the manner provided in section 168.33, subdivision 2; or

(2) ~~issued through~~ the commissioner and the additional fee shall be deposited in the state treasury and credited to the water recreation account.

Sec. 48. Minnesota Statutes 2002, section 86B.870, subdivision 1, is amended to read:

Subdivision 1. **FEES.** (a) The fee to be paid to the commissioner:

(1) for issuing an original certificate of title, including the concurrent notation of an assignment of the security interest and its subsequent release or satisfaction, is \$15;

(2) for each security interest when first noted upon a certificate of title, including the concurrent notation of an assignment of the security interest and its subsequent release or satisfaction, is \$10;

(3) for transferring the interest of an owner and issuing a new certificate of title, is \$10;

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(4) for each assignment of a security interest when first noted on a certificate of title, unless noted concurrently with the security interest, is \$1; and

(5) for issuing a duplicate certificate of title, is \$4.

(b) In addition to other statutory fees and taxes, a filing fee of ~~\$3.50~~ \$7 is imposed on every watercraft title application. The filing fee must be shown as a separate item on title renewal notices sent by the commissioner.

Sec. 49. Minnesota Statutes 2002, section 97A.045, is amended by adding a subdivision to read:

Subd. 11. POWER TO PREVENT OR CONTROL WILDLIFE DISEASE.

(a) If the commissioner determines that action is necessary to prevent or control a wildlife disease, the commissioner may prevent or control wildlife disease in a species of wild animal in addition to the protection provided by the game and fish laws by further limiting, closing, expanding, or opening seasons or areas of the state; by reducing or increasing limits in areas of the state; by establishing disease management zones; by authorizing free licenses; by allowing shooting from motor vehicles by persons designated by the commissioner; by issuing replacement licenses for sick animals; by requiring sample collection from hunter-harvested animals; by limiting wild animal possession, transportation, and disposition; and by restricting wildlife feeding.

(b) The commissioner may prevent or control wildlife disease in a species of wild animal in the state by emergency rule adopted under section 84.027, subdivision 13.

Sec. 50. Minnesota Statutes 2002, section 97A.071, subdivision 2, is amended to read:

Subd. 2. REVENUE FROM THE SMALL GAME LICENSE SURCHARGE AND LIFETIME LICENSES. Revenue from the small game surcharge and ~~\$4~~ \$6.50 annually from the lifetime fish and wildlife trust fund, established in section 97A.4742, for each license issued under sections 97A.473, subdivisions 3 and 5, and 97A.474, subdivision 3, shall be credited to the wildlife acquisition account and the money in the account shall be used by the commissioner only for the purposes of this section, and acquisition and development of wildlife lands under section 97A.145 and maintenance of the lands, in accordance with appropriations made by the legislature.

EFFECTIVE DATE. This section is effective March 1, 2004.

Sec. 51. Minnesota Statutes 2002, section 97A.075, subdivision 1, is amended to read:

Subdivision 1. DEER, BEAR, AND LIFETIME LICENSES. (a) For purposes of this subdivision, "deer license" means a license issued under section 97A.475, subdivisions 2, clauses (4), (5), ~~and~~ (9), (11), (13), and (14), and 3, clauses (2), (3), and (7), and licenses issued under section 97B.301, subdivision 4.

(b) At least \$2 from each annual deer license and \$2 annually from the lifetime fish and wildlife trust fund, established in section 97A.4742, for each license issued

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under section 97A.473, subdivision 4, shall be used for deer habitat improvement or deer management programs.

(c) At least \$1 from each annual deer license and each bear license and \$1 annually from the lifetime fish and wildlife trust fund, established in section 97A.4742, for each license issued under section 97A.473, subdivision 4, shall be used for deer and bear management programs, including a computerized licensing system. Fifty cents from each deer license is appropriated for emergency deer feeding and wild cervidae health management of chronic wasting disease. Money appropriated for emergency deer feeding and management of chronic wasting disease wild cervidae health management is available until expended. When the unencumbered balance in the appropriation for emergency deer feeding and chronic wasting disease wild cervidae health management at the end of a fiscal year exceeds ~~\$1,500,000~~ \$2,500,000 for the first time, ~~\$750,000~~ is canceled to the unappropriated balance of the game and fish fund. The commissioner must inform the legislative chairs of the natural resources finance committees every two years on how the money for chronic wasting disease emergency deer feeding and wild cervidae health management has been spent.

Thereafter, when the unencumbered balance in the appropriation for emergency deer feeding and wild cervidae health management exceeds ~~\$1,500,000~~ \$2,500,000 at the end of a fiscal year, the unencumbered balance in excess of ~~\$1,500,000~~ \$2,500,000 is canceled and available for deer and bear management programs and computerized licensing.

Sec. 52. Minnesota Statutes 2002, section 97A.075, subdivision 2, is amended to read:

Subd. 2. **MINNESOTA MIGRATORY WATERFOWL STAMP.** (a) Ninety percent of the revenue from the Minnesota migratory waterfowl stamps must be credited to the waterfowl habitat improvement account. Money in the account may be used only for:

(1) development of wetlands and lakes in the state and designated waterfowl management lakes for maximum migratory waterfowl production including habitat evaluation, the construction of dikes, water control structures and impoundments, nest cover, rough fish barriers, acquisition of sites and facilities necessary for development and management of existing migratory waterfowl habitat and the designation of waters under section 97A.101;

(2) management of migratory waterfowl;

(3) development, restoration, maintenance, or preservation of migratory waterfowl habitat; and

(4) acquisition of and access to structure sites; and

(5) the promotion of waterfowl habitat development and maintenance, including promotion and evaluation of government farm program benefits for waterfowl habitat.

(b) Money in the account may not be used for costs unless they are directly related to a specific parcel of land or body of water under paragraph (a), clause (1), (3), ~~or~~ (4), or (5), or to specific management activities under paragraph (a), clause (2).

New language is indicated by underline, deletions by ~~strikeout~~.

Sec. 53. Minnesota Statutes 2002, section 97A.075, subdivision 4, is amended to read:

Subd. 4. **PHEASANT STAMP.** (a) Ninety percent of the revenue from pheasant stamps must be credited to the pheasant habitat improvement account. Money in the account may be used only for:

(1) the development, restoration, and maintenance of suitable habitat for ring-necked pheasants on public and private land including the establishment of nesting cover, winter cover, and reliable food sources;

(2) reimbursement of landowners for setting aside lands for pheasant habitat;

(3) reimbursement of expenditures to provide pheasant habitat on public and private land; and

(4) the promotion of pheasant habitat development and maintenance, including promotion and evaluation of government farm program benefits for pheasant habitat; and

(5) the acquisition of lands suitable for pheasant habitat management and public hunting.

(b) Money in the account may not be used for:

(1) costs unless they are directly related to a specific parcel of land under paragraph (a), ~~clauses clause (1) to, (3), or (5),~~ or to specific promotional or evaluative activities under paragraph (a), clause (4); or

(2) any personnel costs, except that prior to July 1, 2009, personnel may be hired to provide technical and promotional assistance for private landowners to implement conservation provisions of state and federal programs.

Sec. 54. Minnesota Statutes 2002, section 97A.105, subdivision 1, is amended to read:

Subdivision 1. **LICENSE REQUIREMENTS.** (a) A person may breed and propagate fur-bearing animals, game birds, bear, ~~moose, elk, caribou,~~ or mute swans; or deer only on privately owned or leased land and after obtaining a license. Any of the permitted animals on a game farm may be sold to other licensed game farms. "Privately owned or leased land" includes waters that are shallow or marshy, are not actually navigable, and are not of substantial beneficial public use. Before an application for a license is considered, the applicant must enclose the area to sufficiently confine the animals to be raised in a manner approved by the commissioner. A license may be granted only if the commissioner finds the application is made in good faith with intention to actually carry on the business described in the application and the commissioner determines that the facilities are adequate for the business.

(b) A person may purchase live game birds or their eggs without a license if the birds or eggs, or birds hatched from the eggs, are released into the wild, consumed, or

New language is indicated by underline, deletions by ~~strikeout~~.

processed for consumption within one year after they were purchased or hatched. This paragraph does not apply to the purchase of migratory waterfowl or their eggs.

(c) A person may not introduce mute swans into the wild without a permit issued by the commissioner.

EFFECTIVE DATE. This section is effective January 1, 2004.

Sec. 55. Minnesota Statutes 2002, section 97A.401, subdivision 3, is amended to read:

Subd. 3. **TAKING, POSSESSING, AND TRANSPORTING WILD ANIMALS FOR CERTAIN PURPOSES.** (a) Except as provided in paragraph (b), special permits may be issued without a fee to take, possess, and transport wild animals as pets and for scientific, educational, rehabilitative, wildlife disease prevention and control, and exhibition purposes. The commissioner shall prescribe the conditions for taking, possessing, transporting, and disposing of the wild animals.

(b) A special permit may not be issued to take or possess wild or native deer for exhibition ~~or~~ propagation, or as pets.

(c) ~~The commissioner shall establish criteria for issuing special permits for persons to possess wild and native deer as pets.~~

Sec. 56. Minnesota Statutes 2002, section 97A.441, subdivision 7, is amended to read:

Subd. 7. **OWNERS OR TENANTS OF AGRICULTURAL LAND.** (a) The commissioner may issue, without a fee, a license to take an antlerless deer to a person who is an owner or tenant and is living and actively farming on at least 80 acres of agricultural land, as defined in section 97B.001, in deer permit areas that have deer archery licenses to take additional deer under section 97B.301, subdivision 4. A person may receive only one license per year under this subdivision. For properties with coowners or cotenants, only one coowner or cotenant may receive a license under this subdivision per year. The license issued under this subdivision is restricted to the land owned or leased by the holder of the license within the permit area where the qualifying land is located. The holder of the license may transfer the license to the holder's spouse or dependent. Notwithstanding sections 97A.415, subdivision 1, and 97B.301, subdivision 2, the holder of the license may purchase an additional license for taking deer and may take an additional deer under that license.

(b) A person who obtains a license under paragraph (a) must allow public deer hunting on their land during that deer hunting season, with the exception of the first Saturday and Sunday during the deer hunting season applicable to the license issued under section 97A.475, subdivision 2, ~~elause~~ clauses (4) and (13).

Sec. 57. Minnesota Statutes 2002, section 97A.441, is amended by adding a subdivision to read:

Subd. 10. **TAKING WILD ANIMALS FOR WILDLIFE DISEASE PREVENTION AND CONTROL.** The commissioner may issue, without a fee, licenses to take wild animals for the purposes of wildlife disease prevention and control.

New language is indicated by underline, deletions by ~~strikeout~~.

Sec. 58. Minnesota Statutes 2002, section 97A.475, subdivision 2, is amended to read:

Subd. 2. **RESIDENT HUNTING.** Fees for the following licenses, to be issued to residents only, are:

(1) for persons age 18 or over and under age 65 to take small game, \$12 ~~\$12.50~~;

(2) for persons age ages 16 and 17 and age 65 or over, \$6 to take small game;

(3) to take turkey, \$18;

(4) for persons age 16 or over to take deer with firearms, \$25 ~~\$26~~;

(5) for persons age 16 or over to take deer by archery, \$25 ~~\$26~~;

(6) to take moose, for a party of not more than six persons, \$310;

(7) to take bear, \$38;

(8) to take elk, for a party of not more than two persons, \$250;

(9) to take antlered deer in more than one zone, ~~\$50~~ \$52;

(10) to take Canada geese during a special season, \$4;

(11) to take two deer throughout the state in any open deer season, except as restricted under section 97B.305, ~~\$75~~ \$78; and

(12) to take prairie chickens, \$20;

(13) for persons at least age 12 and under age 16 to take deer with firearms, \$13;
and

(14) for persons at least age 12 and under age 16 to take deer by archery, \$13.

EFFECTIVE DATES. Clauses (4), (5), (9), (11), (13), and (14), are effective August 1, 2003. Clauses (1) and (2) are effective March 1, 2004.

Sec. 59. Minnesota Statutes 2002, section 97A.475, subdivision 3, is amended to read:

Subd. 3. **NONRESIDENT HUNTING.** Fees for the following licenses, to be issued to nonresidents, are:

(1) to take small game, \$73;

(2) to take deer with firearms, ~~\$125~~ \$135;

(3) to take deer by archery, ~~\$125~~ \$135;

(4) to take bear, \$195;

(5) to take turkey, \$73;

(6) to take raccoon, bobcat, fox, coyote, or lynx, \$155;

New language is indicated by underline, deletions by ~~strikeout~~.

- (7) to take antlered deer in more than one zone, ~~\$250~~ \$270; and
- (8) to take Canada geese during a special season, \$4.

EFFECTIVE DATE. This section is effective August 1, 2003.

Sec. 60. Minnesota Statutes 2002, section 97A.475, subdivision 4, is amended to read:

Subd. 4. **SMALL GAME SURCHARGE.** Fees for annual licenses to take small game must be increased by a surcharge of ~~\$4~~ \$6.50. An additional commission may not be assessed on the surcharge and ~~this must be stated on the back of the license with the following statement must be included in the annual small game hunting regulations:~~ "This ~~\$4~~ \$6.50 surcharge is being paid by hunters for the acquisition and development of wildlife lands."

EFFECTIVE DATE. This section is effective March 1, 2004.

Sec. 61. Minnesota Statutes 2002, section 97A.475, subdivision 5, is amended to read:

Subd. 5. **HUNTING STAMPS.** Fees for the following stamps and stamp validations are:

- (1) migratory waterfowl stamp, ~~\$5~~ \$7.50;
- (2) pheasant stamp, ~~\$5~~ \$7.50; and
- (3) turkey stamp validation, \$5.

EFFECTIVE DATE. This section is effective March 1, 2004.

Sec. 62. Minnesota Statutes 2002, section 97A.475, subdivision 10, is amended to read:

Subd. 10. **TROUT AND SALMON STAMP VALIDATION.** The fee for a trout and salmon stamp validation is ~~\$8.50~~ \$10.

EFFECTIVE DATE. This section is effective March 1, 2004.

Sec. 63. Minnesota Statutes 2002, section 97A.475, subdivision 15, is amended to read:

Subd. 15. **FISHING GUIDES.** The fee for a license to operate a charter boat and guide anglers on Lake Superior or the St. Louis river estuary is:

- (1) for a resident, ~~\$35~~ \$125;
- (2) for a nonresident, ~~\$140~~ \$400; or
- (3) if another state charges a Minnesota resident a fee greater than ~~\$140~~ \$440 for a Lake Superior or St. Louis river estuary fishing guide license in that state, the nonresident fee for a resident of that state is that greater fee.

EFFECTIVE DATE. This section is effective March 1, 2004.

New language is indicated by underline, deletions by ~~strikeout~~.

Sec. 64. Minnesota Statutes 2002, section 97A.475, subdivision 26, is amended to read:

Subd. 26. **MINNOW DEALERS.** The fees for the following licenses are:

- (1) minnow dealer, ~~\$100~~ \$310;
- (2) minnow dealer's vehicle, \$15;
- (3) exporting minnow dealer, ~~\$350~~ \$700; and
- (4) exporting minnow dealer's vehicle, \$15.

EFFECTIVE DATE. This section is effective March 1, 2004.

Sec. 65. Minnesota Statutes 2002, section 97A.475, subdivision 27, is amended to read:

Subd. 27. **MINNOW RETAILERS.** The fees for the following licenses, to be issued to residents and nonresidents, are:

- (1) minnow retailer, ~~\$15~~ \$47; and
- (2) minnow retailer's vehicle, \$15.

EFFECTIVE DATE. This section is effective March 1, 2004.

Sec. 66. Minnesota Statutes 2002, section 97A.475, subdivision 28, is amended to read:

Subd. 28. **NONRESIDENT MINNOW HAULERS.** The fees for the following licenses, to be issued to nonresidents, are:

- (1) exporting minnow hauler, ~~\$675~~ \$1,000; and
- (2) exporting minnow hauler's vehicle, \$15.

EFFECTIVE DATE. This section is effective March 1, 2004.

Sec. 67. Minnesota Statutes 2002, section 97A.475, subdivision 29, is amended to read:

Subd. 29. **PRIVATE FISH HATCHERIES.** The fees for the following licenses to be issued to residents and nonresidents are:

- (1) for a private fish hatchery, with annual sales under \$200, ~~\$35~~ \$70;
- (2) for a private fish hatchery, with annual sales of \$200 or more, ~~\$70~~ \$210; and
- (3) to take sucker eggs from public waters for a private fish hatchery, ~~\$240~~ \$400, plus \$4 \$6 for each quart in excess of 100 quarts.

EFFECTIVE DATE. This section is effective March 1, 2004.

Sec. 68. Minnesota Statutes 2002, section 97A.475, subdivision 30, is amended to read:

New language is indicated by underline, deletions by ~~strikeout~~.

Subd. 30. **COMMERCIAL NETTING OF FISH.** The fees to take commercial fish are:

(1) commercial license fees:

(i) for residents and nonresidents seining and netting in inland waters, \$90 \$120;

(ii) for residents netting in Lake Superior, \$50 \$120;

(iii) for residents netting in Lake of the Woods, Rainy, Namakan, and Sand Point lakes, \$50 \$120;

(iv) for residents seining in the Mississippi River from St. Anthony Falls to the St. Croix River junction, \$50 \$120;

(v) for residents seining, netting, and set lining in Wisconsin boundary waters from Lake St. Croix to the Iowa border, \$50 \$120; and

(vi) for a resident apprentice license, \$25 \$55; and

(2) commercial gear fees:

(i) for each gill net in Lake Superior, Wisconsin boundary waters, and Namakan Lake, ~~\$3.50~~ \$5 per 100 feet of net;

(ii) for each seine in inland waters, on the Mississippi River as described in section 97C.801, subdivision 2, and in Wisconsin boundary waters, \$7 \$9 per 100 feet;

(iii) for each commercial hoop net in inland waters, ~~\$1.25~~ \$2;

(iv) for each submerged fyke, trap, and hoop net in Lake Superior, St. Louis Estuary, Lake of the Woods, and Rainy, Namakan, and Sand Point lakes, and for each pound net in Lake Superior, \$15 \$20;

(v) for each stake and pound net in Lake of the Woods, \$60 \$90; and

(vi) for each set line in the Wisconsin boundary waters, \$20 \$45.

EFFECTIVE DATE. This section is effective March 1, 2004.

Sec. 69. Minnesota Statutes 2002, section 97A.475, subdivision 38, is amended to read:

Subd. 38. **FISH BUYERS.** The fees for licenses to buy fish from commercial fishing licensees to be issued residents and nonresidents are:

(1) for Lake Superior fish bought for sale to retailers, \$70 \$150;

(2) for Lake Superior fish bought for sale to consumers, \$15 \$35;

(3) for Lake of the Woods, Namakan, Sand Point, and Rainy Lake fish bought for sale to retailers, \$140 \$300; and

(4) for Lake of the Woods, Namakan, Sand Point, and Rainy Lake fish bought for shipment only on international boundary waters, \$15 \$35.

EFFECTIVE DATE. This section is effective March 1, 2004.

New language is indicated by underline, deletions by ~~strikeout~~.

Sec. 70. Minnesota Statutes 2002, section 97A.475, subdivision 39, is amended to read:

Subd. 39. **FISH PACKER.** The fee for a license to prepare dressed game fish for transportation or shipment is ~~\$20~~ \$40.

EFFECTIVE DATE. This section is effective March 1, 2004.

Sec. 71. Minnesota Statutes 2002, section 97A.475, subdivision 40, is amended to read:

Subd. 40. **FISH VENDORS.** The fee for a license to use a motor vehicle to sell fish is ~~\$35~~ \$70.

EFFECTIVE DATE. This section is effective March 1, 2004.

Sec. 72. Minnesota Statutes 2002, section 97A.475, subdivision 42, is amended to read:

Subd. 42. **FROG DEALERS.** The fee for the licenses to deal in frogs that are to be used for purposes other than bait are:

- (1) for a resident to purchase, possess, and transport frogs, ~~\$100~~ \$220;
- (2) for a nonresident to purchase, possess, and transport frogs, ~~\$280~~ \$550; and
- (3) for a resident to take, possess, transport, and sell frogs, ~~\$15~~ \$35.

EFFECTIVE DATE. This section is effective March 1, 2004.

Sec. 73. Minnesota Statutes 2002, section 97A.475, is amended by adding a subdivision to read:

Subd. 45. **CAMP RIPLEY ARCHERY DEER HUNT.** The application fee for the Camp Ripley archery deer hunt is \$8.

Sec. 74. Minnesota Statutes 2002, section 97A.485, subdivision 6, is amended to read:

Subd. 6. **LICENSES TO BE SOLD AND ISSUING FEES.** (a) Persons authorized to sell licenses under this section must ~~sell~~ issue the following licenses for the license fee and the following issuing fees:

- (1) to take deer or bear with firearms and by archery, the issuing fee is \$1;
- (2) Minnesota sporting, the issuing fee is \$1; and
- (3) to take small game, for a person under age 65 to take fish by angling or for a person of any age to take fish by spearing, and to trap fur-bearing animals, the issuing fee is \$1;
- (4) for a trout and salmon stamp that is not issued simultaneously with an angling or sporting license, an issuing fee of 50 cents may be charged at the discretion of the authorized seller; and

New language is indicated by underline, deletions by ~~strikeout~~.

(5) for stamps other than a trout and salmon stamp, and for a special season Canada goose license, there is no fee; and

(6) for licenses issued without a fee under section 97A.441, there is no fee.

(b) An issuing fee may not be collected for issuance of a trout and salmon stamp if a stamp validation is issued simultaneously with the related angling or sporting license. Only one issuing fee may be collected when selling more than one trout and salmon stamp in the same transaction after the end of the season for which the stamp was issued.

(c) The auditor or subagent shall keep the issuing fee as a commission for selling the licenses.

(d) The commissioner shall collect the issuing fee on licenses sold by the commissioner.

(e) A license, except stamps, must state the amount of the issuing fee and that the issuing fee is kept by the seller as a commission for selling the licenses.

(f) For duplicate licenses, the issuing fees are:

(1) for licenses to take big game, 75 cents; and

(2) for other licenses, 50 cents.

Sec. 75. Minnesota Statutes 2002, section 97A.505, is amended by adding a subdivision to read:

Subd. 8. IMPORTATION OF HUNTER-HARVESTED CERVIDAE. Importation into Minnesota of hunter-harvested cervidae carcasses is prohibited except for cut and wrapped meat, quarters or other portions of meat with no part of the spinal column or head attached, antlers, hides, teeth, finished taxidermy mounts, and antlers attached to skull caps that are cleaned of all brain tissue.

Sec. 76. Minnesota Statutes 2002, section 97A.505, is amended by adding a subdivision to read:

Subd. 9. POSSESSION OF LIVE CERVIDAE. A person may not possess live cervidae, except as authorized in sections 17.451 and 17.452 or 97A.401.

EFFECTIVE DATE. This section is effective January 1, 2004.

Sec. 77. Minnesota Statutes 2002, section 97B.311, is amended to read:

97B.311 DEER SEASONS AND RESTRICTIONS.

(a) The commissioner may, by rule, prescribe restrictions and designate areas where deer may be taken, including hunter selection criteria for special hunts established under section 97A.401, subdivision 4. The commissioner may, by rule, prescribe the open seasons for deer within the following periods:

(1) taking with firearms, other than muzzle-loading firearms, between November 1 and December 15;

New language is indicated by underline, deletions by ~~strikeout~~.

(2) taking with muzzle-loading firearms between September 1 and December 31; and

(3) taking by archery between September 1 and December 31.

(b) Notwithstanding paragraph (a), the commissioner may establish special seasons within designated areas between September 1 and January 15 at any time of year.

Sec. 78. Minnesota Statutes 2002, section 103B.231, subdivision 3a, is amended to read:

Subd. 3a. **PRIORITY SCHEDULE.** (a) The board of water and soil resources in consultation with the state review agencies and the metropolitan council ~~shall~~ may develop a priority schedule for the revision of plans required under this chapter.

(b) The prioritization should be based on but not be limited to status of current plan, scheduled revision dates, anticipated growth and development, existing and potential problems, and regional water quality goals and priorities.

(c) The schedule will be used by the board of water and soil resources in consultation with the state review agencies and the metropolitan council to direct watershed management organizations of when they will be required to revise their plans.

(d) ~~Upon notification from the board of water and soil resources that a revision of a plan is required, a watershed management organization shall have 24 months from the date of notification to revise and submit a plan for review.~~

~~(e)~~ In the event that a plan expires prior to notification from the board of water and soil resources under this section, the existing plan, authorities, and official controls of a watershed management organization shall remain in full force and effect until a revision is approved.

~~(f) A one-year extension to submit a revised plan may be granted by the board.~~

~~(g)~~ (e) Watershed management organizations submitting plans and draft plan amendments for review prior to the board's priority review schedule, may proceed to adopt and implement the plan revisions without formal board approval if the board fails to adjust its priority review schedule for plan review, and commence its statutory review process within 45 days of submittal of the plan revision or amendment.

Sec. 79. Minnesota Statutes 2002, section 103B.305, subdivision 3, is amended to read:

Subd. 3. **COMPREHENSIVE LOCAL WATER MANAGEMENT PLAN.** "Comprehensive local water management plan," means "comprehensive water plan," "local water plan," and "local water management plan" mean the plan adopted by a county under sections 103B.311 and 103B.315.

Sec. 80. Minnesota Statutes 2002, section 103B.305, is amended by adding a subdivision to read:

New language is indicated by underline, deletions by ~~strikeout~~.

Subd. 7a. PLAN AUTHORITY. "Plan authority" means those local government units coordinating planning under sections 103B.301 to 103B.335.

Sec. 81. Minnesota Statutes 2002, section 103B.305, is amended by adding a subdivision to read:

Subd. 7b. PRIORITY CONCERNS. "Priority concerns" means issues, resources, subwatersheds, or demographic areas that are identified as a priority by the plan authority.

Sec. 82. Minnesota Statutes 2002, section 103B.305, is amended by adding a subdivision to read:

Subd. 7c. PRIORITY CONCERNS SCOPING DOCUMENT. "Priority concerns scoping document" means the list of the chosen priority concerns and a detailed account of how those concerns were identified and chosen.

Sec. 83. Minnesota Statutes 2002, section 103B.305, is amended by adding a subdivision to read:

Subd. 8a. STATE REVIEW AGENCIES. "State review agencies" means the board of water and soil resources, the department of agriculture, the department of health, the department of natural resources, the pollution control agency, and other agencies granted state review status by a resolution of the board.

Sec. 84. Minnesota Statutes 2002, section 103B.311, subdivision 1, is amended to read:

Subdivision 1. **COUNTY DUTIES.** Each county is encouraged to develop and implement a comprehensive local water management plan. Each county that develops and implements a plan has the duty and authority to:

(1) prepare and adopt a comprehensive local water management plan that meets the requirements of this section and section 103B.315;

(2) review water and related land resources plans and official controls submitted by local units of government to assure consistency with the comprehensive local water management plan; and

(3) exercise any and all powers necessary to assure implementation of comprehensive local water management plans.

Sec. 85. Minnesota Statutes 2002, section 103B.311, subdivision 2, is amended to read:

Subd. 2. **DELEGATION.** The county is responsible for preparing, adopting, and assuring implementation of the comprehensive local water management plan, but may delegate all or part of the preparation of the plan to a local unit of government, a regional development commission, or a resource conservation and development committee. The county may not delegate authority for the exercise of eminent domain, taxation, or assessment to a local unit of government that does not possess those powers.

New language is indicated by underline, deletions by ~~strikeout~~.

Sec. 86. Minnesota Statutes 2002, section 103B.311, subdivision 3, is amended to read:

Subd. 3. **COORDINATION.** (a) To assure the coordination of efforts of all local units of government within a county during the preparation and implementation of a ~~comprehensive~~ local water management plan, each county intending to adopt a plan shall conduct meetings with other local units of government and may execute agreements with other local units of government establishing the responsibilities of each unit during the preparation and implementation of the ~~comprehensive~~ local water management plan.

(b) Each county intending to adopt a plan shall coordinate its planning program with contiguous counties. Before meeting with local units of government, a county board shall notify the county boards of each county contiguous to it that the county is about to begin preparing its ~~comprehensive~~ local water management plan and is encouraged to request and hold a joint meeting with the contiguous county boards to consider the planning process.

Sec. 87. Minnesota Statutes 2002, section 103B.311, subdivision 4, is amended to read:

Subd. 4. **WATER PLAN REQUIREMENTS.** (a) A ~~comprehensive~~ local water management plan must:

(1) cover the entire area within a county;

(2) address water problems in the context of watershed units and groundwater systems;

(3) be based upon principles of sound hydrologic management of water, effective environmental protection, and efficient management;

(4) be consistent with ~~comprehensive~~ local water management plans prepared by counties and watershed management organizations wholly or partially within a single watershed unit or groundwater system; and

(5) the ~~comprehensive~~ local water management plan must specify the period covered by the ~~comprehensive~~ local water management plan and must extend at least five years but no more than ten years from the date the board approves the ~~comprehensive~~ local water management plan. ~~Comprehensive~~ Local water management plans that contain revision dates inconsistent with this section must comply with that date, provided it is not more than ten years beyond the date of board approval. A two-year extension of the revision date of a ~~comprehensive~~ local water management plan may be granted by the board, provided no projects are ordered or commenced during the period of the extension.

(b) Existing water and related land resources plans, including plans related to agricultural land preservation programs developed pursuant to chapter 40A, must be fully utilized in preparing the ~~comprehensive~~ local water management plan. Duplication of the existing plans is not required.

New language is indicated by underline, deletions by ~~strikeout~~.

Sec. 88. [103B.312] IDENTIFYING PRIORITY CONCERNS.

Each priority concerns scoping document must contain:

- (1) the list of proposed priority concerns the plan will address; and
- (2) a description of how and why the priority concerns were chosen, including:
 - (i) a list of all public and internal forums held to gather input regarding priority concerns, including the dates they were held, a list of participants and affiliated organizations, a summary of the proceedings, and supporting data;
 - (ii) the process used to locally coordinate and resolve differences between the plan's priority concerns and other state, local, and regional concerns; and
 - (iii) a list of issues identified by the stakeholders but not selected as priority concerns, why they were not included in the list of priority concerns, and a brief description of how the concerns may be addressed or delegated to other partnering entities.

Sec. 89. [103B.313] PLAN DEVELOPMENT.

Subdivision 1. NOTICE OF PLAN REVISION. The local water management plan authority shall send a notice to local government units partially or wholly within the planning jurisdiction, adjacent counties, and state review agencies of their intent to revise the local water management plan. The notice of a plan revision must include an invitation for all recipients to submit priority concerns they wish to see the plan address.

Subd. 2. SUBMITTING PRIORITY CONCERNS TO PLANNING AUTHORITY. Local governments and state review agencies must submit the priority concerns they want the plan to address to the plan authority within 45 days of receiving the notice defined in subdivision 1 or within an otherwise agreed-upon time frame.

Subd. 3. PUBLIC INFORMATION MEETING. Before submitting the priority concerns scoping document to the board, the plan authority shall publish a legal notice for and conduct a public information meeting.

Subd. 4. SUBMITTAL OF PRIORITY CONCERNS SCOPING DOCUMENT TO BOARD. The plan authority shall send the scoping document to all state review agencies for review and comment. State review agencies shall provide comments on the plan outline to the board within 30 days of receipt.

Subd. 5. BOARD REVIEW OF THE PRIORITY CONCERNS SCOPING DOCUMENT. The board shall review the scoping document and the comments submitted in accordance with this subdivision. The board shall provide comments to the local plan authority within 60 days of receiving the scoping document, or after the next regularly scheduled board meeting, whichever is later. No local water management plan may be approved pursuant to section 103B.315 without addressing items communicated in the board comments to the plan authority. The plan authority may request that resolution of unresolved issues be addressed pursuant to board policy defined in section 103B.345.

New language is indicated by underline, deletions by ~~strikeout~~.

Subd. 6. **REQUESTS FOR EXISTING AGENCY INFORMATION RELEVANT TO PRIORITY CONCERNS SCOPING DOCUMENT.** The state review agencies shall, upon request from the local government, provide existing plans, reports, and data analysis related to priority concerns to the plan author within 60 days from the date of the request or within an otherwise agreed upon time frame.

Sec. 90. **[103B.314] CONTENTS OF PLAN.**

Subdivision 1. EXECUTIVE SUMMARY. Each plan must have an executive summary, including:

- (1) the purpose of the local water management plan;
- (2) a description of the priority concerns to be addressed by the plan;
- (3) a summary of goals and actions to be taken along with the projected total cost of the implementation program;
- (4) a summary of the consistency of the plan with other pertinent local, state, and regional plans and controls, and where inconsistencies are noted; and
- (5) a summary of recommended amendments to other plans and official controls to achieve consistency.

Subd. 2. ASSESSMENT OF PRIORITY CONCERNS. For each priority concern defined pursuant to section 103B.312, clause (1), the plan shall analyze relevant data, plans, and policies provided by agencies consistent with section 103B.313, subdivision 6, and describe the magnitude of the concern, including how the concern is impacting or changing the local land and water resources.

Subd. 3. GOALS AND OBJECTIVES ADDRESSING PRIORITY CONCERNS. Each plan must contain specific measurable goals and objectives relating to the priority concerns and other state, regional, or local concerns. The goals and objectives must coordinate and attempt to resolve conflict with city, county, regional, or state goals and policies.

Subd. 4. IMPLEMENTATION PROGRAM FOR PRIORITY CONCERNS.

(a) For the measurable goals identified in subdivision 3, each plan must include an implementation program that includes the items described in paragraphs (b) to (e).

(b) An implementation program may include actions involving, but not limited to, data collection programs, educational programs, capital improvement projects, project feasibility studies, enforcement strategies, amendments to existing official controls, and adoption of new official controls. If the local government finds that no actions are necessary to address the goals and objectives identified in subdivision 3 it must explain why actions are not needed. Staff and financial resources available or needed to carry out the local water management plan must be stated.

(c) The implementation schedule must state the time in which each of the actions contained in the implementation program will be taken.

(d) If a local government unit has made any agreement for the implementation of the plan or portions of a plan by another local unit of government, that local unit must

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be specified, the responsibility indicated, and a description included indicating how and when the implementation will happen.

(e) If capital improvement projects are proposed to implement the local water management plan, the projects must be described in the plan. The description of a proposed capital improvement project must include the following information:

(1) the physical components of the project, including their approximate size, configuration, and location;

(2) the purposes of the project and relationship to the objectives in the plan;

(3) the proposed schedule for project construction;

(4) the expected federal, state, and local costs;

(5) the types of financing proposed, such as special assessments, ad valorem taxes, and grants; and

(6) the sources of local financing proposed.

Subd. 5. OTHER WATER MANAGEMENT RESPONSIBILITIES AND ACTIVITIES COORDINATED BY PLAN. The plan must also describe the actions that will be taken to carry out the responsibilities or activities, identify the lead and supporting organizations or government units that will be involved in carrying out the action, and estimate the cost of each action.

Subd. 6. AMENDMENTS. The plan authority may initiate an amendment to the local water management plan by submitting a petition to the board and sending copies of the proposed amendment and the date of the public hearing to the following entities for review: local government units defined in section 103B.305, subdivision 5, that are within the plan's jurisdiction; and the state review agencies.

After the public hearing the board shall review the amendment pursuant to section 103B.315, subdivision 5, paragraphs (b) and (c). The amendment becomes part of the local water management plan after being approved by the board. The board must send the order and the approved amendment to the entities that received the proposed amendment and notice of the public hearing.

Sec. 91. Minnesota Statutes 2002, section 103B.315, subdivision 4, is amended to read:

Subd. 4. PUBLIC HEARING. The county board shall conduct a public hearing on the comprehensive local water management plan pursuant to section 375.51 after the 60-day period for local review and comment is completed but before submitting it to the state for review.

Sec. 92. Minnesota Statutes 2002, section 103B.315, subdivision 5, is amended to read:

Subd. 5. STATE REVIEW. (a) After conducting the public hearing but before final adoption, the county board must submit its comprehensive local water management plan, all written comments received on the plan, a record of the public hearing

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under subdivision 4, and a summary of changes incorporated as a result of the review process to the board for review. The board shall complete the review within 90 days after receiving a ~~comprehensive~~ local water management plan and supporting documents. The board shall consult with the departments of agriculture, health, and natural resources; the pollution control agency; the environmental quality board; and other appropriate state agencies during the review.

(b) The board may disapprove a ~~comprehensive~~ local water management plan if the board determines the plan is not consistent with state law. If a plan is disapproved, the board shall provide a written statement of its reasons for disapproval. A disapproved ~~comprehensive~~ local water management plan must be revised by the county board and resubmitted for approval by the board within 120 days after receiving notice of disapproval of the ~~comprehensive~~ local water management plan, unless the board extends the period for good cause. ~~The decision of the board to disapprove the plan may be appealed by the county to district court.~~

(c) If the local government unit disagrees with the board's decision to disapprove the plan, it may, within 60 days, initiate mediation through the board's informal dispute resolution process as established pursuant to section 103B.345, subdivision 1. A local government unit may appeal disapproval to the court of appeals. A decision of the board on appeal is subject to judicial review under sections 14.63 to 14.69.

Sec. 93. Minnesota Statutes 2002, section 103B.315, subdivision 6, is amended to read:

Subd. 6. **ADOPTION AND IMPLEMENTATION.** A county board shall adopt and begin implementation of its ~~comprehensive~~ local water management plan within 120 days after receiving notice of approval of the plan from the board.

Sec. 94. Minnesota Statutes 2002, section 103B.321, subdivision 1, is amended to read:

Subdivision 1. **GENERAL.** The board shall:

(1) develop guidelines for the contents of ~~comprehensive~~ local water management plans that provide for a flexible approach to meeting the different water and related land resources needs of counties and watersheds across the state;

(2) coordinate assistance of state agencies to counties and other local units of government involved in preparation of ~~comprehensive~~ local water management plans, including identification of pertinent data and studies available from the state and federal government;

(3) conduct an active program of information and education concerning the requirements and purposes of sections 103B.301 to 103B.355 in conjunction with the association of Minnesota counties;

(4) determine contested cases under section 103B.345;

(5) establish a process for review of ~~comprehensive~~ local water management plans that assures the plans are consistent with state law; and

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(6) ~~report to the house of representatives and senate committees with jurisdiction over the environment, natural resources, and agriculture as required by section 103B.351; and~~

(7) ~~make grants to counties for comprehensive local water management planning, implementation of priority actions identified in approved plans, and sealing of abandoned wells.~~

Sec. 95. Minnesota Statutes 2002, section 103B.321, subdivision 2, is amended to read:

Subd. 2. **RULEMAKING.** The board shall may adopt rules to implement sections 103B.301 to 103B.355.

Sec. 96. Minnesota Statutes 2002, section 103B.325, subdivision 1, is amended to read:

Subdivision 1. **REQUIREMENT.** Local units of government shall amend existing water and related land resources plans and official controls as necessary to conform them to the applicable, approved comprehensive local water management plan following the procedures in this section.

Sec. 97. Minnesota Statutes 2002, section 103B.325, subdivision 2, is amended to read:

Subd. 2. **PROCEDURE.** Within 90 days after local units of government are notified by the county board of the adoption of a comprehensive local water management plan or of adoption of an amendment to a comprehensive water plan, the local units of government exercising water and related land resources planning and regulatory responsibility for areas within the county must submit existing water and related land resources plans and official controls to the county board for review. The county board shall identify any inconsistency between the plans and controls and the comprehensive local water management plan and shall recommend the amendments necessary to bring local plans and official controls into conformance with the comprehensive local water management plan.

Sec. 98. Minnesota Statutes 2002, section 103B.331, subdivision 1, is amended to read:

Subdivision 1. **AUTHORITY.** When an approved comprehensive local water management plan is adopted the county has the authority specified in this section.

Sec. 99. Minnesota Statutes 2002, section 103B.331, subdivision 2, is amended to read:

Subd. 2. **REGULATION OF WATER AND LAND RESOURCES.** The county may regulate the use and development of water and related land resources within incorporated areas when one or more of the following conditions exists:

(1) the municipality does not have a local water and related land resources plan or official controls consistent with the comprehensive local water management plan;

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(2) a municipal action granting a variance or conditional use would result in an action inconsistent with the ~~comprehensive~~ local water management plan;

(3) the municipality has authorized the county to require permits for the use and development of water and related land resources; or

(4) a state agency has delegated the administration of a state permit program to the county.

Sec. 100. Minnesota Statutes 2002, section 103B.331, subdivision 3, is amended to read:

Subd. 3. **ACQUISITION OF PROPERTY; ASSESSMENT OF COSTS.** A county may:

(1) acquire in the name of the county, by condemnation under chapter 117, real and personal property found by the county board to be necessary for the implementation of an approved ~~comprehensive~~ local water management plan;

(2) assess the costs of projects necessary to implement the ~~comprehensive~~ local water management plan undertaken under sections 103B.301 to 103B.355 upon the property benefited within the county in the manner provided for municipalities by chapter 429;

(3) charge users for services provided by the county necessary to implement the ~~comprehensive~~ local water management plan; and

(4) establish one or more special taxing districts within the county and issue bonds for the purpose of financing capital improvements under sections 103B.301 to 103B.355.

Sec. 101. Minnesota Statutes 2002, section 103B.3363, subdivision 3, is amended to read:

Subd. 3. **COMPREHENSIVE LOCAL WATER MANAGEMENT PLAN.** "Comprehensive local water management plan," means "comprehensive water plan," "local water plan," and "local water management plan" mean a county water plan authorized under section 103B.311, a watershed management plan required under section 103B.231, a watershed management plan required under section 103D.401 or 103D.405, or a county groundwater plan authorized under section 103B.255.

Sec. 102. Minnesota Statutes 2002, section 103B.3369, subdivision 2, is amended to read:

Subd. 2. **ESTABLISHMENT.** A Local Water Resources Protection and Management Program is established. The board ~~shall~~ may provide financial assistance to ~~counties~~ for local units of government for activities that protect or manage water and related land quality. The activities include planning, zoning, official controls, and other activities to implement ~~comprehensive~~ local water management plans.

Sec. 103. Minnesota Statutes 2002, section 103B.3369, subdivision 4, is amended to read:

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Subd. 4. **CONTRACTS WITH LOCAL GOVERNMENTS.** A county local unit of government may contract with other appropriate local units of government to implement programs. An explanation of the program responsibilities proposed to be contracted with other local units of government must accompany grant requests. A county local unit of government that contracts with other local units of government is responsible for ensuring that state funds are properly expended and for providing an annual report to the board describing expenditures of funds and program accomplishments.

Sec. 104. Minnesota Statutes 2002, section 103B.3369, subdivision 5, is amended to read:

Subd. 5. **FINANCIAL ASSISTANCE.** The board may award grants to watershed management organizations in the seven-county metropolitan area or counties to carry out water resource protection and management programs identified as priorities in comprehensive local water plans. Grants may be used to employ persons and to obtain and use information necessary to:

(1) develop comprehensive local water plans under sections 103B.255 and 103B.311 that have not received state funding for water resources planning as provided for in Laws 1987, chapter 404, section 30, subdivision 5, clause (a);

(2) revise comprehensive local water plans under section 103B.201; and

(3) implement comprehensive local water plans.

A base grant shall may be awarded to a county that levies a water implementation tax at a rate, which shall be determined by the board. The minimum amount of the water implementation tax shall be a tax rate times the adjusted net tax capacity of the county for the preceding year. The rate shall be the rate, rounded to the nearest .001 of a percent, that, when applied to the adjusted net tax capacity for all counties, raises the amount of \$1,500,000. The base grant will be in an amount equal to \$37,500 less the amount raised by that levy. If the amount necessary to implement the local water plan for the county is less than \$37,500, the amount of the base grant shall be the amount that, when added to the levy amount, equals the amount required to implement the plan. For counties where the tax rate generates an amount equal to or greater than \$18,750, the base grant shall be in an amount equal to \$18,750.

Sec. 105. Minnesota Statutes 2002, section 103B.3369, subdivision 6, is amended to read:

Subd. 6. **LIMITATIONS.** (a) Grants provided to implement programs under this section must be reviewed by the state agency having statutory program authority to assure compliance with minimum state standards. At the request of the state agency commissioner, the board shall revoke the portion of a grant used to support a program not in compliance.

(b) Grants provided to develop or revise comprehensive local water management plans may not be awarded for a time longer than two years.

(c) A county local unit of government may not request or be awarded grants for project implementation unless a comprehensive local management water plan has been adopted.

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Sec. 106. Minnesota Statutes 2002, section 103B.355, is amended to read:

103B.355 APPLICATION.

Sections 103B.301 to 103B.355 do not apply in areas subject to the requirements of sections 103B.201 to 103B.255 under section 103B.231, subdivision 1, and in areas covered by an agreement under section 103B.231, subdivision 2, except as otherwise provided in sections section 103B.311, subdivision 4, clause (4); and 103B.315, subdivisions 1, clauses (3) and (4), and 2, clause (b).

Sec. 107. Minnesota Statutes 2002, section 103D.341, subdivision 2, is amended to read:

Subd. 2. **PROCEDURE.** (a) Rules of the watershed district must be adopted or amended by a majority vote of the managers, after public notice and hearing. Rules must be signed by the secretary of the board of managers and recorded in the board of managers' official minute book.

(b) Prior to adoption, the proposed rule or amendment to the rule must be submitted to the board for review and comment. The board's review shall be considered advisory. The board shall have 45 days from receipt of the proposed rule or amendment to the rule to provide its comments in writing to the watershed district. Proposed rules or amendments to the rule shall also be noticed for review and comment to all public transportation authorities that have jurisdiction within the watershed district at least 45 days prior to adoption. The public transportation authorities have 45 days from receipt of the proposed rule or amendment to the rule to provide comments in writing to the watershed district.

(c) For each county affected by the watershed district, the managers must publish a notice of hearings and adopted rules in one or more legal newspapers published in the county and generally circulated in the watershed district. The managers must also provide written notice of adopted or amended rules to public transportation authorities that have jurisdiction within the watershed district. The managers must file adopted rules with the county recorder of each county affected by the watershed district and the board.

(d) The managers must mail a copy of the rules to the governing body of each municipality affected by the watershed district.

Sec. 108. Minnesota Statutes 2002, section 103D.345, is amended by adding a subdivision to read:

Subd. 6. GENERAL PERMITS. A watershed district may issue general permits for public transportation projects for work on existing roads.

Sec. 109. Minnesota Statutes 2002, section 103D.405, subdivision 2, is amended to read:

Subd. 2. **REQUIRED TEN-YEAR REVISION.** (a) After ten years and six months from the date that the board approved a watershed management plan or the last revised watershed management plan, the managers must consider the requirements

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under subdivision 1 and adopt a revised watershed management plan outline and send a copy of the outline to the board.

(b) By 60 days after receiving a revised watershed management plan outline, the board must review it, adopt recommendations regarding the revised watershed management plan outline, and send the recommendations to the managers.

(c) ~~By 120 days~~ After receiving the board's recommendations regarding the revised watershed management plan outline, the managers must complete the revised watershed management plan.

Sec. 110. Minnesota Statutes 2002, section 103D.537, is amended to read:

103D.537 APPEALS OF RULES, PERMIT DECISIONS, AND ORDERS NOT INVOLVING PROJECTS.

(a) Except as provided in section 103D.535, an interested party may appeal a permit decision or order made by the managers by a declaratory judgment action brought under chapter 555. An interested party may appeal a rule made by the managers by a declaratory judgment action brought under chapter 555 or by appeal to the board. The decision on appeal must be based on the record made in the proceeding before the managers. An appeal of a permit decision or order must be filed within 30 days of the managers' decision.

(b) In addition to the authorities identified in paragraph (a), a public transportation authority may appeal a watershed district permit decision to the board. The board shall, upon request of the public transportation authority, conduct an expedited appeal hearing within 30 days or less from the date of the appeal being accepted.

(c) By January 1, 1997 2005, the board shall adopt rules governing appeals to the board under paragraph paragraphs (a) and (b). A decision of the board on appeal is subject to judicial review under sections 14.63 to 14.69. The rules authorized in this paragraph are exempt from the rulemaking provisions of chapter 14 except that section 14.386 applies and the proposed rules must be submitted to the members of senate and house environment and natural resource and transportation policy committees at least 30 days prior to being published in the State Register. The amended rules are effective for two years from the date of publication of the rules in the State Register unless they are superseded by permanent rules.

Sec. 111. Minnesota Statutes 2002, section 103G.005, subdivision 10e, is amended to read:

Subd. 10e. **LOCAL GOVERNMENT UNIT.** "Local government unit" means:

(1) outside of the seven-county metropolitan area, a city council ~~or~~ county board of commissioners, or a soil and water conservation district or their delegate;

(2) in the seven-county metropolitan area, a city council, a town board under section 368.01, ~~or a watershed management organization under section 103B.211, or a~~ soil and water conservation district or their delegate; and

(3) on state land, the agency with administrative responsibility for the land.

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Sec. 112. Minnesota Statutes 2002, section 103G.222, subdivision 1, is amended to read:

Subdivision 1. **REQUIREMENTS.** (a) Wetlands must not be drained or filled, wholly or partially, unless replaced by restoring or creating wetland areas of at least equal public value under a replacement plan approved as provided in section 103G.2242, a replacement plan under a local governmental unit's comprehensive wetland protection and management plan approved by the board under section 103G.2243, or, if a permit to mine is required under section 93.481, under a mining reclamation plan approved by the commissioner under the permit to mine. Mining reclamation plans shall apply the same principles and standards for replacing wetlands by restoration or creation of wetland areas that are applicable to mitigation plans approved as provided in section 103G.2242. Public value must be determined in accordance with section 103B.3355 or a comprehensive wetland protection and management plan established under section 103G.2243. Sections 103G.221 to 103G.2372 also apply to excavation in permanently and semipermanently flooded areas of types 3, 4, and 5 wetlands.

(b) Replacement must be guided by the following principles in descending order of priority:

(1) avoiding the direct or indirect impact of the activity that may destroy or diminish the wetland;

(2) minimizing the impact by limiting the degree or magnitude of the wetland activity and its implementation;

(3) rectifying the impact by repairing, rehabilitating, or restoring the affected wetland environment;

(4) reducing or eliminating the impact over time by preservation and maintenance operations during the life of the activity;

(5) compensating for the impact by restoring a wetland; and

(6) compensating for the impact by replacing or providing substitute wetland resources or environments.

For a project involving the draining or filling of wetlands in an amount not exceeding 10,000 square feet more than the applicable amount in section 103G.2241, subdivision 9, paragraph (a), the local government unit may make an on-site sequencing determination without a written alternatives analysis from the applicant.

(c) If a wetland is located in a cultivated field, then replacement must be accomplished through restoration only without regard to the priority order in paragraph (b), provided that a deed restriction is placed on the altered wetland prohibiting nonagricultural use for at least ten years.

(d) Restoration and replacement of wetlands must be accomplished in accordance with the ecology of the landscape area affected.

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(e) Except as provided in paragraph (f), for a wetland or public waters wetland located on nonagricultural land, replacement must be in the ratio of two acres of replaced wetland for each acre of drained or filled wetland.

(f) For a wetland or public waters wetland located on agricultural land or in a greater than 80 percent area, replacement must be in the ratio of one acre of replaced wetland for each acre of drained or filled wetland.

(g) Wetlands that are restored or created as a result of an approved replacement plan are subject to the provisions of this section for any subsequent drainage or filling.

(h) Except in a greater than 80 percent area, only wetlands that have been restored from previously drained or filled wetlands, wetlands created by excavation in nonwetlands, wetlands created by dikes or dams along public or private drainage ditches, or wetlands created by dikes or dams associated with the restoration of previously drained or filled wetlands may be used in a statewide banking program established in rules adopted under section 103G.2242, subdivision 1. Modification or conversion of nondegraded naturally occurring wetlands from one type to another are not eligible for enrollment in a statewide wetlands bank.

(i) The technical evaluation panel established under section 103G.2242, subdivision 2, shall ensure that sufficient time has occurred for the wetland to develop wetland characteristics of soils, vegetation, and hydrology before recommending that the wetland be deposited in the statewide wetland bank. If the technical evaluation panel has reason to believe that the wetland characteristics may change substantially, the panel shall postpone its recommendation until the wetland has stabilized.

(j) This section and sections 103G.223 to 103G.2242, 103G.2364, and 103G.2365 apply to the state and its departments and agencies.

(k) For projects involving draining or filling of wetlands associated with a new public transportation project in a greater than 80 percent area, and for projects expanded solely for additional traffic capacity, public transportation authorities, ~~other than the state department of transportation~~, may purchase credits from the state wetland bank established with proceeds from Laws 1994, chapter 643, section 26, subdivision 3, paragraph (e). Wetland banking credits may be purchased at the least of the following, but in no case shall the purchase price be less than \$400 per acre: (1) the cost to the state to establish the credits; (2) the average estimated market value of agricultural land in the township where the road project is located, as determined by the commissioner of revenue; or (3) the average value of the land in the immediate vicinity of the road project as determined by the county assessor. Public transportation authorities in a less than 80 percent area may purchase credits from the state board at the cost to the state board to establish credits.

(l) A replacement plan for wetlands is not required for individual projects that result in the filling or draining of wetlands for the repair, rehabilitation, reconstruction, or replacement of a currently serviceable existing state, city, county, or town public road necessary, as determined by the public transportation authority, to meet state or federal design or safety standards or requirements, excluding new roads or roads

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expanded solely for additional traffic capacity lanes. This paragraph only applies to authorities for public transportation projects that:

(1) minimize the amount of wetland filling or draining associated with the project and consider mitigating important site-specific wetland functions on-site;

(2) except as provided in clause (3), submit project-specific reports to the board, the technical evaluation panel, the commissioner of natural resources, and members of the public requesting a copy at least 30 days prior to construction that indicate the location, amount, and type of wetlands to be filled or drained by the project or, alternatively, convene an annual meeting of the parties required to receive notice to review projects to be commenced during the upcoming year; and

(3) for minor and emergency maintenance work impacting less than 10,000 square feet, submit project-specific reports, within 30 days of commencing the activity, to the board that indicate the location, amount, and type of wetlands that have been filled or drained.

Those required to receive notice of public transportation projects may appeal minimization, delineation, and on-site mitigation decisions made by the public transportation authority to the board according to the provisions of section 103G.2242, subdivision 9. The technical evaluation panel shall review minimization and delineation decisions made by the public transportation authority and provide recommendations regarding on-site mitigation if requested to do so by the local government unit, a contiguous landowner, or a member of the technical evaluation panel.

Except for state public transportation projects, for which the state department of transportation is responsible, the board must replace the wetlands, and wetland areas of public waters if authorized by the commissioner or a delegated authority, drained or filled by public transportation projects on existing roads.

Public transportation authorities at their discretion may deviate from federal and state design standards on existing road projects when practical and reasonable to avoid wetland filling or draining, provided that public safety is not unreasonably compromised. The local road authority and its officers and employees are exempt from liability for any tort claim for injury to persons or property arising from travel on the highway and related to the deviation from the design standards for construction or reconstruction under this paragraph. This paragraph does not preclude an action for damages arising from negligence in construction or maintenance on a highway.

(m) If a landowner seeks approval of a replacement plan after the proposed project has already affected the wetland, the local government unit may require the landowner to replace the affected wetland at a ratio not to exceed twice the replacement ratio otherwise required.

(n) A local government unit may request the board to reclassify a county or watershed on the basis of its percentage of presettlement wetlands remaining. After receipt of satisfactory documentation from the local government, the board shall change the classification of a county or watershed. If requested by the local government unit, the board must assist in developing the documentation. Within 30

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days of its action to approve a change of wetland classifications, the board shall publish a notice of the change in the Environmental Quality Board Monitor.

(o) One hundred citizens who reside within the jurisdiction of the local government unit may request the local government unit to reclassify a county or watershed on the basis of its percentage of presettlement wetlands remaining. In support of their petition, the citizens shall provide satisfactory documentation to the local government unit. The local government unit shall consider the petition and forward the request to the board under paragraph (n) or provide a reason why the petition is denied.

Sec. 113. Minnesota Statutes 2002, section 103G.222, subdivision 3, is amended to read:

Subd. 3. **WETLAND REPLACEMENT SITING.** (a) Siting wetland replacement must follow this priority order:

- (1) on site or in the same minor watershed as the affected wetland;
- (2) in the same watershed as the affected wetland;
- (3) in the same county as the affected wetland;
- (4) in an adjacent watershed or county to the affected wetland; and

(5) statewide, only for wetlands affected in greater than 80 percent areas and for public transportation projects, except that wetlands affected in less than 50 percent areas must be replaced in less than 50 percent areas, and wetlands affected in the seven-county metropolitan area must be replaced at a ratio of two to one in: (i) the affected county or, if no restoration opportunities exist in the county, (ii) in another of the seven metropolitan counties, or (iii) in one of the major watersheds that are wholly or partially within the seven-county metropolitan area county, but at least one to one must be replaced within the seven-county metropolitan area.

(b) The exception in paragraph (a), clause (5), does not apply to replacement completed using wetland banking credits established by a person who submitted a complete wetland banking application to a local government unit by April 1, 1996.

(c) When reasonable, practicable, and environmentally beneficial replacement opportunities are not available in siting priorities listed in paragraph (a), the applicant may seek opportunities at the next level.

(d) For the purposes of this section, "reasonable, practicable, and environmentally beneficial replacement opportunities" are defined as opportunities that:

- (1) take advantage of naturally occurring hydrogeomorphological conditions and require minimal landscape alteration;
- (2) have a high likelihood of becoming a functional wetland that will continue in perpetuity;
- (3) do not adversely affect other habitat types or ecological communities that are important in maintaining the overall biological diversity of the area; and

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(4) are available and capable of being done after taking into consideration cost, existing technology, and logistics consistent with overall project purposes.

(e) Regulatory agencies, local government units, and other entities involved in wetland restoration shall collaborate to identify potential replacement opportunities within their jurisdictional areas.

Sec. 114. Minnesota Statutes 2002, section 103G.2242, is amended by adding a subdivision to read:

Subd. 14. FEES ESTABLISHED. Fees must be assessed for managing wetland bank accounts and transactions as follows:

(1) account maintenance annual fee: one percent of the value of credits not to exceed \$500;

(2) account establishment, deposit, or transfer: 6.5 percent of the value of credits not to exceed \$1,000 per establishment, deposit, or transfer; and

(3) withdrawal fee: 6.5 percent of the value of credits withdrawn.

Sec. 115. Minnesota Statutes 2002, section 103G.2242, is amended by adding a subdivision to read:

Subd. 15. FEES PAID TO BOARD. All fees established in subdivision 14 must be paid to the board of water and soil resources and credited to the general fund to be used for the purpose of administration of the wetland bank.

Sec. 116. Minnesota Statutes 2002, section 103G.271, subdivision 6, is amended to read:

Subd. 6. WATER USE PERMIT PROCESSING FEE. (a) Except as described in paragraphs (b) to (f), a water use permit processing fee must be prescribed by the commissioner in accordance with the following schedule of fees in this subdivision for each water use permit in force at any time during the year. The schedule is as follows, with the stated fee in each clause applied to the total amount appropriated:

(1) 0.05 cents per 1,000 gallons \$101 for the first amounts not exceeding 50,000,000 gallons per year;

(2) 0.10 cents \$3 per 1,000 1,000,000 gallons for amounts greater than 50,000,000 gallons but less than 100,000,000 gallons per year;

(3) 0.15 cents \$3.50 per 1,000 1,000,000 gallons for amounts greater than 100,000,000 gallons but less than 150,000,000 gallons per year;

(4) 0.20 cents \$4 per 1,000 1,000,000 gallons for amounts greater than 150,000,000 gallons but less than 200,000,000 gallons per year;

(5) 0.25 cents \$4.50 per 1,000 1,000,000 gallons for amounts greater than 200,000,000 gallons but less than 250,000,000 gallons per year;

(6) 0.30 cents \$5 per 1,000 1,000,000 gallons for amounts greater than 250,000,000 gallons but less than 300,000,000 gallons per year;

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(7) ~~0.35 cents~~ \$5.50 per ~~1,000~~ 1,000,000 gallons for amounts greater than 300,000,000 gallons but less than 350,000,000 gallons per year;

(8) ~~0.40 cents~~ \$6 per ~~1,000~~ 1,000,000 gallons for amounts greater than 350,000,000 gallons but less than 400,000,000 gallons per year; and

(9) ~~0.45 cents~~ \$6.50 per ~~1,000~~ 1,000,000 gallons for amounts greater than 400,000,000 gallons but less than 450,000,000 gallons per year;

(10) \$7 per 1,000,000 gallons for amounts greater than 450,000,000 gallons but less than 500,000,000 gallons per year; and

(11) \$7.50 per 1,000,000 gallons for amounts greater than 500,000,000 gallons per year.

(b) For once-through cooling systems, a water use processing fee must be prescribed by the commissioner in accordance with the following schedule of fees for each water use permit in force at any time during the year:

(1) for nonprofit corporations and school districts, ~~15.0 cents~~ \$150 per ~~1,000~~ 1,000,000 gallons; and

(2) for all other users, ~~20 cents~~ \$200 per ~~1,000~~ 1,000,000 gallons.

(c) The fee is payable based on the amount of water appropriated during the year and, except as provided in paragraph (f), the minimum fee is \$50 \$100.

(d) For water use processing fees other than once-through cooling systems:

(1) the fee for a city of the first class may not exceed ~~\$175,000~~ \$250,000 per year;

(2) the fee for other entities for any permitted use may not exceed:

(i) ~~\$35,000~~ \$50,000 per year for an entity holding three or fewer permits;

(ii) ~~\$50,000~~ \$75,000 per year for an entity holding four or five permits;

(iii) ~~\$175,000~~ \$250,000 per year for an entity holding more than five permits;

(3) the fee for agricultural irrigation may not exceed \$750 per year;

(4) the fee for a municipality that furnishes electric service and cogenerates steam for home heating may not exceed \$10,000 for its permit for water use related to the cogeneration of electricity and steam; and

(5) no fee is required for a project involving the appropriation of surface water to prevent flood damage or to remove flood waters during a period of flooding, as determined by the commissioner.

(e) Failure to pay the fee is sufficient cause for revoking a permit. A penalty of two percent per month calculated from the original due date must be imposed on the unpaid balance of fees remaining 30 days after the sending of a second notice of fees due. A fee may not be imposed on an agency, as defined in section 16B.01, subdivision 2, or federal governmental agency holding a water appropriation permit.

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(f) The minimum water use processing fee for a permit issued for irrigation of agricultural land is ~~\$10~~ \$20 for years in which:

- (1) there is no appropriation of water under the permit; or
- (2) the permit is suspended for more than seven consecutive days between May 1 and October 1.

Sec. 117. Minnesota Statutes 2002, section 103G.271, subdivision 6a, is amended to read:

Subd. 6a. **PAYMENT OF FEES FOR PAST UNPERMITTED APPROPRIATIONS.** An entity that appropriates water without a required permit under subdivision 1 must pay the applicable water use permit processing fee specified in subdivision 6 for the period during which the unpermitted appropriation occurred. The fees for unpermitted appropriations are required for the previous seven calendar years after being notified of the need for a permit. This fee is in addition to any other fee or penalty assessed.

Sec. 118. Minnesota Statutes 2002, section 103G.611, subdivision 1, is amended to read:

Subdivision 1. **REQUIREMENT REQUIREMENTS.** (a) The fee for a permit to operate an aeration system on public waters during periods of ice cover is \$250. The commissioner may waive the fee for aeration systems that are assisting efforts to maintain angling opportunities through the prevention of winterkill. To be eligible for the fee waiver, the lake being aerated must have public access and aeration must be identified as a desirable management tool in a plan approved by the commissioner. Operation of the aeration system in a manner not consistent with the approved plan represents justification for rescinding the fee waiver. The fee may not be charged to the state or a federal governmental agency applying for a permit. The money received for permits under this subdivision must be deposited in the treasury and credited to the game and fish fund.

(b) A person operating an aeration system on public waters under a water aeration permit must comply with the sign posting requirements of this section and applicable rules of the commissioner.

Sec. 119. Minnesota Statutes 2002, section 103G.615, subdivision 2, is amended to read:

Subd. 2. **FEES.** (a) The commissioner shall establish a fee schedule for permits to harvest aquatic plants other than wild rice, by order, after holding a public hearing. The fees may not exceed ~~\$200~~ \$750 per permit based upon the cost of receiving, processing, analyzing, and issuing the permit, and additional costs incurred after the application to inspect and monitor the activities authorized by the permit, and enforce aquatic plant management rules and permit requirements.

(b) The fee for a permit for ~~chemical treatment~~ the destruction of rooted aquatic vegetation ~~may not exceed \$20~~ is \$35 for each contiguous parcel of shoreline owned by an owner. This fee may not be charged for permits issued in connection with

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lakewide Eurasian water milfoil control programs.

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

(d) The money received for the permits under this subdivision shall be deposited in the treasury and credited to the game and fish fund.

Sec. 120. Minnesota Statutes 2002, section 115.03, is amended by adding a subdivision to read:

Subd. 5b. STORM WATER PERMITS; COMPLIANCE WITH NONDEGRADATION AND MITIGATION REQUIREMENTS. (a) During the period in which this subdivision is in effect, all point source storm water discharges that are subject to and in compliance with an individual or general storm water permit issued by the pollution control agency under the National Pollution Discharge Elimination System are considered to be in compliance with the nondegradation and mitigation requirements of agency water quality rules.

(b) This subdivision is repealed on the earlier of July 1, 2007, or the effective date of rules adopted by the pollution control agency that provide specific mechanisms or criteria to determine whether point source storm water discharges comply with the nondegradation and mitigation requirements of agency water quality rules.

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

Sec. 121. Minnesota Statutes 2002, section 115.03, is amended by adding a subdivision to read:

Subd. 5c. REGULATION OF STORM WATER DISCHARGES. (a) The agency may issue a general permit to any category or subcategory of point source storm water discharges that it deems administratively reasonable and efficient without making any findings under agency rules. Nothing in this subdivision precludes the agency from requiring an individual permit for a point source storm water discharge if the agency finds that it is appropriate under applicable legal or regulatory standards.

(b) Pursuant to this paragraph, the legislature authorizes the agency to adopt and enforce rules regulating point source storm water discharges. No further legislative approval is required under any other legal or statutory provision whether enacted before or after the enactment of this section.

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

Sec. 122. **[115.425] NONINGESTED SOURCE PHOSPHORUS REDUCTION GOAL.**

The state goal for reducing phosphorus from noningested sources entering municipal wastewater treatment systems is at least a 50 percent reduction based on the timeline for reduction developed by the commissioner under section 166, and a reasonable estimate of the amount of phosphorus from noningested sources entering municipal wastewater treatment systems in calendar year 2003.

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Sec. 123. Minnesota Statutes 2002, section 115.55, subdivision 1, is amended to read:

Subdivision 1. **DEFINITIONS.** (a) The definitions in this subdivision apply to ~~this section and section~~ sections 115.55 to 115.56.

(b) "Advisory committee" means the advisory committee on individual sewage treatment systems established under the individual sewage treatment system rules. The advisory committee must be appointed to ensure geographic representation of the state and include elected public officials.

(c) "Applicable requirements" means:

(1) local ordinances that comply with the individual sewage treatment system rules, as required in subdivision 2; or

(2) in areas not subject to the ordinances described in clause (1), the individual sewage treatment system rules.

(d) "City" means a statutory or home rule charter city.

(e) "Commissioner" means the commissioner of the pollution control agency.

(f) " Dwelling " means a building or place used or intended to be used by human occupants as a single-family or two-family unit.

(g) "Individual sewage treatment system" or "system" means a sewage treatment system, or part thereof, serving a dwelling, other establishment, or group thereof, that uses subsurface soil treatment and disposal.

(h) "Individual sewage treatment system professional" means an inspector, installer, site evaluator or designer, or pumper.

(i) "Individual sewage treatment system rules" means rules adopted by the agency that establish minimum standards and criteria for the design, location, installation, use, and maintenance of individual sewage treatment systems.

(j) "Inspector" means a person who inspects individual sewage treatment systems for compliance with the applicable requirements.

(k) "Installer" means a person who constructs or repairs individual sewage treatment systems.

(l) "Local unit of government" means a township, city, or county.

(m) "Pumper" means a person who maintains components of individual sewage treatment systems including, but not limited to, septic, aerobic, and holding tanks.

(n) "Seasonal dwelling" means a dwelling that is occupied or used for less than 180 days per year and less than 120 consecutive days.

(o) "Septic system tank" means any covered receptacle designed, constructed, and installed as part of an individual sewage treatment system.

(p) "Site evaluator or designer" means a person who:

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(1) investigates soils and site characteristics to determine suitability, limitations, and sizing requirements; and

(2) designs individual sewage treatment systems.

Sec. 124. [115.551] TANK FEE.

An installer shall pay a fee of \$25 for each septic system tank installed in the previous calendar year. The fees required under this section must be paid to the commissioner by January 30 of each year. The revenue derived from the fee imposed under this section shall be deposited in the environmental fund and is exempt from section 16A.1285.

Sec. 125. Minnesota Statutes 2002, section 115A.54, is amended by adding a subdivision to read:

Subd. 4. TERMINATION OF OBLIGATIONS; GOOD-FAITH EFFORT. Notwithstanding the provisions of section 16A.695, the director may terminate the obligations of a grant or loan recipient under this section, if the director finds that the recipient has made a good-faith effort to exhaust all options in trying to comply with the terms and conditions of the grant or loan. In lieu of declaring a default on a grant or a loan under this section, the director may identify additional measures a recipient should take in order to meet the good-faith test required for terminating the recipient's obligations under this section. By December 15 of each year, the director shall report to the legislature the defaults and terminations the director has ordered in the previous year, if any. No decision on termination under this section is effective until the end of the legislative session following the director's report.

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

Sec. 126. Minnesota Statutes 2002, section 115A.545, subdivision 2, is amended to read:

Subd. 2. PROCESSING PAYMENT. (a) The director shall pay counties a processing payment for each ton of mixed municipal solid waste that is generated in the county and processed at a resource recovery facility. The processing payment shall be \$5 for each ton of mixed municipal solid waste processed.

(b) ~~The director shall also pay a processing payment to a county that does not qualify under paragraph (a) that constructed a processing facility and that either:~~

~~(1) contracts for waste generated in the county to be received at a facility in that county; or~~

~~(2) has a comprehensive solid waste management plan approved by the director under section 115A.46 that demonstrates the intention of the county to make the processing facility operational.~~

The processing payment shall be \$5 for each ton of mixed municipal waste generated in the county and delivered under contract with the county.

(c) By the last day of October, January, April, and July, each county claiming the processing payment shall file a claim for payment with the director for the three

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previous months certifying the number of tons of mixed municipal solid waste that were generated in the county and processed at a resource recovery facility. The director shall pay the processing payments by November 15, February 15, May 15, and August 15 each year.

(d) (c) If the total amount for which all counties are eligible in a quarter exceeds the amount available for payment, the director shall make the payments on a pro rata basis.

(e) (d) All of the money received by a county under paragraph (a) must be used to lower the tipping fee for waste to be processed at a resource recovery facility.

(f) Amounts received by a county under:

(1) paragraph (b), clause (1), must be used to lower the tipping fee for waste received at a waste management facility within the county for waste received under contract with the county at a facility in the county; or

(2) paragraph (b), clause (2), must be used to assist in making the county's processing facility operational.

Sec. 127. Minnesota Statutes 2002, section 115A.908, subdivision 2, is amended to read:

Subd. 2. **DEPOSIT OF REVENUE.** (a) From July 1, 2003, through June 30, 2007, revenue collected shall be credited to the general fund.

(b) After June 30, 2007, revenue collected shall be credited to the motor vehicle transfer account in the environmental fund. As cash flow permits, the commissioner of finance must transfer (1) \$3,200,000 each fiscal year from the motor vehicle transfer account to the environmental response, compensation, and compliance account established in section 115B.20; and (2) \$1,200,000 each fiscal year from the motor vehicle transfer account to the general fund.

Sec. 128. Minnesota Statutes 2002, section 115A.919, subdivision 1, is amended to read:

Subdivision 1. **FEES.** (a) A county may impose a fee, by cubic yard of waste or its equivalent, on operators of facilities for the disposal of mixed municipal solid waste or construction debris located within the county. The revenue from the fees shall be credited to the county general fund and shall be used only for landfill abatement purposes, or costs of closure, postclosure care, and response actions or for purposes of mitigating and compensating for the local risks, costs, and other adverse effects of facilities. The interest generated from fees imposed under this subdivision may be credited to the county general fund for use by a county for other purposes.

(b) Fees for construction debris facilities may not exceed 50 cents per cubic yard. Revenues from the fees must offset any financial assurances required by the county for a construction debris facility. The maximum revenue that may be collected for a construction debris facility must be determined by multiplying the total permitted capacity of the facility by 15 cents per cubic yard. Once the maximum revenue has

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been collected for a facility, the fee may no longer be imposed. The limitation on the fees in this paragraph and in section 115A.921, subdivision 2, are not intended to alter the liability of the facility operator or the authority of the agency to impose financial assurance requirements.

Sec. 129. [115A.9565] CATHODE-RAY TUBE PROHIBITION.

Effective July 1, 2005, a person may not place in mixed municipal solid waste an electronic product containing a cathode-ray tube.

Sec. 130. Minnesota Statutes 2002, section 115C.02, subdivision 14, is amended to read:

Subd. 14. **TANK.** "Tank" means any one or a combination of containers, vessels, and enclosures, including structures and appurtenances connected to them, that is, or has been, used to contain or, dispense, store, or transport petroleum.

"Tank" does not include:

(1) ~~a mobile storage tank used to transport petroleum from one location to another, except a mobile storage tank with a capacity of 500 gallons or less used only to transport home heating fuel on private property; or~~

(2) pipeline facilities, including gathering lines, regulated under the Natural Gas Pipeline Safety Act of 1968, United States Code, title 49, chapter 24, or the Hazardous Liquid Pipeline Safety Act of 1979, United States Code, title 49, chapter 29.

Sec. 131. Minnesota Statutes 2002, section 115C.08, subdivision 4, is amended to read:

Subd. 4. **EXPENDITURES.** (a) Money in the fund may only be spent:

(1) to administer the petroleum tank release cleanup program established in this chapter;

(2) for agency administrative costs under sections 116.46 to 116.50, sections 115C.03 to 115C.06, and costs of corrective action taken by the agency under section 115C.03, including investigations;

(3) for costs of recovering expenses of corrective actions under section 115C.04;

(4) for training, certification, and rulemaking under sections 116.46 to 116.50;

(5) for agency administrative costs of enforcing rules governing the construction, installation, operation, and closure of aboveground and underground petroleum storage tanks;

(6) for reimbursement of the environmental response, compensation, and compliance account under subdivision 5 and section 115B.26, subdivision 4;

(7) for administrative and staff costs as set by the board to administer the petroleum tank release program established in this chapter;

(8) for corrective action performance audits under section 115C.093; ~~and~~

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(9) for contamination cleanup grants, as provided in paragraph (c); and

(10) to assess and remove abandoned underground storage tanks under section 115C.094 and, if a release is discovered, to pay for the specific consultant and contractor services costs necessary to complete the tank removal project, including, but not limited to, excavation soil sampling, groundwater sampling, soil disposal, and completion of an excavation report.

(b) Except as provided in paragraph (c), money in the fund is appropriated to the board to make reimbursements or payments under this section.

(c) \$6,200,000 is annually appropriated from the fund to the commissioner of trade and economic development for contamination cleanup grants under section 116J.554. Of this amount, the commissioner may spend up to \$120,000 annually for administration of the contamination cleanup grant program. The appropriation does not cancel and is available until expended. The appropriation shall not be withdrawn from the fund nor the fund balance reduced until the funds are requested by the commissioner of trade and economic development. The commissioner shall schedule requests for withdrawals from the fund to minimize the necessity to impose the fee authorized by subdivision 2. Unless otherwise provided, the appropriation in this paragraph may be used for:

(1) project costs at a qualifying site if a portion of the cleanup costs are attributable to petroleum contamination; and

(2) the costs of performing contamination investigation if there is a reasonable basis to suspect the contamination is attributable to petroleum.

Sec. 132. Minnesota Statutes 2002, section 115C.09, subdivision 3, is amended to read:

Subd. 3. **REIMBURSEMENTS; SUBROGATION; APPROPRIATION.** (a) The board shall reimburse an eligible applicant from the fund for 90 percent of the total reimbursable costs incurred at the site, except that the board may reimburse an eligible applicant from the fund for greater than 90 percent of the total reimbursable costs, if the applicant previously qualified for a higher reimbursement rate. For costs associated with a release from a tank in transport, the board may reimburse 90 percent of costs over \$10,000, with the maximum reimbursement not to exceed \$100,000.

Not more than \$1,000,000 may be reimbursed for costs associated with a single release, regardless of the number of persons eligible for reimbursement, and not more than \$2,000,000 may be reimbursed for costs associated with a single tank facility.

(b) A reimbursement may not be made from the fund under this chapter until the board has determined that the costs for which reimbursement is requested were actually incurred and were reasonable.

(c) When an applicant has obtained responsible competitive bids or proposals according to rules promulgated under this chapter prior to June 1, 1995, the eligible costs for the tasks, procedures, services, materials, equipment, and tests of the low bid or proposal are presumed to be reasonable by the board, unless the costs of the low bid

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or proposal are substantially in excess of the average costs charged for similar tasks, procedures, services, materials, equipment, and tests in the same geographical area during the same time period.

(d) When an applicant has obtained a minimum of two responsible competitive bids or proposals on forms prescribed by the board and where the rules promulgated under this chapter after June 1, 1995, designate maximum costs for specific tasks, procedures, services, materials, equipment and tests, the eligible costs of the low bid or proposal are deemed reasonable if the costs are at or below the maximums set forth in the rules.

(e) Costs incurred for change orders executed as prescribed in rules promulgated under this chapter after June 1, 1995, are presumed reasonable if the costs are at or below the maximums set forth in the rules, unless the costs in the change order are above those in the original bid or proposal or are unsubstantiated and inconsistent with the process and standards required by the rules.

(f) A reimbursement may not be made from the fund in response to either an initial or supplemental application for costs incurred after June 4, 1987, that are payable under an applicable insurance policy, except that if the board finds that the applicant has made reasonable efforts to collect from an insurer and failed, the board shall reimburse the applicant.

(g) If the board reimburses an applicant for costs for which the applicant has insurance coverage, the board is subrogated to the rights of the applicant with respect to that insurance coverage, to the extent of the reimbursement by the board. The board may request the attorney general to bring an action in district court against the insurer to enforce the board's subrogation rights. Acceptance by an applicant of reimbursement constitutes an assignment by the applicant to the board of any rights of the applicant with respect to any insurance coverage applicable to the costs that are reimbursed. Notwithstanding this paragraph, the board may instead request a return of the reimbursement under subdivision 5 and may employ against the applicant the remedies provided in that subdivision, except where the board has knowingly provided reimbursement because the applicant was denied coverage by the insurer.

(h) Money in the fund is appropriated to the board to make reimbursements under this chapter. A reimbursement to a state agency must be credited to the appropriation account or accounts from which the reimbursed costs were paid.

(i) The board may reduce the amount of reimbursement to be made under this chapter if it finds that the applicant has not complied with a provision of this chapter, a rule or order issued under this chapter, or one or more of the following requirements:

- (1) the agency was given notice of the release as required by section 115.061;
- (2) the applicant, to the extent possible, fully cooperated with the agency in responding to the release;
- (3) the state rules applicable after December 22, 1993, to operating an underground storage tank and appurtenances without leak detection;

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(4) the state rules applicable after December 22, 1998, to operating an underground storage tank and appurtenances without corrosion protection or spill and overflow protection; and

(5) the state rule applicable after November 1, 1998, to operating an aboveground tank without a dike or other structure that would contain a spill at the aboveground tank site.

(j) The reimbursement may be reduced as much as 100 percent for failure by the applicant to comply with the requirements in paragraph (i), clauses (1) to (5). In determining the amount of the reimbursement reduction, the board shall consider:

(1) the reasonable determination by the agency that the noncompliance poses a threat to the environment;

(2) whether the noncompliance was negligent, knowing, or willful;

(3) the deterrent effect of the award reduction on other tank owners and operators;

(4) the amount of reimbursement reduction recommended by the commissioner; and

(5) the documentation of noncompliance provided by the commissioner.

(k) An applicant may assign the right to receive reimbursement to request that the board issue a multiparty check that includes each lender who advanced funds to pay the costs of the corrective action or to each contractor or consultant who provided corrective action services. An assignment This request must be made by filing with the board a document, in a form prescribed by the board, indicating the identity of the applicant, the identity of the assignee lender, contractor, or consultant, the dollar amount of the assignment, and the location of the corrective action. An assignment signed by the applicant is valid unless terminated by filing a termination with the board, in a form prescribed by the board, which must include the written concurrence of the assignee. The board shall maintain an index of assignments filed under this paragraph. The board shall pay the reimbursement to the applicant and to one or more assignees by a multiparty check. The applicant must submit a request for the issuance of a multiparty check for each application submitted to the board. Payment under this paragraph does not constitute the assignment of the applicant's right to reimbursement to the consultant, contractor, or lender. The board has no liability to an applicant for a payment under an assignment meeting issued as a multiparty check that meets the requirements of this paragraph.

Sec. 133. Minnesota Statutes 2002, section 115C.09, is amended by adding a subdivision to read:

Subd. 3i. REIMBURSEMENT; NATURAL DISASTER AREA. (a) As used in this subdivision, "natural disaster area" means a geographical area that has been declared a disaster by the governor and President of the United States.

(b) Notwithstanding subdivision 3, paragraph (a), the board may reimburse:

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(1) up to 50 percent of an applicant's prenatal-disaster estimated building market value as recorded by the county assessor; or

(2) if the applicant conveys title of the real estate to local or state government, up to 50 percent of the prenatal-disaster estimated total market value, not to exceed one acre, as recorded by the county assessor.

(c) Paragraph (b) applies only if the applicant documents that:

(1) the natural disaster area has been declared eligible for state or federal emergency aid;

(2) the building is declared uninhabitable by the commissioner because of damage caused by the release of petroleum from a petroleum storage tank; and

(3) the applicant has submitted a claim under any applicable insurance policies and has been denied benefits under those policies.

(d) In determining the percentage for reimbursement, the board shall consider the applicant's eligibility to receive other state or federal financial assistance and determine a lesser reimbursement rate to the extent that the applicant is eligible to receive financial assistance that exceeds 50 percent of the applicant's prenatal-disaster estimated building market value or total market value.

Sec. 134. Minnesota Statutes 2002, section 115C.09, is amended by adding a subdivision to read:

Subd. 3j. RETAIL LOCATIONS AND TRANSPORT VEHICLES. (a) As used in this subdivision, "retail location" means a facility located in the metropolitan area as defined in section 473.121, subdivision 2, where gasoline is offered for sale to the general public for use in automobiles and trucks. "Transport vehicle" means a liquid fuel cargo tank used to deliver gasoline into underground storage tanks during 2002 at a retail location.

(b) Notwithstanding any other provision in this chapter, and any rules adopted under this chapter, the board shall reimburse 90 percent of an applicant's cost for retrofits of retail locations and transport vehicles completed between January 1, 2001, and January 1, 2006, to comply with section 116.49, subdivisions 3 and 4, provided that the board determines the costs were incurred and reasonable. The reimbursement may not exceed \$3,000 per retail location and \$3,000 per transport vehicle.

Sec. 135. **[115C.094] ABANDONED UNDERGROUND STORAGE TANKS.**

(a) As used in this section, an abandoned underground petroleum storage tank means an underground petroleum storage tank that was:

(1) taken out of service prior to December 22, 1988; or

(2) taken out of service on or after December 22, 1988, if the current property owner did not know of the existence of the underground petroleum storage tank and could not have reasonably been expected to have known of the tank's existence at the time the owner first acquired right, title, or interest in the tank.

New language is indicated by underline, deletions by ~~strikeout~~.

(b) The board may contract for:

(1) a statewide assessment in order to determine the quantity, location, cost, and feasibility of removing abandoned underground petroleum storage tanks;

(2) the removal of an abandoned underground petroleum storage tank; and

(3) the removal and disposal of petroleum-contaminated soil if the removal is required by the commissioner at the time of tank removal.

(c) Before the board may contract for removal of an abandoned petroleum storage tank, the tank owner must provide the board with written access to the property and release the board from any potential liability for the work performed.

(d) Money in the fund is appropriated to the board for the purposes of this section.

Sec. 136. Minnesota Statutes 2002, section 115C.11, subdivision 1, is amended to read:

Subdivision 1. **REGISTRATION.** (a) All consultants and contractors who perform corrective action services must register with the board. In order to register, consultants must meet and demonstrate compliance with the following criteria:

(1) provide a signed statement to the board verifying agreement to abide by this chapter and the rules adopted under it and to include a signed statement with each claim that all costs claimed by the consultant are a true and accurate account of services performed;

(2) provide a signed statement that the consultant shall make available for inspection any records requested by the board for field or financial audits under the scope of this chapter;

(3) certify knowledge of the requirements of this chapter and the rules adopted under it;

(4) obtain and maintain professional liability coverage, including pollution impairment liability; and

(5) agree to submit to the board a certificate or certificates verifying the existence of the required insurance coverage.

(b) The board must maintain a list of all registered consultants and a list of all registered contractors.

(c) All corrective action services must be performed by registered consultants and contractors.

(d) Reimbursement for corrective action services performed by an unregistered consultant or contractor is subject to reduction under section 115C.09, subdivision 3, paragraph (i).

(e) Corrective action services performed by a consultant or contractor prior to being removed from the registration list may be reimbursed without reduction by the board.

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(f) If the information in an application for registration becomes inaccurate or incomplete in any material respect, the registered consultant or contractor must promptly file a corrected application with the board.

(g) Registration is effective 30 days after a complete application is received by the board. The board may reimburse without reduction the cost of work performed by an unregistered contractor if the contractor performed the work within 60 days of the effective date of registration.

(h) Registration for consultants under this section remains in force until the expiration date of the professional liability coverage, including pollution impairment liability, required under paragraph (a), clause (4), or until voluntarily terminated by the registrant, or until suspended or revoked by the commissioner of commerce. Registration for contractors under this section expires each year on the anniversary of the effective date of the contractor's most recent registration and must be renewed on or before expiration. Prior to its annual expiration, a registration remains in force until voluntarily terminated by the registrant, or until suspended or revoked by the commissioner of commerce. All registrants must comply with registration criteria under this section.

(i) The board may deny a consultant or contractor registration or request for renewal under this section if the consultant or contractor:

(1) does not intend to or is not in good faith carrying on the business of an environmental consultant or contractor;

(2) has filed an application for registration that is incomplete in any material respect or contains any statement which, in light of the circumstances under which it is made, contains any misrepresentation, or is false, misleading, or fraudulent;

(3) has engaged in any fraudulent, coercive, deceptive, or dishonest act or practice whether or not the act or practice involves the business of environmental consulting or contracting;

(4) has forged another's name to any document whether or not the document relates to a document approved by the board;

(5) has plead guilty, with or without explicitly admitting guilt; plead nolo contendere; or been convicted of a felony, gross misdemeanor, or misdemeanor involving moral turpitude, including, but not limited to, assault, harassment, or similar conduct;

(6) has been subject to disciplinary action in another state or jurisdiction; or

(7) has not paid subcontractors hired by the consultant or contractor after they have been paid in full by the applicant.

Sec. 137. Minnesota Statutes 2002, section 115C.13, is amended to read:

115C.13 REPEALER.

Sections 115C.01, 115C.02, 115C.021, 115C.03, 115C.04, 115C.045, 115C.05, 115C.06, 115C.065, 115C.07, 115C.08, 115C.09, 115C.093, 115C.094, 115C.10,

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115C.11, 115C.111, 115C.112, 115C.113, 115C.12, and 115C.13, are repealed effective June 30, ~~2005~~ 2007.

Sec. 138. Minnesota Statutes 2002, section 116.073, subdivision 1, is amended to read:

Subdivision 1. **AUTHORITY TO ISSUE.** (a) Pollution control agency staff designated by the commissioner and department of natural resources conservation officers may issue citations to a person who:

(1) disposes of solid waste as defined in section 116.06, subdivision 22, at a location not authorized by law for the disposal of solid waste without permission of the owner of the property;

(2) fails to report or recover discharges as required under section 115.061; or

(3) fails to take discharge preventive or preparedness measures required under chapter 115E; or

(4) fails to install or use vapor recovery equipment during the transfer of gasoline from a transport delivery vehicle to an underground storage tank as required in section 116.49, subdivisions 3 and 4.

(b) In addition, pollution control agency staff designated by the commissioner may issue citations to owners and operators of facilities dispensing petroleum products who violate sections 116.46 to 116.50 and Minnesota Rules, chapters 7150 and 7151 and parts 7001.4200 to 7001.4300. A citation issued under this subdivision must include a requirement that the person cited remove and properly dispose of or otherwise manage the waste or discharged oil or hazardous substance, reimburse any government agency that has disposed of the waste or discharged oil or hazardous substance and contaminated debris for the reasonable costs of disposal, or correct any storage tank violations.

(c) Until June 1, 2004, citations for violation of sections 115E.045 and 116.46 to 116.50 and Minnesota Rules, chapters 7150 and 7151, may be issued only after the owners and operators have had a 90-day period to correct violations stated in writing by pollution control agency staff, unless there is a discharge associated with the violation or the violation is of Minnesota Rules, part 7151.6400, subpart 1, item B, or 7151.6500.

Sec. 139. Minnesota Statutes 2002, section 116.073, subdivision 2, is amended to read:

Subd. 2. **PENALTY AMOUNT.** The citation must impose the following penalty amounts:

(1) \$100 per major appliance, as defined in section 115A.03, subdivision 17a, up to a maximum of \$2,000;

(2) \$25 per waste tire, as defined in section 115A.90, subdivision 11, up to a maximum of \$2,000;

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(3) \$25 per lead acid battery governed by section 115A.915, up to a maximum of \$2,000;

(4) \$1 per pound of other solid waste or \$20 per cubic foot up to a maximum of \$2,000;

(5) up to \$200 for any amount of waste that escapes from a vehicle used for the transportation of solid waste if, after receiving actual notice that waste has escaped the vehicle, the person or company transporting the waste fails to immediately collect the waste;

(6) \$50 per violation of rules adopted under section 116.49, relating to underground storage tank system design, construction, installation, and notification requirements, up to a maximum of \$2,000;

(7) \$250 per violation of rules adopted under section 116.49, relating to upgrading of existing underground storage tank systems, up to a maximum of \$2,000;

(8) \$100 per violation of rules adopted under section 116.49, relating to underground storage tank system general operating requirements, up to a maximum of \$2,000;

(9) \$250 per violation of rules adopted under section 116.49, relating to underground storage tank system release detection requirements, up to a maximum of \$2,000;

(10) \$50 per violation of rules adopted under section 116.49, relating to out-of-service underground storage tank systems and closure, up to a maximum of \$2,000;

(11) \$50 per violation of sections 116.48 to 116.491 relating to underground storage tank system notification, monitoring, environmental protection, and tank installers training and certification requirements, up to a maximum of \$2,000;

(12) \$25 per gallon of oil or hazardous substance discharged which is not reported or recovered under section 115.061, up to a maximum of \$2,000;

(13) \$1 per gallon of oil or hazardous substance being stored, transported, or otherwise handled without the prevention or preparedness measures required under chapter 115E, up to a maximum of \$2,000; and

(14) \$250 per violation of Minnesota Rules, parts 7001.4200 to 7001.4300 or chapter 7151, related to aboveground storage tank systems, up to a maximum of \$2,000; and

(15) \$250 per delivery made in violation of section 116.49, subdivision 3 or 4, levied against:

(i) the retail location if vapor recovery equipment is not installed or maintained properly;

(ii) the carrier if the transport delivery vehicle is not equipped with vapor recovery equipment; or

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(iii) the driver for failure to use supplied vapor recovery equipment.

Sec. 140. Minnesota Statutes 2002, section 116.46, is amended by adding a subdivision to read:

Subd. 7a. RETAIL LOCATION. "Retail location" means a facility located in the metropolitan area as defined in section 473.121, subdivision 2, where gasoline is offered for sale to the general public for use in automobiles and trucks.

Sec. 141. Minnesota Statutes 2002, section 116.46, is amended by adding a subdivision to read:

Subd. 7b. TRANSPORT DELIVERY VEHICLE. "Transport delivery vehicle" means a liquid fuel cargo tank used to deliver gasoline into underground storage tanks.

Sec. 142. Minnesota Statutes 2002, section 116.46, is amended by adding a subdivision to read:

Subd. 10. VAPOR RECOVERY SYSTEM. "Vapor recovery system" means a system which transfers vapors from underground storage tanks during the filling operation to the storage compartment of the transport vehicle delivering gasoline.

Sec. 143. Minnesota Statutes 2002, section 116.49, is amended by adding a subdivision to read:

Subd. 3. VAPOR RECOVERY SYSTEM. Every underground gasoline storage tank at a retail location must be fitted with vapor recovery equipment by January 1, 2006. The equipment must be certified by the manufacturer as capable of collecting 95 percent of hydrocarbons emitted during gasoline transfers from a transport delivery vehicle to an underground storage tank. Product delivery and vapor recovery access points must be on the same side of the transport vehicle when the transport vehicle is positioned for delivery into the underground tank. After January 1, 2006, no gasoline may be delivered to a retail location that is not equipped with a vapor recovery system.

Sec. 144. Minnesota Statutes 2002, section 116.49, is amended by adding a subdivision to read:

Subd. 4. VAPOR RECOVERY ON TRANSPORTS. All transport delivery vehicles that deliver gasoline into underground storage tanks in the metropolitan area as defined in section 473.121, subdivision 2, must be fitted with vapor recovery equipment. The equipment must recover and manage 95 percent of hydrocarbons emitted during the transfer of gasoline from the underground storage tank and the transport delivery vehicle by January 1, 2006. After January 1, 2006, no gasoline may be delivered to a retail location by a transport vehicle that is not fitted with vapor recovery equipment.

Sec. 145. Minnesota Statutes 2002, section 116.50, is amended to read:

116.50 **PREEMPTION.**

Sections 116.46 to 116.49 preempt conflicting local and municipal rules or ordinances requiring notification or establishing environmental protection require-

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ments for underground storage tanks. A state agency or local unit of government may not adopt rules or ordinances establishing or requiring vapor recovery for underground storage tanks.

Sec. 146. Minnesota Statutes 2002, section 116P.02, subdivision 1, is amended to read:

Subdivision 1. **APPLICABILITY.** The definitions in this section apply to ~~sections 116P.01 to 116P.13~~ this chapter.

Sec. 147. Minnesota Statutes 2002, section 116P.05, subdivision 2, is amended to read:

Subd. 2. **DUTIES.** (a) The commission shall recommend a budget plan for expenditures from the environment and natural resources trust fund and shall adopt a strategic plan as provided in section 116P.08.

(b) The commission shall recommend expenditures to the legislature from the ~~Minnesota future resources fund under section 116P.13~~ state land and water conservation account in the natural resources fund.

(c) It is a condition of acceptance of the appropriations made from the ~~Minnesota future resources fund,~~ Minnesota environment and natural resources trust fund, and oil overcharge money under section 4.071, subdivision 2, that the agency or entity receiving the appropriation must submit a work program and semiannual progress reports in the form determined by the legislative commission on Minnesota resources. None of the money provided may be spent unless the commission has approved the pertinent work program.

(d) The peer review panel created under section 116P.08 must also review, comment, and report to the commission on research proposals applying for an appropriation from the ~~Minnesota resources fund and from~~ oil overcharge money under section 4.071, subdivision 2.

(e) The commission may adopt operating procedures to fulfill its duties under ~~sections 116P.01 to 116P.13~~ chapter 116P.

Sec. 148. Minnesota Statutes 2002, section 116P.09, subdivision 4, is amended to read:

Subd. 4. **PERSONNEL.** Persons who are employed by a state agency to work on a project and are paid by an appropriation from the trust fund ~~or Minnesota future resources fund~~ are in the unclassified civil service, and their continued employment is contingent upon the availability of money from the appropriation. When the appropriation has been spent, their positions must be canceled and the approved complement of the agency reduced accordingly. Part-time employment of persons for a project is authorized. The use of classified employees is authorized when approved as part of the work program required by section 116P.05, subdivision 2, paragraph (c).

Sec. 149. Minnesota Statutes 2002, section 116P.09, subdivision 5, is amended to read:

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Subd. 5. **ADMINISTRATIVE EXPENSE.** The administrative expenses of the commission shall be paid from the various funds administered by the commission as follows:

(1) Through June 30, 1993, the administrative expenses of the commission and the advisory committee shall be paid from the Minnesota future resources fund. After that time, the prorated expenses related to administration of the trust fund shall be paid from the earnings of the trust fund.

(2) After June 30, 1993, the prorated expenses related to commission administration of the trust fund may not exceed an amount equal to four percent of the projected earnings amount available for appropriation of the trust fund for the biennium.

Sec. 150. Minnesota Statutes 2002, section 116P.09, subdivision 7, is amended to read:

Subd. 7. **REPORT REQUIRED.** The commission shall, by January 15 of each odd-numbered year, submit a report to the governor, the chairs of the house appropriations and senate finance committees, and the chairs of the house and senate committees on environment and natural resources. Copies of the report must be available to the public. The report must include:

- (1) a copy of the current strategic plan;
- (2) a description of each project receiving money from the trust fund and ~~Minnesota future resources fund~~ during the preceding biennium;
- (3) a summary of any research project completed in the preceding biennium;
- (4) recommendations to implement successful projects and programs into a state agency's standard operations;
- (5) to the extent known by the commission, descriptions of the projects anticipated to be supported by the trust fund and ~~Minnesota future resources account~~ during the next biennium;
- (6) the source and amount of all revenues collected and distributed by the commission, including all administrative and other expenses;
- (7) a description of the assets and liabilities of the trust fund and the ~~Minnesota future resources fund~~;
- (8) any findings or recommendations that are deemed proper to assist the legislature in formulating legislation;
- (9) a list of all gifts and donations with a value over \$1,000;
- (10) a comparison of the amounts spent by the state for environment and natural resources activities through the most recent fiscal year; and
- (11) a copy of the most recent compliance audit.

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Sec. 151. Minnesota Statutes 2002, section 116P.10, is amended to read:

116P.10 ROYALTIES, COPYRIGHTS, PATENTS.

This section applies to projects supported by the trust fund, ~~the Minnesota future resources fund~~, and the oil overcharge money referred to in section 4.071, subdivision 2, each of which is referred to in this section as a "fund." The fund owns and shall take title to the percentage of a royalty, copyright, or patent resulting from a project supported by the fund equal to the percentage of the project's total funding provided by the fund. Cash receipts resulting from a royalty, copyright, or patent, or the sale of the fund's rights to a royalty, copyright, or patent, must be credited immediately to the principal of the fund. Receipts from Minnesota future resources fund projects must be credited to the trust fund. Before a project is included in the budget plan, the commission may vote to relinquish the ownership or rights to a royalty, copyright, or patent resulting from a project supported by the fund to the project's proposer when the amount of the original grant or loan, plus interest, has been repaid to the fund.

Sec. 152. Minnesota Statutes 2002, section 116P.14, subdivision 1, is amended to read:

Subdivision 1. **DESIGNATED AGENCY.** The department of natural resources is designated as the state agency to apply for, accept, receive, and disburse federal reimbursement funds and private funds, which are granted to the state of Minnesota from section 6 of the federal Land and Water Conservation Fund Act.

Sec. 153. Minnesota Statutes 2002, section 116P.14, subdivision 2, is amended to read:

Subd. 2. **STATE LAND AND WATER CONSERVATION ACCOUNT; CREATION.** A state land and water conservation account is created in the ~~Minnesota future natural resources fund~~. All of the money made available to the state from funds granted under subdivision 1 shall be deposited in the state land and water conservation account.

Sec. 154. Minnesota Statutes 2002, section 297A.94, is amended to read:

297A.94 DEPOSIT OF REVENUES.

(a) Except as provided in this section, the commissioner shall deposit the revenues, including interest and penalties, derived from the taxes imposed by this chapter in the state treasury and credit them to the general fund.

(b) The commissioner shall deposit taxes in the Minnesota agricultural and economic account in the special revenue fund if:

(1) the taxes are derived from sales and use of property and services purchased for the construction and operation of an agricultural resource project; and

(2) the purchase was made on or after the date on which a conditional commitment was made for a loan guaranty for the project under section 41A.04, subdivision 3.

The commissioner of finance shall certify to the commissioner the date on which the project received the conditional commitment. The amount deposited in the loan guaranty account must be reduced by any refunds and by the costs incurred by the

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department of revenue to administer and enforce the assessment and collection of the taxes.

(c) The commissioner shall deposit the revenues, including interest and penalties, derived from the taxes imposed on sales and purchases included in section 297A.61, subdivision 3, paragraph (g), clauses (1) and (4), in the state treasury, and credit them as follows:

(1) first to the general obligation special tax bond debt service account in each fiscal year the amount required by section 16A.661, subdivision 3, paragraph (b); and

(2) after the requirements of clause (1) have been met, the balance to the general fund.

(d) The commissioner shall deposit the revenues, including interest and penalties, collected under section 297A.64, subdivision 5, in the state treasury and credit them to the general fund. By July 15 of each year the commissioner shall transfer to the highway user tax distribution fund an amount equal to the excess fees collected under section 297A.64, subdivision 5, for the previous calendar year.

(e) For fiscal year 2001, 97 percent; for fiscal years 2002 and 2003, 87 percent; and for fiscal year 2004 and thereafter, ~~87.1~~ 72.43 percent of the revenues, including interest and penalties, transmitted to the commissioner under section 297A.65, must be deposited by the commissioner in the state treasury as follows:

(1) 50 percent of the receipts must be deposited in the heritage enhancement account in the game and fish fund, and may be spent only on activities that improve, enhance, or protect fish and wildlife resources, including conservation, restoration, and enhancement of land, water, and other natural resources of the state;

(2) 22.5 percent of the receipts must be deposited in the natural resources fund, and may be spent only for state parks and trails;

(3) 22.5 percent of the receipts must be deposited in the natural resources fund, and may be spent only on metropolitan park and trail grants;

(4) three percent of the receipts must be deposited in the natural resources fund, and may be spent only on local trail grants; and

(5) two percent of the receipts must be deposited in the natural resources fund, and may be spent only for the Minnesota zoological garden, the Como park zoo and conservatory, and the Duluth zoo.

(f) The revenue dedicated under paragraph (e) may not be used as a substitute for traditional sources of funding for the purposes specified, but the dedicated revenue shall supplement traditional sources of funding for those purposes. Land acquired with money deposited in the game and fish fund under paragraph (e) must be open to public hunting and fishing during the open season, except that in aquatic management areas or on lands where angling easements have been acquired, fishing may be prohibited during certain times of the year and hunting may be prohibited. At least 87 percent of the money deposited in the game and fish fund for improvement, enhancement, or

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protection of fish and wildlife resources under paragraph (e) must be allocated for field operations.

Sec. 155. Minnesota Statutes 2002, section 297F.10, subdivision 1, is amended to read:

Subdivision 1. **TAX AND USE TAX ON CIGARETTES.** Revenue received from cigarette taxes, as well as related penalties, interest, license fees, and miscellaneous sources of revenue shall be deposited by the commissioner in the state treasury and credited as follows:

(a) first to the general obligation special tax bond debt service account in each fiscal year the amount required to increase the balance on hand in the account on each December 1 to an amount equal to the full amount of principal and interest to come due on all outstanding bonds whose debt service is payable primarily from the proceeds of the tax to and including the second following July 1; and

(b) after the requirements of paragraph (a) have been met;

~~(1) the revenue produced by one mill of the tax on cigarettes weighing not more than three pounds a thousand and two mills of the tax on cigarettes weighing more than three pounds a thousand must be credited to the Minnesota future resources fund; and~~

~~(2) the balance of the revenues derived from taxes, penalties, and interest (under this chapter) and from license fees and miscellaneous sources of revenue shall be credited to the general fund.~~

Sec. 156. WATER QUALITY ASSESSMENT PROCESS.

Subdivision 1. RULEMAKING. (a) By January 1, 2006, the pollution control agency shall adopt rules under Minnesota Statutes, chapter 14, relating to water quality assessment for the waters of the state. The adopted rules must, at a minimum, satisfy paragraphs (b) to (h).

(b) The rules must apply to the determination of impaired waters as required by Section 303(d) of the Clean Water Act of 1977, United States Code, title 33, chapter 26, section 1313(d).

(c) The rules must define the terms "altered materially," "material increase," "material manner," "seriously impaired," and "significant increase," contained in Minnesota Rules, part 7050.0150, subpart 3.

(d) The rules must define the terms "normal fishery" and "normally present," contained in Minnesota Rules, part 7050.0150, subpart 3.

(e) The rules must specify that for purposes of the determination of impaired waters, the agency will make an impairment determination based only on pollution of waters of the state that has resulted in degradation of the physical, chemical, or biological qualities of the water body to the extent that attainable or previously existing beneficial uses are actually or potentially lost.

(f) The rules must provide that when a person presents information adequately demonstrating that a beneficial use for the water body does not exist and is not

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attainable due to the natural condition of the water body, the agency shall initiate an administrative process for reclassification of the water to remove the beneficial use.

(g) The rules must provide that the agency, in considering impairment due to nutrients and application of nutrient objectives and effluent limitations related to riverine systems or riverine impoundments, must consider temperature and detention time effects on algal populations when the discharge of nutrients is expected to cause or contribute to algal growth that impairs existing or attainable uses.

(h) The agency shall apply Minnesota Rules, part 7050.0150, consistent with paragraphs (e) and (g).

Subd. 2. REPORT TO LEGISLATURE. By February 1, 2004, and by February 1, 2005, the commissioner shall report to the environment and natural resources finance committees of the house and senate on the status of discussions with stakeholders and the development of the rules required under subdivision 1.

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

Sec. 157. MODIFICATIONS TO STORM WATER PERMIT FEES.

(a) The pollution control agency shall collect water quality permit applications and annual fees as provided in the rules of the agency and in Laws 2002, chapter 220, article 8, section 15, as amended by Laws 2002, chapter 374, article 6, section 8, with the following modifications:

(1) the application fee for general industrial storm water permits is reduced to zero, and the annual fee is increased to \$400;

(2) the application fee for general construction storm water permits is increased to \$400; and

(3) application and annual fees for other general permits do not apply to general municipal separate storm sewer system permits.

(b) Nothing in this section limits the authority of a county, city, town, watershed district, or other special purpose district or political subdivision, to impose fees or to levy taxes or assessments to pay the cost of regulating or controlling storm water discharges to waters of the state.

(c) The permit fee modifications provided in this section are effective July 1, 2003. The pollution control agency shall adopt amended water quality permit fee rules under Minnesota Statutes, section 14.389, that incorporate the fee modifications provided in this section. The agency shall begin collecting fees in accordance with the modifications in this section on July 1, 2003, regardless of the status of those rules. Notwithstanding Minnesota Statutes, section 14.18, subdivision 2, the permit fee modifications in this section and the rule amendments incorporating them do not require further legislative approval.

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

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Sec. 158. UTILITY LICENSES.

(a) The fees in Minnesota Rules, parts 6135.0400 to 6135.0810, adopted under Minnesota Statutes, section 84.415, are to be amended as follows:

(1) effective July 1, 2003, the application fee for a license to construct a utility crossing over or under public lands or over or under public waters is \$500; and

(2) effective July 1, 2004, the fee schedules of Minnesota Rules, parts 6135.0510 to 6135.0810, are increased to an amount equal to the current schedules plus an increase due to inflation from 1990 through 2002. The basis of increase shall be the unadjusted producer price index for all commodities, and the index value used shall be the annual average as revised four months after publication.

(b) The commissioner of natural resources shall amend Minnesota Rules, parts 6135.0400 to 6135.0810, according to this section and under Minnesota Statutes, section 14.388, clause (3). Except as provided in Minnesota Statutes, section 14.388, Minnesota Statutes, section 14.386, does not apply.

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

Sec. 159. TRANSFER OF ASSETS; MINNESOTA CONSERVATION CORPS.

The state's ownership interest in all tools, computers, and other supplies and equipment acquired by the commissioner of natural resources for the purpose of the conservation corps created under Minnesota Statutes, section 84.98, is transferred to the friends of the Minnesota conservation corps.

Sec. 160. TRANSFER OF FUNDS; MINNESOTA CONSERVATION CORPS.

The remaining balances in the Minnesota conservation corps: cooperative agreement, youthworks, Americorps administration, education vouchers, and gift accounts on June 30, 2003, are canceled and reappropriated to the friends of the Minnesota conservation corps.

Sec. 161. COUNTY PROCESSING GRANT OBLIGATIONS.

The outstanding obligations arising from the following specified processing facility grants provided by the office of environmental assistance to the listed counties are terminated, notwithstanding the provisions of Minnesota Statutes, section 16A.695:

(1) Fillmore county, for demonstration program grants awarded March 1987 and June 1991;

(2) St. Louis county, for a capital assistance program grant awarded September 1989;

(3) Wright county, for a capital assistance program grant awarded April 1990;

(4) Isanti, Chisago, Pine, Mille Lacs, and Kanabec counties, together as the east central solid waste commission, for a capital assistance program grant awarded September 1990, and a facility optimization grant awarded February 1994; and

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(5) Pennington county, for a capital assistance program grant awarded in February 1992.

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

Sec. 162. ENFORCEMENT AUTHORITY REPORT.

The commissioner of natural resources must report to the chairs of the house of representatives and senate environment and judiciary policy committees by February 1, 2004, on clarification of conservation officer authority and any law enforcement authority for other employees of the department.

Sec. 163. CONSOLIDATION AND STREAMLINING REPORT.

(a) By September 1, 2003, the pollution control agency, department of natural resources, office of environmental assistance, and board of water and soil resources shall report to the chairs of the senate environment and natural resources committee, the senate environment, agriculture, and economic budget division, house environment and natural resources policy committee, and house environment and natural resources finance committee on all of their reporting requirements that apply to counties.

(b) By January 15, 2004, the pollution control agency, department of natural resources, office of environmental assistance, and board of water and soil resources shall present a joint report to the chairs of the senate environment and natural resources committee, the senate environment, agriculture, and economic budget division, house environment and natural resources policy committee, and house environment and natural resources finance committee providing recommendations on streamlining and coordinating county reporting requirements.

(c) In developing the list of reporting requirements and recommendations on streamlining and coordinating county reporting requirements, the agencies must:

(1) consult with the association of Minnesota counties and other county representatives;

(2) identify the minimum information needed to measure county compliance with state law and rules;

(3) identify how agencies can prepare one or more annual reports summarizing information reported by counties;

(4) consider how the Internet can be used to collect and organize county reported information; and

(5) identify the costs and savings of implementing the recommendations contained in this report.

Sec. 164. INDIVIDUAL SEWAGE TREATMENT SYSTEM STUDY.

The commissioner of the pollution control agency, with input from stakeholders, must develop and report back to the house and senate environment and natural resources policy and finance committees by February 1, 2004, a ten-year plan to:

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(1) locate systems that are imminent threats to public health and safety, and those with less than two feet of soil separation;

(2) upgrade the systems identified in clause (1); and

(3) institute a system to oversee compliance with individual sewage treatment maintenance requirements of Minnesota Rules, part 7080.0175, by July 1, 2005.

The ten-year plan must include funding options for clauses (1), (2), and (3) and shall recommend enhanced funding mechanisms for low-interest loans to homeowners for system upgrades.

Sec. 165. ISTS PILOT PROGRAM.

The pollution control agency shall, in conjunction with the association of Minnesota counties, designate three cooperating counties with waterbodies listed as impaired by fecal coliform bacteria, and within designated counties shall:

(1) by July 1, 2007, complete an inventory of properties with individual sewage treatment systems that are an imminent threat to public health or safety due to surface water discharges of untreated sewage, and the inventory of properties may be phased over the period of the pilot project; and

(2) require compliance under the applicable requirements of this section by May 1, 2008. The pollution control agency may utilize cooperative agreements with the three pilot counties to meet the requirements of clauses (1) and (2).

Sec. 166. PHOSPHORUS STUDY.

The commissioner of the pollution control agency must study the concept of lowering phosphorus in the wastewater stream and the effect on water quality in the receiving waters and how to best assist local units of government in removing phosphorus at public wastewater treatment plants, including the establishment of a timeline for meeting the goal in Minnesota Statutes, section 115.42. The commissioner must review the rules on nutrients in cleaning agents under Minnesota Statutes, sections 116.23 and 116.24, and report the results of the study and rule review to the house of representatives and senate environment and natural resources policy and finance committees and commerce committees by February 1, 2004.

Sec. 167. FOREST LAND OFF-HIGHWAY VEHICLE USE RECLASSIFICATION.

Subdivision 1. FOREST CLASSIFICATION STATUS REVIEW. (a) By December 31, 2006, the commissioner of natural resources shall complete a review of the forest classification status of all state forests classified as managed, all forest lands under the authority of the commissioner as defined in Minnesota Statutes, section 89.001, subdivision 13, and lands managed by the commissioner under Minnesota Statutes, section 282.011. The review must be conducted on a forest-by-forest and area-by-area basis in accordance with the process and criteria under Minnesota Rules, part 6100.1950. After each forest is reviewed, the commissioner must change its status to limited or closed, and must provide a similar status for each of the other areas

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subject to review under this section after each individual review is completed.

(b) If the commissioner determines on January 1, 2005, that the review required under this section cannot be completed by December 31, 2006, the completion date for the review shall be extended to December 31, 2008. By January 15, 2005, the commissioner shall report to the chairs of the legislative committees with jurisdiction over natural resources policy and finance regarding the status of the process required by this section.

(c) Until December 31, 2010, the state forests and areas subject to review under this section are exempt from Minnesota Statutes, section 84.777, unless an individual forest or area has been classified as limited or closed.

Subd. 2. TEMPORARY SUSPENSION OF ENVIRONMENTAL REVIEW. The requirements for environmental review under Minnesota Statutes, section 116D.04, and rules of the environmental quality board are temporarily suspended for each reclassification and trail designation made under subdivision 1 until the commissioner has met all requirements under subdivision 1, or December 31, 2008, if the commissioner has failed to complete those requirements as required by law.

Subd. 3. RULEMAKING. By January 1, 2005, the environmental quality board shall adopt rules providing for threshold levels for environmental review for recreational trails.

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

Sec. 168. STUDY OF OFF-HIGHWAY VEHICLE TRAILS.

By January 15, 2005, the commissioner of natural resources must submit a report to the chairs of the legislative committees with jurisdiction over natural resources policy and finance concerning the compatibility of multiple uses of the outdoor recreation system. The report must address the current and future availability of recreational opportunities for nonmotorized and motorized activities, and recommend legislative and policy changes to preserve natural resources and to assure the continued availability of outdoor recreation opportunities for all residents of this state. The report must also address cost of maintenance, operation, and enforcement for the current off-highway vehicle trails system, including, but not limited to, how many miles of trails the department's off-highway vehicle budget will support. The report must include:

- (1) a detailed discussion of sources of revenue for trails;
- (2) an analysis of recent and projected expenditures from the off-highway vehicle accounts;
- (3) information regarding all other sources of revenue used for off-highway vehicle purposes; and
- (4) a current inventory of all the state forest roads and access routes, including designated off-highway vehicle routes and all motorized and nonmotorized trails.

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Sec. 169. CONTINUOUS TRAIL DESIGNATION.

(a) The commissioner of natural resources shall locate, plan, design, map, construct, designate, and sign a new trail for use by all-terrain vehicles and off-highway motorcycles of not less than 70 continuous miles in length on any land owned by the state or in cooperation with any county on land owned by that county or on a combination of any of these lands. This new trail shall be ready for use by April 1, 2007.

(b) All funding for this new trail shall come from the all-terrain vehicle dedicated account and is appropriated each year as needed.

(c) This new trail shall have at least two areas of access complete with appropriate parking for vehicles and trailers and enough room for loading and unloading all-terrain vehicles. Some existing trails, that are strictly all-terrain vehicle trails, and are not inventoried forest roads, may be incorporated into the design of this new all-terrain vehicle trail. This new trail may be of a continuous loop design and shall provide for spurs to other all-terrain vehicle trails as long as those spurs do not count toward the 70 continuous miles of this new all-terrain vehicle trail. Four rest areas shall be provided along the way.

Sec. 170. WELL DISCLOSURE IN WASHINGTON COUNTY.

Before signing an agreement to sell or transfer real property in Washington county that is not served by a municipal water system, the seller must state in writing to the buyer whether, to the seller's knowledge, the property is located within a special well construction area designated by the commissioner of health under Minnesota Rules, part 4725.3650. If the disclosure under Minnesota Statutes, section 1031.235, subdivision 1, paragraph (a), states that there is an unsealed well on the property, the disclosure required under this clause must be made regardless of whether the property is served by a municipal water system.

EFFECTIVE DATE. This section is effective the day after the governing body of Washington county and its chief clerical officer timely complete their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3. It applies to transactions for which purchase agreements are entered into after that date.

Sec. 171. EXPIRATION OF GAME AND FISH AGENT LICENSES.

Electronic game and fish license agent agreements that are scheduled to expire in February 2004 must be extended by the commissioner of natural resources until June 30, 2004.

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

Sec. 172. TEMPORARY PETROFUND FEE EXEMPTION FOR MINNESOTA COMMERCIAL AIRLINES.

(a) A commercial airline providing regularly scheduled jet service and with its corporate headquarters in Minnesota is exempt from the fee established in Minnesota Statutes, section 115C.08, subdivision 3, until July 1, 2005, provided the airline develops a plan approved by the commissioner of commerce demonstrating that the savings from this exemption will go towards minimizing job losses in Minnesota, and

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to support the airline's efforts to avoid filing for federal bankruptcy protections.

(b) A commercial airline exempted from the fee is ineligible to receive reimbursement under Minnesota Statutes, chapter 115C, until July 1, 2005. A commercial airline that has a release during the fee exemption period is ineligible to receive reimbursement under Minnesota Statutes, chapter 115C, for the costs incurred in response to that release.

Sec. 173. STATE AGENCY REIMBURSEMENT.

State agencies that incurred reimbursable costs from 1990 to 2002 in responding to a petroleum tank release and have not submitted an application for reimbursement to the petroleum tank release compensation board as of the effective date of this section shall submit an application for reimbursement by January 1, 2005. State agencies that receive reimbursement from the board must deposit reimbursement received from the petroleum tank release cleanup fund in the general fund or other state fund from which the agency expended funds for this purpose.

Sec. 174. USE OF MOTORIZED DEVICES ON STATE NONMOTORIZED TRAILS BY PHYSICALLY DISABLED INDIVIDUALS; REVIEW.

By January 15, 2004, the commissioner of natural resources shall complete a review of the use of motorized devices on nonmotorized state trails by physically disabled individuals and report the results to the chairs of the legislative committees with jurisdiction over natural resources policy and finance.

Sec. 175. REVISOR'S INSTRUCTION.

The revisor of statutes shall change the reference in Minnesota Rules, part 8420.0740, subpart 1, item I, subitem (3), from "8420.0720, subpart 8a" to "8420.0720, subpart 8."

Sec. 176. REPEALER.

(a) Minnesota Statutes 2002, sections 1.31; 1.32; 84.0887; 84.98; 84.99; 103B.311, subdivisions 5, 6, and 7; 103B.315, subdivisions 1, 2, 3, and 7; 103B.321, subdivision 3; and 103B.3369, subdivision 3, are repealed.

(b) Minnesota Statutes 2002, section 97A.105, subdivisions 3a and 3b, are repealed on January 1, 2004.

(c) Minnesota Rules, parts 9300.0010; 9300.0020; 9300.0030; 9300.0040; 9300.0050; 9300.0060; 9300.0070; 9300.0080; 9300.0090; 9300.0100; 9300.0110; 9300.0120; 9300.0130; 9300.0140; 9300.0150; 9300.0160; 9300.0170; 9300.0180; 9300.0190; 9300.0200; and 9300.0210, are repealed.

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ARTICLE 2

ENVIRONMENTAL FUND CHANGES

Section 1. Minnesota Statutes 2002, section 16A.531, subdivision 1, is amended to read:

Subdivision 1. **ENVIRONMENTAL FUND.** There is created in the state treasury an environmental fund as a special revenue fund for deposit of receipts from environmentally related taxes, fees, and activities conducted by the state other sources as provided in subdivision 1a.

Sec. 2. Minnesota Statutes 2002, section 16A.531, is amended by adding a subdivision to read:

Subd. 1a. REVENUES. The following revenues must be deposited in the environmental fund:

(1) all revenue from the motor vehicle transfer fee imposed under section 115A.908;

(2) all fees collected under section 116.07, subdivision 4d;

(3) all money collected by the pollution control agency in enforcement matters as provided in section 115.073;

(4) all revenues from license fees for individual sewage treatment systems under section 115.56;

(5) all loan repayments deposited under section 115A.0716;

(6) all revenue from pollution prevention fees imposed under section 115D.12;

(7) all loan repayments deposited under section 116.994;

(8) all fees collected under section 116C.834;

(9) revenue collected from the solid waste management tax pursuant to chapter 297H;

(10) fees collected under section 473.844; and

(11) interest accrued on the fund.

Sec. 3. Minnesota Statutes 2002, section 115.073, is amended to read:

115.073 **ENFORCEMENT FUNDING.**

Except as provided in ~~sections 115B.20, subdivision 4, clause (2); section 115C.05; and 473.845, subdivision 8,~~ all money recovered by the state under this chapter and chapters 115A and 116, including civil penalties and money paid under an agreement, stipulation, or settlement, excluding money paid for past due fees or taxes, up to the amount appropriated for implementation of Laws 1991, chapter 347, must be deposited in the state treasury and credited to the environmental fund.

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Sec. 4. Minnesota Statutes 2002, section 115.56, subdivision 4, is amended to read:

Subd. 4. **LICENSE FEE.** The fee for a license required under subdivision 2 is \$100 per year. Revenue from the fees must be credited to the environmental fund and is exempt from section 16A.1285.

Sec. 5. Minnesota Statutes 2002, section 115A.0716, subdivision 3, is amended to read:

Subd. 3. **REVOLVING ACCOUNT.** An ~~environmental assistance revolving account is established in the environmental fund.~~ All repayments of loans awarded under this subdivision, including principal and interest, must be ~~deposited into~~ credited to the ~~account~~ environmental fund. Money deposited in the ~~account fund under this section~~ is annually appropriated to the director for loans for purposes identified in subdivisions 1 and 2.

Sec. 6. Minnesota Statutes 2002, section 115A.9651, subdivision 6, is amended to read:

Subd. 6. **PRODUCT REVIEW REPORTS.** (a) Except as provided under subdivision 7, the manufacturer, or an association of manufacturers, of any specified product distributed for sale or use in this state that is not listed pursuant to subdivision 4 shall submit a product review report and fee as provided in paragraph (c) to the commissioner for each product by July 1, 1998. Each product review report shall contain at least the following:

(1) a policy statement articulating upper management support for eliminating or reducing intentional introduction of listed metals into its products;

(2) a description of the product and the amount of each listed metal distributed for use in this state;

(3) a description of past and ongoing efforts to eliminate or reduce the listed metal in the product;

(4) an assessment of options available to reduce or eliminate the intentional introduction of the listed metal including any alternatives to the specified product that do not contain the listed metal, perform the same technical function, are commercially available, and are economically practicable;

(5) a statement of objectives in numerical terms and a schedule for achieving the elimination of the listed metals and an environmental assessment of alternative products;

(6) a listing of options considered not to be technically or economically practicable; and

(7) certification attesting to the accuracy of the information in the report signed and dated by an official of the manufacturer or user.

If the manufacturer fails to submit a product review report, a user of a specified product may submit a report and fee which comply with this subdivision by August 15, 1998.

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(b) By July 1, 1999, and annually thereafter until the commissioner takes action under subdivision 9, the manufacturer or user must submit a progress report and fee as provided in paragraph (c) updating the information presented under paragraph (a).

(c) The fee shall be \$295 for each report. The fee shall be deposited in the state treasury and credited to the environmental fund. The fee is exempt from section 16A.1285.

(d) Where it cannot be determined from a progress report submitted by a person pursuant to Laws 1994, chapter 585, section 30, subdivision 2, paragraph (e), the number of products for which product review reports are due under this subdivision, the commissioner shall have the authority to determine, after consultation with that person, the number of products for which product review reports are required.

(e) The commissioner shall summarize, aggregate, and publish data reported under paragraphs (a) and (b) annually.

(f) A product that is the subject of a recommendation by the Toxics in Packaging Clearinghouse, as administered by the Council of State Governments, is exempt from this section.

Sec. 7. Minnesota Statutes 2002, section 115B.17, subdivision 6, is amended to read:

Subd. 6. **RECOVERY OF EXPENSES.** Any reasonable and necessary expenses incurred by the agency or commissioner pursuant to this section, including all response costs, and administrative and legal expenses, may be recovered in a civil action brought by the attorney general against any person who may be liable under section 115B.04 or any other law. The agency's certification of expenses shall be prima facie evidence that the expenses are reasonable and necessary. Any expenses incurred pursuant to this section which are recovered by the attorney general pursuant to section 115B.04 or any other law, including any award of attorneys fees, shall be deposited in the remediation fund and credited to a ~~special account~~ for additional response actions as provided in section 115B.20, subdivision 2, clause (2) or (4).

Sec. 8. Minnesota Statutes 2002, section 115B.17, subdivision 7, is amended to read:

Subd. 7. **ACTIONS RELATING TO NATURAL RESOURCES.** For the purpose of this subdivision, the state is the trustee of the air, water and wildlife of the state. An action pursuant to section 115B.04 for damages with respect to air, water or wildlife may be brought by the attorney general in the name of the state as trustee for those natural resources. Any damages recovered by the attorney general pursuant to section 115B.04 or any other law for injury to, destruction of, or loss of natural resources resulting from the release of a hazardous substance, or a pollutant or contaminant, shall be deposited in the ~~account~~ remediation fund.

Sec. 9. Minnesota Statutes 2002, section 115B.17, subdivision 14, is amended to read:

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Subd. 14. **REQUESTS FOR REVIEW, INVESTIGATION, AND OVERSIGHT.** (a) The commissioner may, upon request, assist a person in determining whether real property has been the site of a release or threatened release of a hazardous substance, pollutant, or contaminant. The commissioner may also assist in, or supervise, the development and implementation of reasonable and necessary response actions. Assistance may include review of agency records and files, and review and approval of a requester's investigation plans and reports and response action plans and implementation.

(b) Except as otherwise provided in this paragraph, the person requesting assistance under this subdivision shall pay the agency for the agency's cost, as determined by the commissioner, of providing assistance. A state agency, political subdivision, or other public entity is not required to pay for the agency's cost to review agency records and files. Money received by the agency for assistance under this section must be deposited in the environmental response, compensation, and compliance remediation fund and is exempt from section 16A.1285.

(c) When a person investigates a release or threatened release in accordance with an investigation plan approved by the commissioner under this subdivision, the investigation does not associate that person with the release or threatened release for the purpose of section 115B.03, subdivision 3, clause (4).

Sec. 10. Minnesota Statutes 2002, section 115B.17, subdivision 16, is amended to read:

Subd. 16. **DISPOSITION OF PROPERTY ACQUIRED FOR RESPONSE ACTION.** (a) If the commissioner determines that real or personal property acquired by the agency for response action is no longer needed for response action purposes, the commissioner may:

(1) transfer the property to the commissioner of administration to be disposed of in the manner required for other surplus property subject to conditions the commissioner determines necessary to protect the public health and welfare or the environment, or to comply with federal law;

(2) transfer the property to another state agency, a political subdivision, or special purpose district as provided in paragraph (b); or

(3) if required by federal law, take actions and dispose of the property as required by federal law.

(b) If the commissioner determines that real or personal property acquired by the agency for response action must be operated, maintained, or monitored after completion of other phases of the response action, the commissioner may transfer ownership of the property to another state agency, a political subdivision, or special purpose district that agrees to accept the property. A state agency, political subdivision, or special purpose district is authorized to accept and implement the terms and conditions of a transfer under this paragraph. The commissioner may set terms and conditions for the transfer that the commissioner considers reasonable and necessary to ensure proper operation, maintenance, and monitoring of response actions, protect the public health

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and welfare and the environment, and comply with applicable federal and state laws and regulations. The state agency, political subdivision, or special purpose district to which the property is transferred is not liable under this chapter solely as a result of acquiring the property or acting in accordance with the terms and conditions of the transfer.

(c) If the agency acquires property under subdivision 15, the commissioner may lease or grant an easement in the property to a person during the implementation of response actions if the lease or easement is compatible with or necessary for response action implementation.

(d) The proceeds of a sale, lease, or other transfer of property under this subdivision by the commissioner or by the commissioner of administration shall be deposited in the environmental response, compensation, and compliance account remediation fund. Any share of the proceeds that the agency is required by federal law or regulation to reimburse to the federal government is appropriated from the account to the agency for that purpose. Except for section 94.16, subdivision 2, the provisions of section 94.16 do not apply to real property sold by the commissioner of administration which was acquired under subdivision 15.

Sec. 11. Minnesota Statutes 2002, section 115B.19, is amended to read:

115B.19 PURPOSES OF ACCOUNT AND TAXES PURPOSE OF FUND.

In establishing the environmental response, compensation and compliance account remediation fund in section ~~115B.20~~ and imposing taxes in section ~~115B.22~~ 116.155 it is the purpose of the legislature to:

(1) encourage treatment and disposal of hazardous waste in a manner that adequately protects the public health or welfare or the environment;

(2) encourage responsible parties to provide the response actions necessary to protect the public and the environment from the effects of the release of hazardous substances;

(3) encourage the use of alternatives to land disposal of hazardous waste including resource recovery, recycling, neutralization, and reduction;

(4) provide state agencies with the financial resources needed to prepare and implement an effective and timely state response to the release of hazardous substances, including investigation, planning, removal and remedial action;

(5) compensate for increased governmental expenses and loss of revenue and to provide other appropriate assistance to mitigate any adverse impact on communities in which commercial hazardous waste processing or disposal facilities are located under the siting process provided in chapter 115A;

(6) recognize the environmental and public health costs of land disposal of solid waste and of the use and disposal of hazardous substances and to place the burden of financing state hazardous waste management activities on those whose products and

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services contribute to hazardous waste management problems and increase the risks of harm to the public and the environment.

Sec. 12. Minnesota Statutes 2002, section 115B.20, is amended to read:

115B.20 ENVIRONMENTAL RESPONSE, COMPENSATION, AND COMPLIANCE ACCOUNT ACTIONS USING MONEY FROM REMEDIATION FUND.

~~Subdivision 1. ESTABLISHMENT. (a) The environmental response, compensation, and compliance account is in the environmental fund in the state treasury and may be spent only for the purposes provided in subdivision 2.~~

~~(b) The commissioner of finance shall administer a response account for the agency and the commissioner of agriculture to take removal, response, and other actions authorized under subdivision 2, clauses (1) to (4) and (9) to (11). The commissioner of finance shall transfer money from the response account to the agency and the commissioner of agriculture to take actions required under subdivision 2, clauses (1) to (4) and (9) to (11).~~

~~(c) The commissioner of finance shall administer the account in a manner that allows the commissioner of agriculture and the agency to utilize the money in the account to implement their removal and remedial action duties as effectively as possible.~~

~~(d) Amounts appropriated to the commissioner of finance under this subdivision shall not be included in the department of finance budget but shall be included in the pollution control agency and department of agriculture budgets.~~

~~(e) All money recovered by the state under section 115B.04 or any other law for injury to, destruction of, or loss of natural resources resulting from the release of a hazardous substance, or a pollutant or contaminant, must be credited to the environmental response, compensation, and compliance account in the environmental fund and is appropriated to the commissioner of natural resources for purposes of subdivision 2, clause (5), consistent with any applicable term of judgments, consent decrees, consent orders, or other administrative actions requiring payments to the state for such purposes. Before making an expenditure of money appropriated under this paragraph, the commissioner of natural resources shall provide written notice of the proposed expenditure to the chairs of the senate committee on finance, the house of representatives committee on ways and means, the finance division of the senate committee on environment and natural resources, and the house of representatives committee on environment and natural resources finance.~~

Subd. 2. PURPOSES FOR WHICH MONEY MAY BE SPENT. Subject to appropriation by the legislature the money in the account Money appropriated from the remediation fund under section 116.155, subdivision 2, paragraph (a), clause (1), may be spent only for any of the following purposes:

(1) preparation by the agency and the commissioner of agriculture for taking removal or remedial action under section 115B.17, or under chapter 18D, including

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investigation, monitoring and testing activities, enforcement and compliance efforts relating to the release of hazardous substances, pollutants or contaminants under section 115B.17 or 115B.18, or chapter 18D;

(2) removal and remedial actions taken or authorized by the agency or the commissioner of the pollution control agency under section 115B.17, or taken or authorized by the commissioner of agriculture under chapter 18D including related enforcement and compliance efforts under section 115B.17 or 115B.18, or chapter 18D, and payment of the state share of the cost of remedial action which may be carried out under a cooperative agreement with the federal government pursuant to the federal Superfund Act, under United States Code, title 42, section 9604(c)(3) for actions related to facilities other than commercial hazardous waste facilities located under the siting authority of chapter 115A;

(3) reimbursement to any private person for expenditures made before July 1, 1983, to provide alternative water supplies deemed necessary by the agency or the commissioner of agriculture and the department of health to protect the public health from contamination resulting from the release of a hazardous substance;

(4) removal and remedial actions taken or authorized by the agency or the commissioner of agriculture or the pollution control agency under section 115B.17, or chapter 18D, including related enforcement and compliance efforts under section 115B.17 or 115B.18, or chapter 18D, and payment of the state share of the cost of remedial action which may be carried out under a cooperative agreement with the federal government pursuant to the federal Superfund Act, under United States Code, title 42, section 9604(c)(3) for actions related to commercial hazardous waste facilities located under the siting authority of chapter 115A;

(5) assessment and recovery of natural resource damages by the agency and the commissioners of natural resources and administration, and planning and implementation by the commissioner of natural resources of the rehabilitation, restoration, or acquisition of natural resources to remedy injuries or losses to natural resources resulting from the release of a hazardous substance; before implementing a project to rehabilitate, restore, or acquire natural resources under this clause, the commissioner of natural resources shall provide written notice of the proposed project to the chairs of the senate and house of representatives committees with jurisdiction over environment and natural resources finance;

(6) ~~inspection, monitoring, and compliance efforts by the agency, or by political subdivisions with agency approval, of commercial hazardous waste facilities located under the siting authority of chapter 115A;~~

(7) ~~grants by the agency or the office of environmental assistance to demonstrate alternatives to land disposal of hazardous waste including reduction, separation, pretreatment, processing and resource recovery, for education of persons involved in regulating and handling hazardous waste;~~

(8) ~~grants by the agency to study the extent of contamination and feasibility of cleanup of hazardous substances and pollutants or contaminants in major waterways of the state;~~

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(9) (5) acquisition of a property interest under section 115B.17, subdivision 15;

~~(10)~~ (6) reimbursement, in an amount to be determined by the agency in each case, to a political subdivision that is not a responsible person under section 115B.03, for reasonable and necessary expenditures resulting from an emergency caused by a release or threatened release of a hazardous substance, pollutant, or contaminant; and

~~(11)~~ (7) reimbursement to a political subdivision for expenditures in excess of the liability limit under section 115B.04, subdivision 4.

Subd. 3. **LIMIT ON CERTAIN EXPENDITURES.** The commissioner of agriculture or the pollution control agency or the agency may not spend any money under subdivision 2, clause (2) or (4), for removal or remedial actions to the extent that the costs of those actions may be compensated from any fund established under the Federal Superfund Act, United States Code, title 42, section 9600 et seq. The commissioner of agriculture or the pollution control agency or the agency shall determine the extent to which any of the costs of those actions may be compensated under the federal act based on the likelihood that the compensation will be available in a timely fashion. In making this determination the commissioner of agriculture or the pollution control agency or the agency shall take into account:

(1) the urgency of the removal or remedial actions and the priority assigned under the Federal Superfund Act to the release which necessitates those actions;

(2) the availability of money in the funds established under the Federal Superfund Act; and

(3) the consistency of any compensation for the cost of the proposed actions under the Federal Superfund Act with the national contingency plan, if such a plan has been adopted under that act.

Subd. 4. **REVENUE SOURCES.** Revenue from the following sources shall be deposited in the account:

~~(1)~~ (1) the proceeds of the taxes imposed pursuant to section 115B.22, including interest and penalties;

~~(2)~~ (2) all money recovered by the state under sections 115B.01 to 115B.18 or under any other statute or rule related to the regulation of hazardous waste or hazardous substances, including civil penalties and money paid under any agreement, stipulation or settlement but excluding fees imposed under section 116.12;

~~(3)~~ (3) all interest attributable to investment of money deposited in the account; and

~~(4)~~ (4) all money received in the form of gifts, grants, reimbursement or appropriation from any source for any of the purposes provided in subdivision 2, except federal grants.

Subd. 5. **RECOMMENDATION.** The commissioner of agriculture shall make recommendations to the standing legislative committees on finance and appropriations regarding appropriations from the account.

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Subd. 6. **REPORT TO LEGISLATURE.** Each year, the commissioner of agriculture and the agency shall submit to the senate finance committee, the house ways and means committee, the environment and natural resources committees of the senate and house of representatives, the finance division of the senate committee on environment and natural resources, and the house of representatives committee on environment and natural resources finance, and the environmental quality board a report detailing the activities for which money ~~from the account~~ has been spent pursuant to this section during the previous fiscal year.

Sec. 13. Minnesota Statutes 2002, section 115B.22, subdivision 7, is amended to read:

Subd. 7. **DISPOSITION OF PROCEEDS.** After reimbursement to the department of revenue for costs incurred in administering sections 115B.22 and 115B.24, the proceeds of the taxes imposed under this section including any interest and penalties shall be deposited in the environmental response, compensation, and compliance account fund.

Sec. 14. Minnesota Statutes 2002, section 115B.25, subdivision 1a, is amended to read:

Subd. 1a. **ACCOUNT FUND.** Except when another fund or account is specified, "account fund" means the environmental response, compensation, and compliance account remediation fund established in section ~~115B.20~~ 116.155.

Sec. 15. Minnesota Statutes 2002, section 115B.25, subdivision 4, is amended to read:

Subd. 4. **ELIGIBLE PERSON.** "Eligible person" means a person who is eligible to file a claim with the account fund under section 115B.29.

Sec. 16. Minnesota Statutes 2002, section 115B.26, is amended to read:

115B.26 ENVIRONMENTAL RESPONSE, COMPENSATION, AND COMPLIANCE ACCOUNT PAYMENT OF CLAIMS.

Subd. 2. **APPROPRIATION.** The amount necessary to pay claims of compensation granted by the agency under sections 115B.25 to 115B.37 is must be directly appropriated to the agency from the account fund by the legislature. The agency shall submit claims for compensation to the legislature at the next legislative session.

Subd. 3. **PAYMENT OF CLAIMS WHEN ACCOUNT INSUFFICIENT.** ~~If the amount of the claims granted exceeds the amount in the account, the agency shall request a transfer from the general contingent account to the environmental response, compensation, and compliance account as provided in section 3.30. If no transfer is approved, the agency shall pay the claims which have been granted in the order granted only to the extent of the money remaining in the account. The agency shall pay the remaining claims which have been granted after additional money is credited to the account.~~

Subd. 4. **ACCOUNT TRANSFER REQUEST.** At the end of each fiscal year, the agency shall submit a request to the petroleum tank release compensation board for

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transfer to the ~~account~~ fund from the petroleum tank release cleanup fund under section 115C.08, subdivision 5, of an amount equal to the compensation granted by the agency for claims related to petroleum releases plus administrative costs related to determination of those claims.

Sec. 17. Minnesota Statutes 2002, section 115B.30, is amended to read:

115B.30 ELIGIBLE INJURY AND DAMAGE.

Subdivision 1. **ELIGIBLE PERSONAL INJURY.** (a) A personal injury which could reasonably have resulted from exposure to a harmful substance released from a facility where it was placed or came to be located is eligible for compensation from the ~~account~~ fund if:

(1) it is a medically verified chronic or progressive disease, illness, or disability such as cancer, organic nervous system disorders, or physical deformities, including malfunctions in reproduction, in humans or their offspring, or death; or

(2) it is a medically verified acute disease or condition that typically manifests itself rapidly after a single exposure or limited exposures and the persons responsible for the release of the harmful substance are unknown or cannot with reasonable diligence be determined or located or a judgment would not be satisfied in whole or in part against the persons determined to be responsible for the release of the harmful substance.

(b) A personal injury is not compensable from the account if:

(1) the injury is compensable under the workers' compensation law, chapter 176;

(2) the injury arises out of the claimant's use of a consumer product;

(3) the injury arises out of an exposure that occurred or is occurring outside the geographical boundaries of the state;

(4) the injury results from the release of a harmful substance for which the claimant is a responsible person; or

(5) the injury is an acute disease or condition other than one described in paragraph (a).

Subd. 2. **ELIGIBLE PROPERTY DAMAGE.** Damage to real property in Minnesota owned by the claimant is eligible for compensation from the ~~account~~ fund if the damage results from the presence in or on the property of a harmful substance released from a facility where it was placed or came to be located. Damage to property is not eligible for compensation from the ~~account~~ fund if it results from the release of a harmful substance for which the claimant is a responsible person.

Subd. 3. **TIME FOR FILING CLAIM.** (a) A claim is not eligible for compensation from the ~~account~~ fund unless it is filed with the agency within the time provided in this subdivision.

(b) A claim for compensation for personal injury must be filed within two years after the injury and its connection to exposure to a harmful substance was or reasonably should have been discovered.

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(c) A claim for compensation for property damage must be filed within two years after the full amount of compensable losses can be determined.

(d) Notwithstanding the provisions of this subdivision, claims for compensation that would otherwise be barred by any statute of limitations provided in sections 115B.25 to 115B.37 may be filed not later than January 1, 1992.

Sec. 18. Minnesota Statutes 2002, section 115B.31, subdivision 1, is amended to read:

Subdivision 1. **SUBSEQUENT ACTION OR CLAIM PROHIBITED IN CERTAIN CASES.** (a) A person who has settled a claim for an eligible injury or eligible property damage with a responsible person, either before or after bringing an action in court for that injury or damage, may not file a claim with the account for the same injury or damage. A person who has received a favorable judgment in a court action for an eligible injury or eligible property damage may not file a claim with the ~~account~~ fund for the same injury or damage, unless the judgment cannot be satisfied in whole or in part against the persons responsible for the release of the harmful substance. A person who has filed a claim with the agency or its predecessor, the harmful substance compensation board, may not file another claim with the agency for the same eligible injury or damage, unless the claim was inactivated by the agency or board as provided in section 115B.32, subdivision 1.

(b) A person who has filed a claim with the agency or board for an eligible injury or damage, and who has received and accepted an award from the agency or board, is precluded from bringing an action in court for the same eligible injury or damage.

(c) A person who files a claim with the agency for personal injury or property damage must include all known claims eligible for compensation in one proceeding before the agency.

Sec. 19. Minnesota Statutes 2002, section 115B.31, subdivision 3, is amended to read:

Subd. 3. **SUBROGATION BY STATE.** The state is subrogated to all the claimant's rights under statutory or common law to recover losses compensated from the ~~account~~ fund from other sources, including responsible persons as defined in section 115B.03. The state may bring a subrogation action in its own name or in the name of the claimant. The state may not bring a subrogation action against a person who was a party in a court action by the claimant for the same eligible injury or damage, unless the claimant dismissed the action prior to trial. Money recovered by the state under this subdivision must be deposited in the ~~account~~ fund. Nothing in sections 115B.25 to 115B.37 shall be construed to create a standard of recovery in a subrogation action.

Sec. 20. Minnesota Statutes 2002, section 115B.31, subdivision 4, is amended to read:

Subd. 4. **SIMULTANEOUS CLAIM AND COURT ACTION PROHIBITED.** A claimant may not commence a court action to recover for any injury or damage for

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which the claimant seeks compensation from the account fund during the time that a claim is pending before the agency. A person may not file a claim with the agency for compensation for any injury or damage for which the claimant seeks to recover in a pending court action. The time for filing a claim under section 115B.30 or the statute of limitations for any civil action is suspended during the period of time that a claimant is precluded from filing a claim or commencing an action under this subdivision.

Sec. 21. Minnesota Statutes 2002, section 115B.32, subdivision 1, is amended to read:

Subdivision 1. **FORM.** A claim for compensation from the account fund must be filed with the agency in the form required by the agency. When a claim does not include all the information required by subdivision 2 and applicable agency rules, the agency staff shall notify the claimant of the absence of the required information within 14 days of the filing of the claim. All required information must be received by the agency not later than 60 days after the claimant received notice of its absence or the claim will be inactivated and may not be resubmitted for at least one year following the date of inactivation. The agency may decide not to inactivate a claim under this subdivision if it finds serious extenuating circumstances.

Sec. 22. Minnesota Statutes 2002, section 115B.33, subdivision 1, is amended to read:

Subdivision 1. **STANDARD FOR PERSONAL INJURY.** The agency shall grant compensation to a claimant who shows that it is more likely than not that:

- (1) the claimant suffers a medically verified injury that is eligible for compensation from the account fund and that has resulted in a compensable loss;
- (2) the claimant has been exposed to a harmful substance;
- (3) the release of the harmful substance from a facility where the substance was placed or came to be located could reasonably have resulted in the claimant's exposure to the substance in the amount and duration experienced by the claimant; and
- (4) the injury suffered by the claimant can be caused or significantly contributed to by exposure to the harmful substance in an amount and duration experienced by the claimant.

Sec. 23. Minnesota Statutes 2002, section 115B.34, is amended to read:

115B.34 COMPENSABLE LOSSES.

Subdivision 1. **PERSONAL INJURY LOSSES.** Losses compensable by the account fund for personal injury are limited to:

- (1) medical expenses directly related to the claimant's injury;
- (2) up to two-thirds of the claimant's lost wages not to exceed \$2,000 per month or \$24,000 per year;
- (3) up to two-thirds of a self-employed claimant's lost income, not to exceed \$2,000 per month or \$24,000 per year;

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(4) death benefits to dependents which the agency shall define by rule subject to the following conditions:

(i) the rule adopted by the agency must establish a schedule of benefits similar to that established by section 176.111 and must not provide for the payment of benefits to dependents other than those dependents defined in section 176.111;

(ii) the total benefits paid to all dependents of a claimant must not exceed \$2,000 per month;

(iii) benefits paid to a spouse and all dependents other than children must not continue for a period longer than ten years;

(iv) payment of benefits is subject to the limitations of section 115B.36; and

(5) the value of household labor lost due to the claimant's injury or disease, which must be determined in accordance with a schedule established by the board by rule, not to exceed \$2,000 per month or \$24,000 per year.

Subd. 2. PROPERTY DAMAGE LOSSES. (a) Losses compensable by the account fund for property damage are limited to the following losses caused by damage to the principal residence of the claimant:

(1) the reasonable cost of replacing or decontaminating the primary source of drinking water for the property not to exceed the amount actually expended by the claimant or assessed by a local taxing authority, if the department of health has confirmed that the remedy provides safe drinking water and advised that the water not be used for drinking or determined that the replacement or decontamination of the source of drinking water was necessary, up to a maximum of \$25,000;

(2) losses incurred as a result of a bona fide sale of the property at less than the appraised market value under circumstances that constitute a hardship to the owner, limited to 75 percent of the difference between the appraised market value and the selling price, but not to exceed \$25,000; and

(3) losses incurred as a result of the inability of an owner in hardship circumstances to sell the property due to the presence of harmful substances, limited to the increase in costs associated with the need to maintain two residences, but not to exceed \$25,000.

(b) In computation of the loss under paragraph (a), clause (3), the agency shall offset the loss by the amount of any income received by the claimant from the rental of the property.

(c) For purposes of paragraph (a), the following definitions apply:

(1) "appraised market value" means an appraisal of the market value of the property disregarding any decrease in value caused by the presence of a harmful substance in or on the property; and

(2) "hardship" means an urgent need to sell the property based on a special circumstance of the owner including catastrophic medical expenses, inability of the

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owner to physically maintain the property due to a physical or mental condition, and change of employment of the owner or other member of the owner's household requiring the owner to move to a different location.

(d) Appraisals are subject to agency approval. The agency may adopt rules governing approval of appraisals, criteria for establishing a hardship, and other matters necessary to administer this subdivision.

Sec. 24. Minnesota Statutes 2002, section 115B.36, is amended to read:

115B.36 AMOUNT AND FORM OF PAYMENT.

If the agency decides to grant compensation, it shall determine the net uncompensated loss payable to the claimant by computing the total amount of compensable losses payable to the claimant and subtracting the total amount of any compensation received by the claimant for the same injury or damage from other sources including, but not limited to, all forms of insurance and social security and any emergency award made by the agency. The agency shall pay compensation in the amount of the net uncompensated loss, provided that no claimant may receive more than \$250,000. In the case of a death, the total amount paid to all persons on behalf of the claimant may not exceed \$250,000.

Compensation from the ~~account~~ fund may be awarded in a lump sum or in installments at the discretion of the agency.

Sec. 25. Minnesota Statutes 2002, section 115B.40, subdivision 4, is amended to read:

Subd. 4. **QUALIFIED FACILITY NOT UNDER CLEANUP ORDER; DUTIES.** (a) The owner or operator of a qualified facility that is not subject to a cleanup order shall:

(1) complete closure activities at the facility, or enter into a binding agreement with the commissioner to do so, as provided in paragraph (e), within one year from the date the owner or operator is notified by the commissioner under subdivision 3 of the closure activities that are necessary to properly close the facility in compliance with facility's permit, closure orders, or enforcement agreement with the agency, and with the solid waste rules in effect at the time the facility stopped accepting waste;

(2) undertake or continue postclosure care at the facility until the date of notice of compliance under subdivision 7;

(3) in the case of qualified facilities defined in section 115B.39, subdivision 2, paragraph (l), clause (1), transfer to the commissioner of revenue for deposit in the solid waste remediation fund established in section ~~115B.42~~ 116.155 any funds required for proof of financial responsibility under section 116.07, subdivision 4h, that remain after facility closure and any postclosure care and response action undertaken by the owner or operator at the facility including, if proof of financial responsibility is provided through a letter of credit or other financial instrument or mechanism that does not accumulate money in an account, the amount that would have accumulated had the owner or operator utilized a trust fund, less any amount used for closure, postclosure

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care, and response action at the facility; and

(4) in the case of qualified facilities defined in section 115B.39, subdivision 2, paragraph (1), clause (2), transfer to the commissioner of revenue for deposit in the solid waste remediation fund established in section ~~115B.42~~ 116.155 an amount of cash that is equal to the sum of their approved current contingency action cost estimate and the present value of their approved estimated remaining postclosure care costs required for proof of financial responsibility under section 116.07, subdivision 4h.

(b) The owner or operator of a qualified facility that is not subject to a cleanup order shall:

(1) in the case of qualified facilities defined in section 115B.39, subdivision 2, paragraph (1), clause (1), provide the commissioner with a copy of all applicable comprehensive general liability insurance policies and other liability policies relating to property damage, certificates, or other evidence of insurance coverage held during the life of the facility; and

(2) enter into a binding agreement with the commissioner to:

(i) in the case of qualified facilities defined in section 115B.39, subdivision 2, paragraph (1), clause (1), take any actions necessary to preserve the owner or operator's rights to payment or defense under insurance policies included in clause (1); cooperate with the commissioner in asserting claims under the policies; and, within 60 days of a request by the commissioner, but no earlier than July 1, 1996, assign only those rights under the policies related to environmental response costs;

(ii) cooperate with the commissioner or other persons acting at the direction of the commissioner in taking additional environmental response actions necessary to address releases or threatened releases and to avoid any action that interferes with environmental response actions, including allowing entry to the property and to the facility's records and allowing entry and installation of equipment; and

(iii) refrain from developing or altering the use of property described in any permit for the facility except after consultation with the commissioner and in conformance with any conditions established by the commissioner for that property, including use restrictions, to protect public health and welfare and the environment.

(c) The owner or operator of a qualified facility defined in section 115B.39, subdivision 2, paragraph (1), clause (1), that is a political subdivision may use a portion of any funds established for response at the facility, which are available directly or through a financial instrument or other financial arrangement, for closure or postclosure care at the facility if funds available for closure or postclosure care are inadequate and shall assign the rights to any remainder to the commissioner.

(d) The agreement required in paragraph (b), clause (2), must be in writing and must apply to and be binding upon the successors and assigns of the owner. The owner shall record the agreement, or a memorandum approved by the commissioner that summarizes the agreement, with the county recorder or registrar of titles of the county where the property is located.

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(e) A binding agreement entered into under paragraph (a), clause (1), may include a provision that the owner or operator will reimburse the commissioner for the costs of closing the facility to the standard required in that clause.

Sec. 26. Minnesota Statutes 2002, section 115B.41, subdivision 1, is amended to read:

Subdivision 1. **ALLOCATION AND RECOVERY OF COSTS.** (a) A person who is subject to the requirements in section 115B.40, subdivision 4 or 5, paragraph (b), is responsible for all environmental response costs incurred by the commissioner at or related to the facility until the date of notice of compliance under section 115B.40, subdivision 7. The commissioner may use any funds available for closure, postclosure care, and response action established by the owner or operator. If those funds are insufficient or if the owner or operator fails to assign rights to them to the commissioner, the commissioner may seek recovery of environmental response costs against the owner or operator in the county of Ramsey or in the county where the facility is located or where the owner or operator resides.

(b) In an action brought under this subdivision in which the commissioner prevails, the court shall award the commissioner reasonable attorney fees and other litigation expenses incurred by the commissioner to bring the action. All costs, fees, and expenses recovered under this subdivision must be deposited in the solid waste remediation fund established in section ~~115B.42~~ 116.155.

Sec. 27. Minnesota Statutes 2002, section 115B.41, subdivision 2, is amended to read:

Subd. 2. **ENVIRONMENTAL RESPONSE COSTS; LIENS.** All environmental response costs, including administrative and legal expenses, incurred by the commissioner at a qualified facility before the date of notice of compliance under section 115B.40, subdivision 7, constitute a lien in favor of the state upon any real property located in the state, other than homestead property, owned by the owner or operator who is subject to the requirements of section 115B.40, subdivision 4 or 5. A lien under this subdivision attaches when the environmental response costs are first incurred and continues until the lien is satisfied or becomes unenforceable as for an environmental lien under section 514.672. Notice, filing, and release of the lien are governed by sections 514.671 to 514.676, except where those requirements specifically are related to only cleanup action expenses as defined in section 514.671. Relative priority of a lien under this subdivision is governed by section 514.672, except that a lien attached to property that was included in any permit for the solid waste disposal facility takes precedence over all other liens regardless of when the other liens were or are perfected. Amounts received to satisfy all or a part of a lien must be deposited in the solid waste remediation fund.

Sec. 28. Minnesota Statutes 2002, section 115B.41, subdivision 3, is amended to read:

Subd. 3. **LOCAL GOVERNMENT AID; OFFSET.** If an owner or operator fails to comply with section 115B.40, subdivision 4, or 5, paragraph (b), fails to remit

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payment of environmental response costs incurred by the commissioner before the date of notice of compliance under section 115B.40, subdivision 7, and is a local government unit, the commissioner may seek payment of the costs from any state aid payments, except payments made under section 115A.557, subdivision 1, otherwise due the local government unit. The commissioner of revenue, after being notified by the commissioner that the local government unit has failed to pay the costs and the amount due, shall pay an annual proportionate amount of the state aid payment otherwise payable to the local government unit into the solid waste remediation fund that will, over a period of no more than five years, satisfy the liability of the local government unit for the costs.

Sec. 29. Minnesota Statutes 2002, section 115B.42, subdivision 2, is amended to read:

Subd. 2. **EXPENDITURES.** Money in the fund may be spent by The commissioner may spend money from the remediation fund under section 116.155, subdivision 2, paragraph (a), clause (2), to:

- (1) inspect permitted mixed municipal solid waste disposal facilities to:
 - (i) evaluate the adequacy of final cover, slopes, vegetation, and erosion control;
 - (ii) determine the presence and concentration of hazardous substances, pollutants or contaminants, and decomposition gases; and
 - (iii) determine the boundaries of fill areas;
- (2) monitor and take, or reimburse others for, environmental response actions, including emergency response actions, at qualified facilities;
- (3) acquire and dispose of property under section 115B.412, subdivision 3;
- (4) recover costs under section 115B.39;
- (5) administer, including providing staff and administrative support for, sections 115B.39 to 115B.445;
- (6) enforce sections 115B.39 to 115B.445;
- (7) ~~subject to appropriation, administer the agency's groundwater and solid waste management programs;~~
- (8) pay for private water supply well monitoring and health assessment costs of the commissioner of health in areas affected by unpermitted mixed municipal solid waste disposal facilities;
- (9) (8) reimburse persons under section 115B.43;
- ~~(10)~~ (9) reimburse mediation expenses up to a total of \$250,000 annually or defense costs up to a total of \$250,000 annually for third-party claims for response costs under state or federal law as provided in section 115B.414; and
- ~~(11)~~ (10) perform environmental assessments, up to \$1,000,000, at unpermitted mixed municipal solid waste disposal facilities.

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Sec. 30. Minnesota Statutes 2002, section 115B.421, is amended to read:

115B.421 CLOSED LANDFILL INVESTMENT FUND.

The closed landfill investment fund is established in the state treasury. The fund consists of money credited to the fund, and interest and other earnings on money in the fund. The commissioner of finance shall transfer an initial amount of \$5,100,000 from the balance in the solid waste fund beginning in fiscal year 2000 and shall continue to transfer \$5,100,000 for each following fiscal year, ceasing after 2003. Beginning July 1, 2003, funds must be deposited as described in section 115B.445. The fund shall be managed to maximize long-term gain through the state board of investment. Money in the fund may be spent by the commissioner after fiscal year 2020 in accordance with section 115B.42, subdivision 2, clauses (1) to (6) sections 115B.39 to 115B.444.

Sec. 31. Minnesota Statutes 2002, section 115B.445, is amended to read:

115B.445 DEPOSIT OF PROCEEDS.

All amounts paid to the state by an insurer pursuant to any settlement under section 115B.443 or judgment under section 115B.444 must be deposited in the state treasury and credited equally to the solid waste remediation fund and the closed landfill investment fund.

EFFECTIVE DATE. This section is effective for all proceeds paid after June 30, 2001.

Sec. 32. Minnesota Statutes 2002, section 115B.48, subdivision 2, is amended to read:

Subd. 2. **DRY CLEANER ENVIRONMENTAL RESPONSE AND REIMBURSEMENT ACCOUNT; ACCOUNT.** "Dry cleaner environmental response and reimbursement account" or "account" means the dry cleaner environmental response and reimbursement account in the remediation fund established in section sections 115B.49 and 116.155.

Sec. 33. Minnesota Statutes 2002, section 115B.49, subdivision 1, is amended to read:

Subdivision 1. **ESTABLISHMENT.** The dry cleaner environmental response and reimbursement account is established as an account in the state treasury remediation fund.

Sec. 34. Minnesota Statutes 2002, section 115B.49, subdivision 3, is amended to read:

Subd. 3. **EXPENDITURES.** (a) Money in the account may only be used:

(1) for environmental response costs incurred by the commissioner under section 115B.50, subdivision 1;

(2) for reimbursement of amounts spent by the commissioner from the environmental response, compensation, and compliance account remediation fund for expenses described in clause (1);

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- (3) for reimbursements under section 115B.50, subdivision 2; and
- (4) for administrative costs of the commissioner of revenue.

(b) Money in the account is appropriated to the commissioner for the purposes of this subdivision. The commissioner shall transfer funds to the commissioner of revenue sufficient to cover administrative costs pursuant to paragraph (a), clause (4).

Sec. 35. Minnesota Statutes 2002, section 115D.12, subdivision 2, is amended to read:

Subd. 2. **FEES.** (a) Persons required by United States Code, title 42, section 11023, to submit a toxic chemical release form to the commission, and owners or operators of facilities listed in section 299K.08, subdivision 3, shall pay a pollution prevention fee of \$150 for each toxic pollutant reported released plus a fee based on the total pounds of toxic pollutants reported as released from each facility. Facilities reporting less than 25,000 pounds annually of toxic pollutants released per facility shall be assessed a fee of \$500. Facilities reporting annual releases of toxic pollutants in excess of 25,000 pounds shall be assessed a graduated fee at the rate of two cents per pound of toxic pollutants reported.

(b) Persons who generate more than 1,000 kilograms of hazardous waste per month but who are not subject to the fee under paragraph (a) must pay a pollution prevention fee of \$500 per facility. Hazardous waste as used in this paragraph has the meaning given it in section 116.06, subdivision 11, and Minnesota Rules, chapter 7045.

(c) Fees required under this subdivision must be paid to the director by January 1 of each year. The fees shall be deposited in the state treasury and credited to the environmental fund.

(d) The fees under this subdivision are exempt from section 16A.1285.

Sec. 36. Minnesota Statutes 2002, section 116.03, subdivision 2, is amended to read:

Subd. 2. **ORGANIZATION OF OFFICE.** The commissioner shall organize the agency and employ such assistants and other officers, employees and agents as the commissioner may deem necessary to discharge the functions of the commissioner's office, define the duties of such officers, employees and agents, and delegate to them any of the commissioner's powers, duties, and responsibilities, subject to the commissioner's control and under such conditions as the commissioner may prescribe. The commissioner may also contract with, and enter into grant agreements with, persons, firms, corporations, the federal government and any agency or instrumentality thereof, the water research center of the University of Minnesota or any other instrumentality of such university, for doing any of the work of the commissioner's office, ~~and~~. None of the provisions of chapter 16C, relating to bids, shall apply to such contracts.

Sec. 37. Minnesota Statutes 2002, section 116.07, subdivision 4d, is amended to read:

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Subd. 4d. **PERMIT FEES.** (a) The agency may collect permit fees in amounts not greater than those necessary to cover the reasonable costs of developing, reviewing, and acting upon applications for agency permits and implementing and enforcing the conditions of the permits pursuant to agency rules. Permit fees shall not include the costs of litigation. The fee schedule must reflect reasonable and routine direct and indirect costs associated with permitting, implementation, and enforcement costs. The agency may impose an additional enforcement fee to be collected for a period of up to two years to cover the reasonable costs of implementing and enforcing the conditions of a permit under the rules of the agency. Any money collected under this paragraph shall be deposited in the environmental fund.

(b) Notwithstanding paragraph (a), and ~~section 16A.1285, subdivision 2,~~ the agency shall collect an annual fee from the owner or operator of all stationary sources, emission facilities, emissions units, air contaminant treatment facilities, treatment facilities, potential air contaminant storage facilities, or storage facilities subject to the requirement to obtain a permit under subchapter V of the federal Clean Air Act, United States Code, title 42, section 7401 et seq., or section 116.081. The annual fee shall be used to pay for all direct and indirect reasonable costs, including attorney general costs, required to develop and administer the permit program requirements of subchapter V of the federal Clean Air Act, United States Code, title 42, section 7401 et seq., and sections of this chapter and the rules adopted under this chapter related to air contamination and noise. Those costs include the reasonable costs of reviewing and acting upon an application for a permit; implementing and enforcing statutes, rules, and the terms and conditions of a permit; emissions, ambient, and deposition monitoring; preparing generally applicable regulations; responding to federal guidance; modeling, analyses, and demonstrations; preparing inventories and tracking emissions; and providing information to the public about these activities.

(c) The agency shall set fees that:

(1) will result in the collection, in the aggregate, from the sources listed in paragraph (b), of an amount not less than \$25 per ton of each volatile organic compound; pollutant regulated under United States Code, title 42, section 7411 or 7412 (section 111 or 112 of the federal Clean Air Act); and each pollutant, except carbon monoxide, for which a national primary ambient air quality standard has been promulgated;

(2) may result in the collection, in the aggregate, from the sources listed in paragraph (b), of an amount not less than \$25 per ton of each pollutant not listed in clause (1) that is regulated under this chapter or air quality rules adopted under this chapter; and

(3) shall collect, in the aggregate, from the sources listed in paragraph (b), the amount needed to match grant funds received by the state under United States Code, title 42, section 7405 (section 105 of the federal Clean Air Act).

The agency must not include in the calculation of the aggregate amount to be collected under clauses (1) and (2) any amount in excess of 4,000 tons per year of each air pollutant from a source. The increase in air permit fees to match federal grant funds

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shall be a surcharge on existing fees. The commissioner may not collect the surcharge after the grant funds become unavailable. In addition, the commissioner shall use nonfee funds to the extent practical to match the grant funds so that the fee surcharge is minimized.

(d) To cover the reasonable costs described in paragraph (b), the agency shall provide in the rules promulgated under paragraph (c) for an increase in the fee collected in each year by the percentage, if any, by which the Consumer Price Index for the most recent calendar year ending before the beginning of the year the fee is collected exceeds the Consumer Price Index for the calendar year 1989. For purposes of this paragraph the Consumer Price Index for any calendar year is the average of the Consumer Price Index for all-urban consumers published by the United States Department of Labor, as of the close of the 12-month period ending on August 31 of each calendar year. The revision of the Consumer Price Index that is most consistent with the Consumer Price Index for calendar year 1989 shall be used.

(e) Any money collected under paragraphs (b) to (d) must be deposited in an ~~air quality account~~ in the environmental fund and must be used solely for the activities listed in paragraph (b).

(f) Persons who wish to construct or expand a facility may offer to reimburse the agency for the costs of staff overtime or consultant services needed to expedite permit review. The reimbursement shall be in addition to fees imposed by law ~~or rule~~. When the agency determines that it needs additional resources to review the permit application in an expedited manner, and that expediting the review would not disrupt permitting program priorities, the agency may accept the reimbursement. Reimbursements accepted by the agency are appropriated to the agency for the purpose of reviewing the permit application. Reimbursement by a permit applicant shall precede and not be contingent upon issuance of a permit and shall not affect the agency's decision on whether to issue or deny a permit, what conditions are included in a permit, or the application of state and federal statutes and rules governing permit determinations.

(g) The fees under this subdivision are exempt from section 16A.1285.

Sec. 38. Minnesota Statutes 2002, section 116.07, subdivision 4h, is amended to read:

Subd. 4h. **FINANCIAL RESPONSIBILITY RULES.** (a) The agency shall adopt rules requiring the operator or owner of a solid waste disposal facility to submit to the agency proof of the operator's or owner's financial capability to provide reasonable and necessary response during the operating life of the facility and for 30 years after closure for a mixed municipal solid waste disposal facility or for a minimum of 20 years after closure, as determined by agency rules, for any other solid waste disposal facility, and to provide for the closure of the facility and postclosure care required under agency rules. Proof of financial responsibility is required of the operator or owner of a facility receiving an original permit or a permit for expansion after adoption of the rules. Within 180 days of the effective date of the rules or by July 1, 1987, whichever is later, proof of financial responsibility is required of an operator or

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owner of a facility with a remaining capacity of more than five years or 500,000 cubic yards that is in operation at the time the rules are adopted. Compliance with the rules and the requirements of paragraph (b) is a condition of obtaining or retaining a permit to operate the facility.

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

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

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

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

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

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

(5) The municipality shall file with the commissioner of revenue its consent to have the amount of its contingency action costs deducted from state aid payments otherwise due the municipality and paid instead to the environmental response, compensation, and compliance account remediation fund created in section ~~115B.20~~ 116.155, if the municipality fails to conduct the contingency action at the facility when ordered by the agency. If the agency notifies the commissioner that the municipality has failed to conduct contingency action when ordered by the agency, the commissioner shall deduct the amounts indicated by the agency from the state aids in accordance with the consent filed with the commissioner.

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

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

Sec. 39. [116.155] REMEDIATION FUND.

Subdivision 1. CREATION. The remediation fund is created as a special revenue fund in the state treasury to provide a reliable source of public money for response and corrective actions to address releases of hazardous substances, pollutants or contaminants, agricultural chemicals, and petroleum, and for environmental response actions at qualified landfill facilities for which the agency has assumed such responsibility, including perpetual care of such facilities. The specific purposes for which the general portion of the fund may be spent are provided in subdivision 2. In addition to the general portion of the fund, the fund contains two accounts described in subdivisions 4 and 5.

Subd. 2. APPROPRIATION. (a) Money in the general portion of the remediation fund is appropriated to the agency and the commissioners of agriculture and natural resources for the following purposes:

(1) to take actions related to releases of hazardous substances, or pollutants or contaminants as provided in section 115B.20;

(2) to take actions related to releases of hazardous substances, or pollutants or contaminants, at and from qualified landfill facilities as provided in section 115B.42, subdivision 2;

(3) to provide technical and other assistance under sections 115B.17, subdivision 14, 115B.175 to 115B.179, and 115C.03, subdivision 9;

(4) for corrective actions to address incidents involving agricultural chemicals, including related administrative, enforcement, and cost recovery actions pursuant to chapter 18D; and

(5) together with any amount approved for transfer to the agency from the petroleum tank fund by the commissioner of finance, to take actions related to releases of petroleum as provided under section 115C.08.

(b) The commissioner of finance shall allocate the amounts available in any biennium to the agency, and the commissioners of agriculture and natural resources for the purposes provided in this subdivision based upon work plans submitted by the agency and the commissioners of agriculture and natural resources, and may adjust those allocations upon submittal of revised work plans. Copies of the work plans shall be submitted to the chairs of the environment and environment finance committees of the senate and house of representatives.

Subd. 3. REVENUES. The following revenues shall be deposited in the general portion of the remediation fund:

(1) response costs and natural resource damages related to releases of hazardous substances, or pollutants or contaminants, recovered under sections 115B.17, subdi-

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visions 6 and 7, 115B.443, 115B.444, or any other law;

(2) money paid to the agency or the agriculture department by voluntary parties who have received technical or other assistance under sections 115B.17, subdivision 14, 115B.175 to 115B.179, and 115C.03, subdivision 9;

(3) money received in the form of gifts, grants, reimbursement, or appropriation from any source for any of the purposes provided in subdivision 2, except federal grants; and

(4) interest accrued on the fund.

Subd. 4. DRY CLEANER ENVIRONMENTAL RESPONSE AND REIMBURSEMENT ACCOUNT. The dry cleaner environmental response and reimbursement account is as described in sections 115B.47 to 115B.51.

Subd. 5. METROPOLITAN LANDFILL CONTINGENCY ACTION TRUST ACCOUNT. The metropolitan landfill contingency action trust account is as described in section 473.845.

Subd. 6. OTHER SOURCES OF THE FUND. The remediation fund shall also be supported by transfers as may be authorized by the legislature from time to time from the environmental fund.

Sec. 40. Minnesota Statutes 2002, section 116.994, is amended to read:

116.994 SMALL BUSINESS ENVIRONMENTAL IMPROVEMENT LOAN ACCOUNT ACCOUNTING.

The small business environmental improvement loan account is established in the environmental fund. Repayments of loans made under section 116.993 must be credited to this account the environmental fund. This account replaces the small business environmental loan account in Minnesota Statutes 1996, section 116.992, and the hazardous waste generator loan account in Minnesota Statutes 1996, section 115B.224. The account balances and pending repayments from the small business environmental loan account and the hazardous waste generator account will be credited to this new account. Money deposited in the account fund under section 116.993 is appropriated to the commissioner for loans under this section 116.993.

Sec. 41. Minnesota Statutes 2002, section 116C.834, subdivision 1, is amended to read:

Subdivision 1. **COSTS.** All costs incurred by the state to carry out its responsibilities under the compact and under sections 116C.833 to 116C.843 shall be paid by generators of low-level radioactive waste in this state through fees assessed by the pollution control agency. Fees may be reasonably assessed on the basis of volume or degree of hazard of the waste produced by a generator. Costs for which fees may be assessed include, but are not limited to:

(1) the state contribution required to join the compact;

(2) the expenses of the Commission member and state agency costs incurred to support the work of the Interstate Commission; and

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(3) regulatory costs.

The fees are exempt from section 16A.1285.

Sec. 42. Minnesota Statutes 2002, section 297H.13, subdivision 1, is amended to read:

Subdivision 1. **DEPOSIT OF REVENUES.** The revenues derived from the taxes imposed on waste management services under this chapter, ~~less the costs to the department of revenue for administering the tax under this chapter,~~ shall be deposited by the commissioner of revenue in the state treasury.

~~The amounts retained by the department of revenue shall be deposited in a separate revenue department fund which is hereby created. Money in this fund is hereby appropriated, up to a maximum annual amount of \$200,000, to the commissioner of revenue for the costs incurred in administration of the solid waste management tax under this chapter.~~

Sec. 43. Minnesota Statutes 2002, section 297H.13, subdivision 2, is amended to read:

Subd. 2. **ALLOCATION OF REVENUES.** (a) \$22,000,000, or 50 percent, whichever is greater, of the amounts remitted under this chapter must be credited to the ~~solid waste~~ environmental fund established in section ~~115B.42~~ 16A.531, subdivision 1.

(b) The remainder must be deposited into the general fund.

Sec. 44. Minnesota Statutes 2002, section 325E.10, subdivision 1, is amended to read:

Subdivision 1. **SCOPE.** For the purposes of sections 325E.11 to ~~325E.113~~ 325E.112 and this section, the terms defined in this section have the meanings given them.

Sec. 45. Minnesota Statutes 2002, section 469.175, subdivision 7, is amended to read:

Subd. 7. **CREATION OF HAZARDOUS SUBSTANCE SUBDISTRICT; RESPONSE ACTIONS.** (a) An authority which is creating or has created a tax increment financing district may establish within the district a hazardous substance subdistrict upon the notice and after the discussion, public hearing, and findings required for approval of or modification to the original plan. The geographic area of the subdistrict is made up of any parcels in the district designated for inclusion by the municipality or authority that are designated hazardous substance sites, and any additional parcels in the district designated for inclusion that are contiguous to the hazardous substance sites, including parcels that are contiguous to the site except for the interposition of a right-of-way. Before or at the time of approval of the tax increment financing plan or plan modification providing for the creation of the hazardous substance subdistrict, the authority must make the findings under paragraphs (b) to (d), and set forth in writing the reasons and supporting facts for each.

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(b) Development or redevelopment of the site, in the opinion of the authority, would not reasonably be expected to occur solely through private investment and tax increment otherwise available, and therefore the hazardous substance district is deemed necessary.

(c) Other parcels that are not designated hazardous substance sites are expected to be developed together with a designated hazardous substance site.

(d) The subdistrict is not larger than, and the period of time during which increments are elected to be received is not longer than, that which is necessary in the opinion of the authority to provide for the additional costs due to the designated hazardous substance site.

(e) Upon request by an authority that has incurred expenses for removal or remedial actions to implement a development response action plan, the attorney general may:

(1) bring a civil action on behalf of the authority to recover the expenses, including administrative costs and litigation expenses, under section 115B.04 or other law; or

(2) assist the authority in bringing an action as described in clause (1), by providing legal and technical advice, intervening in the action, or other appropriate assistance.

The decision to participate in any action to recover expenses is at the discretion of the attorney general.

(f) If the attorney general brings an action as provided in paragraph (e), clause (1), the authority shall certify its reasonable and necessary expenses incurred to implement the development response action plan and shall cooperate with the attorney general as required to effectively pursue the action. The certification by the authority is prima facie evidence that the expenses are reasonable and necessary. The attorney general may deduct litigation expenses incurred by the attorney general from any amounts recovered in an action brought under paragraph (e), clause (1). The authority shall reimburse the attorney general for litigation expenses not recovered in an action under paragraph (e), clause (1), but only from the additional tax increment required to be used as described in section 469.176, subdivision 4e. The authority must reimburse the attorney general for litigation expenses incurred to assist in bringing an action under paragraph (e), clause (2), but only from amounts recovered by the authority in an action or, if the amounts are insufficient, from the additional tax increment required to be used as described in section 469.176, subdivision 4e. All money recovered or paid to the attorney general for litigation expenses under this paragraph shall be paid to the general fund of the state for deposit to the account of the attorney general. For the purposes of this section, "litigation expenses" means attorney fees and costs of discovery and other preparation for litigation.

(g) The authority shall reimburse the pollution control agency for its administrative expenses incurred to review and approve a development action response plan. The authority must reimburse the pollution control agency for expenses incurred for any

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services rendered to the attorney general to support the attorney general in actions brought or assistance provided under paragraph (e), but only from amounts recovered by the authority in an action brought under paragraph (e) or from the additional tax increment required to be used as described in section 469.176, subdivision 4e. All money paid to the pollution control agency under this paragraph shall be deposited in the environmental response, compensation and compliance remediation fund.

(h) Actions taken by an authority consistent with a development response action plan are deemed to be authorized response actions for the purpose of section 115B.17, subdivision 12. An authority that takes actions consistent with a development response action plan qualifies for the defenses available under sections 115B.04, subdivision 11, and 115B.05, subdivision 9.

(i) All money recovered by an authority in an action brought under paragraph (e) in excess of the amounts paid to the attorney general and the pollution control agency must be treated as excess increments and be distributed as provided in section 469.176, subdivision 2, clause (4), to the extent the removal and remedial actions were initially financed with increment revenues.

Sec. 46. Minnesota Statutes 2002, section 473.843, subdivision 2, is amended to read:

Subd. 2. **DISPOSITION OF PROCEEDS.** ~~After reimbursement to the department of revenue for costs incurred in administering this section,~~ The proceeds of the fees imposed under this section, including interest and penalties, must be deposited as follows:

(1) three-fourths of the proceeds must be deposited in the environmental fund for metropolitan landfill abatement account established for the purposes described in section 473.844; and

(2) one-fourth of the proceeds must be deposited in the metropolitan landfill contingency action trust account in the remediation fund established in section sections 116.155 and 473.845.

Sec. 47. Minnesota Statutes 2002, section 473.844, subdivision 1, is amended to read:

Subdivision 1. **~~ESTABLISHMENT;~~ PURPOSES.** ~~The metropolitan landfill abatement account is money in the environmental fund in order for landfill abatement~~ must be used to reduce to the greatest extent feasible and prudent the need for and practice of land disposal of mixed municipal solid waste in the metropolitan area. ~~The account~~ This money consists of revenue deposited in the account environmental fund under section 473.843, subdivision 2, clause (1), and interest earned on investment of this money in the account. All repayments to loans made under this section must be credited to the ~~account~~ environmental fund. ~~The landfill abatement money in the account~~ environmental fund may be spent only for purposes of metropolitan landfill abatement as provided in subdivision 1a and only upon appropriation by the legislature.

New language is indicated by underline, deletions by ~~strikeout~~.

Sec. 48. Minnesota Statutes 2002, section 473.845, subdivision 1, is amended to read:

Subdivision 1. **ESTABLISHMENT.** The metropolitan landfill contingency action trust fund account is an expendable trust fund account in the state treasury remediation fund. The fund account consists of revenue deposited in the fund under section 473.843, subdivision 2, clause (2); amounts recovered under subdivision 7; and interest earned on investment of money in the fund.

Sec. 49. Minnesota Statutes 2002, section 473.845, subdivision 3, is amended to read:

Subd. 3. **EXPENDITURES FROM THE FUND CONTINGENCY ACTIONS AND REIMBURSEMENT.** Money in the fund account is appropriated to the agency for expenditure for any of the following:

(1) to take reasonable and necessary ~~expenses~~ actions for closure and postclosure care of a mixed municipal solid waste disposal facility in the metropolitan area for a 30-year period after closure, if the agency determines that the operator or owner will not take the necessary actions requested by the agency for closure and postclosure in the manner and within the time requested;

(2) to take reasonable and necessary response actions and postclosure ~~costs~~ care actions at a mixed municipal solid waste disposal facility in the metropolitan area that has been closed for 30 years in compliance with the closure and postclosure rules of the agency;

(3) ~~reimbursement~~ to reimburse a local government unit for costs incurred over \$400,000 under a work plan approved by the commissioner of the agency to remediate methane at a closed disposal facility owned by the local government unit; or

(4) reasonable and necessary response costs at an unpermitted facility for mixed municipal solid waste disposal in the metropolitan area that was permitted by the agency for disposal of sludge ash from a wastewater treatment facility.

Sec. 50. Minnesota Statutes 2002, section 473.845, subdivision 7, is amended to read:

Subd. 7. **RECOVERY OF EXPENSES.** When the agency incurs expenses for response actions at a facility, the agency is subrogated to any right of action which the operator or owner of the facility may have against any other person for the recovery of the expenses. The attorney general may bring an action to recover amounts spent by the agency under this section from persons who may be liable for them. Amounts recovered, including money paid under any agreement, stipulation, or settlement must be deposited in the metropolitan landfill contingency action account in the remediation fund created under section 116.155.

Sec. 51. Minnesota Statutes 2002, section 473.845, subdivision 8, is amended to read:

Subd. 8. **CIVIL PENALTIES.** The civil penalties of sections 115.071 and 116.072 apply to any person in violation of this section. ~~All money recovered by the~~

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state under any statute or rule related to the regulation of solid waste in the metropolitan area, including civil penalties and money paid under any agreement, stipulation, or settlement, shall be deposited in the fund.

Sec. 52. Minnesota Statutes 2002, section 473.846, is amended to read:

473.846 REPORT TO LEGISLATURE.

The agency and the director shall submit to the senate finance committee, the house ways and means committee, and the environment and natural resources committees of the senate and house of representatives, the finance division of the senate committee on environment and natural resources, and the house of representatives committee on environment and natural resources finance separate reports describing the activities for which money ~~from the for landfill abatement account and contingency action trust fund~~ has been spent under sections 473.844 and 473.845. The agency shall report by November 1 of each year on expenditures during its previous fiscal year. The director shall report on expenditures during the previous calendar year and must incorporate its report in the report required by section 115A.411, due July 1 of each odd-numbered year. The director shall make recommendations to the environment and natural resources committees of the senate and house of representatives, the finance division of the senate committee on environment and natural resources, and the house of representatives committee on environment and natural resources finance on the future management and use of the metropolitan landfill abatement account.

Sec. 53. INCREASE TO WATER QUALITY PERMIT FEES.

(a) The pollution control agency shall collect water quality permit fees that reflect the fees in Minnesota Rules, part 7002.0310, and Laws 2002, chapter 374, article 6, section 8, with the application fee in paragraph (b) increased from \$240 to \$350.

(b) The increased permit fee is effective July 1, 2003. The agency shall adopt amended water quality permit fee rules incorporating the permit fee increase in paragraph (a) under Minnesota Statutes, section 14.389. The pollution control agency shall begin collecting the increased permit fee on July 1, 2003, even if the rule adoption process has not been initiated or completed. Notwithstanding Minnesota Statutes, section 14.18, subdivision 2, the increased permit fee reflecting the permit fee increase in paragraph (a) and the rule amendments incorporating that permit fee increase do not require further legislative approval.

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

Sec. 54. INCREASE TO HAZARDOUS WASTE FEES.

(a) The pollution control agency shall collect hazardous waste fees that reflect the fee formula in Minnesota Rules, part 7046.0060, increased by an addition of \$2,000,000 to the adjusted fiscal year target described in Step 2 of Minnesota Rules, part 7046.0060.

(b) The increased fees are effective January 1, 2004. The agency shall adopt an amended hazardous waste fee formula incorporating the increase in paragraph (a)

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under Minnesota Statutes, section 14.389. The pollution control agency shall begin collecting the increased permit fees on January 1, 2004, even if the rule adoption process has not been initiated or completed. Notwithstanding Minnesota Statutes, section 14.18, subdivision 2, the increased fees reflecting the fee increases in paragraph (a) and the rule amendments incorporating those permit fee increases do not require further legislative approval.

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

Sec. 55. TRANSFER OF FUND BALANCES.

Subdivision 1. ENVIRONMENTAL RESPONSE, COMPENSATION, AND COMPLIANCE ACCOUNT. All amounts remaining in the environmental response, compensation, and compliance account are transferred to the remediation fund created under Minnesota Statutes, section 116.155.

Subd. 2. SOLID WASTE FUND. \$22,641,000 of the balance of the solid waste fund is transferred to the environmental fund created in Minnesota Statutes, section 16A.531, subdivision 1. Any remaining balance in the solid waste fund is transferred to the remediation fund created under Minnesota Statutes, section 116.155.

Subd. 3. DRY CLEANER ENVIRONMENTAL RESPONSE AND REIMBURSEMENT ACCOUNT. All amounts remaining in the dry cleaner environmental response and reimbursement account are transferred to the dry cleaner environmental response and reimbursement account in the remediation fund created under Minnesota Statutes, sections 115B.49 and 116.155.

Subd. 4. METROPOLITAN LANDFILL CONTINGENCY ACTION FUND. All amounts remaining in the metropolitan landfill contingency action fund are transferred to the metropolitan landfill contingency action trust account in the remediation fund created under Minnesota Statutes, sections 116.155 and 473.845.

Sec. 56. REPEALER.

Minnesota Statutes 2002, sections 115B.02, subdivision 1a; 115B.42, subdivision 1; 297H.13, subdivisions 3 and 4; 325E.112, subdivision 3; 325E.113; and 473.845, subdivision 4, are repealed.

ARTICLE 3

AGRICULTURE AND RURAL DEVELOPMENT

Section 1. AGRICULTURE AND RURAL DEVELOPMENT 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

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specified in this act, to be available for the fiscal years indicated for each purpose. The figures "2004" and "2005," where used in this act, mean that the appropriation or appropriations listed under them are available for the year ending June 30, 2004, or June 30, 2005, respectively. The term "the first year" means the year ending June 30, 2004, and the term "the second year" means the year ending June 30, 2005.

SUMMARY BY FUND

	2004	2005	TOTAL
General	\$ 46,231,000	\$ 44,597,000	\$ 90,828,000
Remediation	353,000	353,000	706,000
Agricultural	200,000	200,000	400,000
TOTAL	\$ 46,784,000	\$ 45,150,000	\$ 91,934,000

APPROPRIATIONS
Available for the Year
Ending June 30
2004 2005

Sec. 2. DEPARTMENT OF
AGRICULTURE

Subdivision 1. Total Appropriation		42,181,000	40,547,000
Summary by Fund			
General	41,828,000	40,194,000	
Remediation	353,000	353,000	

The amounts that may be spent from this appropriation for each program are specified in the following subdivision.

Subd. 2. Protection Services

	9,138,000	9,138,000
Summary by Fund		
General	8,785,000	8,785,000
Remediation	353,000	353,000

\$353,000 the first year and \$353,000 the second year are from the remediation fund for administrative funding for the voluntary cleanup program.

Subd. 3. Agricultural Marketing and Development

5,256,000 5,256,000

\$71,000 the first year and \$71,000 the second year are for transfer to the Minnesota grown matching account and may be used as grants for Minnesota grown promotion under Minnesota Statutes, section 17.109. Grants may be made for one year. Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered under contract on or before June 30, 2005, for Minnesota grown grants in this subdivision are available until June 30, 2007.

\$80,000 the first year and \$80,000 the second year are for grants to farmers for demonstration projects involving sustainable agriculture as authorized in Minnesota Statutes, section 17.116. Of the amount for grants, up to \$20,000 may be used for dissemination of information about the demonstration projects. Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered under contract on or before June 30, 2005, for sustainable agriculture grants in this subdivision are available until June 30, 2007.

The commissioner shall continue the Ag in the Classroom program until the program is transferred to a new entity. The commissioner and the Minnesota Ag in the Classroom board of directors, in consultation with farm groups and individuals and organizations in the education community, shall identify an appropriate entity in the private sector or the public sector to sponsor, house, and carry on the staffing and function of the Ag in the Classroom program. Once an entity is identified and arrangements for the transfer finalized, the commissioner may release educational and program materials to the new entity.

The commissioner may reduce appropriations for the administration of activities in this subdivision by up to \$135,000 each year and transfer the amounts reduced to activities under subdivision 5.

Subd. 4. Value-Added Agricultural Products

22,962,000	21,428,000
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\$22,962,000 the first year and \$21,428,000 the second year are for ethanol producer payments under Minnesota Statutes, section 41A.09. Payments for eligible ethanol production in fiscal years 2004 and 2005 shall be disbursed at the rate of \$0.13 per gallon, and the base appropriation amounts for scheduled payments in fiscal years 2006 and 2007 must be calculated as the projected eligible production in those years times a payment rate of \$0.13 per gallon. If the total amount for which all producers are eligible in a quarter exceeds the amount available for payments, the commissioner shall make payments on a pro rata basis. If the appropriation exceeds the total amount for which all producers are eligible in a fiscal year for scheduled payments and for deficiencies in payments during previous fiscal years, the balance in the appropriation is available to the commissioner for value-added agricultural programs including the value-added agricultural product processing and marketing grant program under Minnesota Statutes, section 17.101, subdivision 5. The appropriation remains available until spent.

Subd. 5. Administration and Financial Assistance

4,825,000	4,725,000
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\$1,005,000 the first year and \$1,005,000 the second year are for continuation of the dairy development and profitability enhancement and dairy business planning

grant programs established under Laws 1997, chapter 216, section 7, subdivision 2 and Laws 2001, First Special Session chapter 2, section 9, subdivision 2. The commissioner may allocate the available sums among permissible activities, including efforts to improve the quality of milk produced in the state, in the proportions which the commissioner deems most beneficial to Minnesota's dairy farmers. The commissioner must submit a work plan detailing plans for expenditures under this program to the chairs of the house and senate committees dealing with agricultural policy and budget on or before the start of each fiscal year. If significant changes are made to the plans in the course of the year, the commissioner must notify the chairs.

\$50,000 the first year and \$50,000 the second year are for the Northern Crops Institute. These appropriations may be spent to purchase equipment.

\$19,000 the first year and \$19,000 the second year are for a grant to the Minnesota livestock breeders association.

\$2,000 the first year and \$1,000 the second year are for family farm security interest payment adjustments. If the appropriation for either year is insufficient, the appropriation for the other year is available for it. No new loans may be approved in fiscal year 2004 or 2005.

\$100,000 is for predesign and design of the agriculture and food sciences academy. The commissioner shall consult with the Minnesota Agriculture Education Leadership Council on the predesign and design of the Agriculture and Food Sciences Academy.

Beginning in fiscal year 2004, all aid payments to county and district agricultural societies and associations under Minnesota Statutes, section 38.02, subdivision 1, shall

be disbursed not later than July 15. These payments are the amount of aid owed by the state for an annual fair held in the previous calendar year.

Sec. 3. BOARD OF ANIMAL HEALTH	2,803,000	2,803,000
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\$200,000 the first year and \$200,000 the second year are for a program to control paratuberculosis ("Johne's disease") in domestic bovine herds. Money from this appropriation may be used to validate a molecular diagnostic test in cooperation with the Minnesota veterinary diagnostic laboratory.

\$80,000 the first year and \$80,000 the second year are for a program to investigate the avian pneumovirus disease and to identify the infected flocks. This appropriation must be matched on a dollar-for-dollar or in-kind basis with nonstate sources and is in addition to money currently designated for turkey disease research. Costs of blood sample collection, handling, and transportation, in addition to costs associated with early diagnosis tests and the expenses of vaccine research trials, may be credited to the match.

\$400,000 the first year and \$400,000 the second year are for the purposes of cervidae inspection as authorized in Minnesota Statutes, section 17.452.

Sec. 4. AGRICULTURAL UTILIZATION RESEARCH INSTITUTE	1,800,000	1,800,000
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Summary by Fund

General	1,600,000	1,600,000
Agricultural	200,000	200,000*

* (The preceding text beginning "Agricultural" was indicated as vetoed by the governor.)

The board shall allocate at least 50 percent of the pesticide reduction options appropriation to field crop research.

Sec. 5. Minnesota Statutes 2002, section 17.451, is amended to read:

17.451 DEFINITIONS.

Subdivision 1. **APPLICABILITY.** The definitions in this section apply to this section and section 17.452.

Subd. 1a. **CERVIDAE.** “Cervidae” means animals that are members of the family Cervidae and includes, but is not limited to, white-tailed deer, mule deer, red deer, elk, moose, caribou, reindeer, and muntjac.

Subd. 2. **FARMED CERVIDAE.** “Farmed cervidae” means members of the Cervidae family that are:

(1) raised for the any purpose of producing fiber, meat, or animal by-products, as pets, or as breeding stock; and

(2) registered in a manner approved by the board of animal health.

Subd. 3. **OWNER.** “Owner” means a person who owns or is responsible for the raising of farmed cervidae.

Subd. 4. **HERD.** “Herd” means:

(1) all cervidae maintained on common ground for any purpose; or

(2) all cervidae under common ownership or supervision, geographically separated, but that have an interchange or movement of animals without regard to whether the animals are infected with or exposed to diseases.

Sec. 6. Minnesota Statutes 2002, section 17.452, subdivision 8, is amended to read:

Subd. 8. **SLAUGHTER.** Farmed cervidae must be slaughtered and inspected in accordance with chapters 31 and 31A or the United States Department of Agriculture voluntary program for exotic animals, Code of Federal Regulations, title 9, part 352.

Sec. 7. Minnesota Statutes 2002, section 17.452, subdivision 10, is amended to read:

Subd. 10. **FENCING.** (a) Farmed cervidae must be confined in a manner designed to prevent escape. ~~Fencing must meet the requirements in this subdivision unless an alternative is specifically approved by the commissioner. The board of animal health shall follow the guidelines established by the United States Department of Agriculture in the program for eradication of bovine tuberculosis. Perimeter fencing must be of the following heights:~~

(1) ~~for fences constructed before August 1, 1995, for farmed deer, at least 75 inches;~~

(2) ~~for fences constructed before August 1, 1995, for farmed elk, at least 90 inches; and~~

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(3) For fences constructed on or after August 1, 1995, for all farmed cervidae, at least 96 inches.

(b) The farmed cervidae advisory committee shall establish guidelines designed to prevent the escape of farmed cervidae and other appropriate management practices. All perimeter fences for farmed cervidae must be at least 96 inches in height and be constructed and maintained in a way that prevents the escape of farmed cervidae or entry into the premises by free-roaming cervidae.

(e) The commissioner of agriculture in consultation with the commissioner of natural resources shall adopt rules prescribing fencing criteria for farmed cervidae.

EFFECTIVE DATE. This section is effective January 1, 2004.

Sec. 8. Minnesota Statutes 2002, section 17.452, subdivision 11, is amended to read:

Subd. 11. **DISEASE INSPECTION CONTROL PROGRAMS.** Farmed cervidae herds are subject to chapter 35 and the rules of the board of animal health in the same manner as livestock and domestic animals, including provisions relating to importation and transportation.

Sec. 9. Minnesota Statutes 2002, section 17.452, subdivision 12, is amended to read:

Subd. 12. **IDENTIFICATION.** (a) Farmed cervidae must be identified by United States Department of Agriculture metal ear tags, electronic implants, or other means of identification approved by the board of animal health in consultation with the commissioner of natural resources. Beginning January 1, 2004, the identification must be visible to the naked eye during daylight under normal conditions at a distance of 50 yards. Newborn or imported animals are required to be identified by March 1 of each year before December 31 of the year in which the animal is born or before movement from the premises, whichever occurs first. The board shall authorize discrete permanent identification for farmed cervidae in public displays or other forums where visible identification is objectionable.

(b) Identification of farmed cervidae is subject to sections 35.821 to 35.831.

(e) The board of animal health shall register farmed cervidae upon request of the owner. The owner must submit the registration request on forms provided by the board. The forms must include sales receipts or other documentation of the origin of the cervidae. The board shall provide copies of the registration information to the commissioner of natural resources upon request. The owner must keep written records of the acquisition and disposition of registered farmed cervidae.

Sec. 10. Minnesota Statutes 2002, section 17.452, subdivision 13, is amended to read:

Subd. 13. **INSPECTION.** The commissioner of agriculture and the board of animal health may inspect farmed cervidae, farmed cervidae facilities, and farmed cervidae records. For each herd, the owner or owners must, on or before January 1, pay

an annual inspection fee equal to \$10 for each cervid in the herd as reflected in the most recent inventory submitted to the board of animal health up to a maximum fee of \$100. The commissioner of natural resources may inspect farmed cervidae, farmed cervidae facilities, and farmed cervidae records with reasonable suspicion that laws protecting native wild animals have been violated, and must notify the owner must be notified in writing at the time of the inspection of the reason for the inspection and informed must inform the owner in writing after the inspection of whether (1) the cause of the inspection was unfounded; or (2) there will be an ongoing investigation or continuing evaluation.

Sec. 11. Minnesota Statutes 2002, section 17.452, is amended by adding a subdivision to read:

Subd. 13a. CERVIDAE INSPECTION ACCOUNT. A cervidae inspection account is established in the state treasury. The fees collected under subdivision 13 and interest attributable to money in the account must be deposited in the state treasury and credited to the cervidae inspection account in the special revenue fund. Money in the account, including interest earned, is appropriated to the board of animal health for the administration and enforcement of this section.

Sec. 12. Minnesota Statutes 2002, section 17.452, is amended by adding a subdivision to read:

Subd. 15. MANDATORY REGISTRATION. A person may not possess live cervidae in Minnesota unless the person is registered with the board of animal health and meets all the requirements for farmed cervidae under this section. Cervidae possessed in violation of this subdivision may be seized and destroyed by the commissioner of natural resources.

EFFECTIVE DATE. This section is effective January 1, 2004.

Sec. 13. Minnesota Statutes 2002, section 17.452, is amended by adding a subdivision to read:

Subd. 16. MANDATORY SURVEILLANCE FOR CHRONIC WASTING DISEASE. (a) An inventory for each farmed cervidae herd must be verified by an accredited veterinarian and filed with the board of animal health every 12 months.

(b) Movement of farmed cervidae from any premises to another location must be reported to the board of animal health within 14 days of such movement on forms approved by the board of animal health.

(c) All animals from farmed cervidae herds that are over 16 months of age that die or are slaughtered must be tested for chronic wasting disease.

EFFECTIVE DATE. This section is effective January 1, 2004.

Sec. 14. Minnesota Statutes 2002, section 18.78, is amended to read:

18.78 CONTROL OR ERADICATION OF NOXIOUS WEEDS.

Subdivision 1. **GENERALLY.** Except as provided in section 18.85, A person owning land, a person occupying land, or a person responsible for the maintenance of

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public land shall control or eradicate all noxious weeds on the land at a time and in a manner ordered by ~~the commissioner,~~ the county agricultural inspector, or a local weed inspector.

Subd. 2. **CONTROL OF PURPLE LOOSESTRIFE.** An owner of nonfederal lands underlying public waters or wetlands designated under section 103G.201 is not required to control or eradicate purple loosestrife below the ordinary high water level of the public water or wetland. The commissioner of natural resources is responsible for control and eradication of purple loosestrife on public waters and wetlands designated under section 103G.201, except those located upon lands owned in fee title or managed by the United States. The officers, employees, agents, and contractors of the commissioner of natural resources may enter upon public waters and wetlands designated under section 103G.201 and, after providing notification to the occupant or owner of the land, may cross adjacent lands as necessary for the purpose of investigating purple loosestrife infestations, formulating methods of eradication, and implementing control and eradication of purple loosestrife. ~~The commissioner, after consultation with the commissioner of agriculture,~~ of natural resources shall, by June 1 of each year, compile a priority list of purple loosestrife infestations to be controlled in designated public waters. The commissioner of ~~agriculture~~ natural resources must distribute the list to county agricultural inspectors, local weed inspectors, and their appointed agents. The commissioner of natural resources shall control listed purple loosestrife infestations in priority order within the limits of appropriations provided for that purpose. This procedure shall be the exclusive means for control of purple loosestrife on designated public waters by the commissioner of natural resources and shall supersede the other provisions for control of noxious weeds set forth elsewhere in this chapter. The responsibility of the commissioner of natural resources to control and eradicate purple loosestrife on public waters and wetlands located on private lands and the authority to enter upon private lands ends ten days after receipt by the commissioner of a written statement from the landowner that the landowner assumes all responsibility for control and eradication of purple loosestrife under sections 18.78 to 18.88. State officers, employees, agents, and contractors of the commissioner of natural resources are not liable in a civil action for trespass committed in the discharge of their duties under this section and are not liable to anyone for damages, except for damages arising from gross negligence.

Sec. 15. Minnesota Statutes 2002, section 18.79, subdivision 2, is amended to read:

Subd. 2. **AUTHORIZED AGENTS.** ~~The commissioner shall authorize department of agriculture personnel and may authorize, in writing, County agricultural inspectors to act as agents in the administration and enforcement of~~ may administer and enforce sections 18.76 to 18.88.

Sec. 16. Minnesota Statutes 2002, section 18.79, subdivision 3, is amended to read:

Subd. 3. **ENTRY UPON LAND.** To administer and enforce sections 18.76 to 18.88, ~~the commissioner, authorized agents of the commissioner,~~ county agricultural

New language is indicated by underline, deletions by ~~strikeout~~.

inspectors, and local weed inspectors may enter upon land without consent of the owner and without being subject to an action for trespass or any damages.

Sec. 17. Minnesota Statutes 2002, section 18.79, subdivision 5, is amended to read:

Subd. 5. **ORDER FOR CONTROL OR ERADICATION OF NOXIOUS WEEDS.** ~~The commissioner,~~ A county agricultural inspector, or a local weed inspector may order the control or eradication of noxious weeds on any land within the state.

Sec. 18. Minnesota Statutes 2002, section 18.79, subdivision 6, is amended to read:

Subd. 6. **EDUCATIONAL PROGRAMS INITIAL TRAINING FOR CONTROL OR ERADICATION OF NOXIOUS WEEDS.** ~~The commissioner shall conduct education programs~~ initial training considered necessary for weed inspectors in the enforcement of the Noxious Weed Law. The director of the Minnesota extension service may conduct educational programs for the general public that will aid compliance with the noxious weed law.

Sec. 19. Minnesota Statutes 2002, section 18.79, subdivision 9, is amended to read:

Subd. 9. **INJUNCTION.** If the ~~commissioner~~ county agricultural inspector applies to a court for a temporary or permanent injunction restraining a person from violating or continuing to violate sections 18.76 to 18.88, the injunction may be issued without requiring a bond.

Sec. 20. Minnesota Statutes 2002, section 18.79, subdivision 10, is amended to read:

Subd. 10. **PROSECUTION.** On finding that a person has violated sections 18.76 to 18.88, the ~~commissioner~~ county agricultural inspector may start court proceedings in the locality in which the violation occurred. The county attorney may prosecute actions under sections 18.76 to 18.88 within the county attorney's jurisdiction.

Sec. 21. Minnesota Statutes 2002, section 18.81, subdivision 2, is amended to read:

Subd. 2. **LOCAL WEED INSPECTORS.** Local weed inspectors shall:

(1) examine all lands, including highways, roads, alleys, and public ground in the territory over which their jurisdiction extends to ascertain if section 18.78 and related rules have been complied with;

(2) see that the control or eradication of noxious weeds is carried out in accordance with section 18.83 and related rules; and

(3) issue permits in accordance with section 18.82 and related rules for the transportation of materials or equipment infested with noxious weed propagating parts; and

(4) submit reports and attend meetings that the commissioner requires.

New language is indicated by underline, deletions by ~~strikeout~~.

Sec. 22. Minnesota Statutes 2002, section 18.81, subdivision 3, is amended to read:

Subd. 3. NONPERFORMANCE BY INSPECTORS; REIMBURSEMENT FOR EXPENSES. (a) If local weed inspectors neglect or fail to do their duty as prescribed in this section, the ~~commissioner~~ county agricultural inspector shall issue a notice to the inspector providing instructions on how and when to do their duty. If, after the time allowed in the notice, the local weed inspector has not complied as directed, the county agricultural inspector may perform the duty for the local weed inspector. A claim for the expense of doing the local weed inspector's duty is a legal charge against the municipality in which the inspector has jurisdiction. The county agricultural inspector doing the work may file an itemized statement of costs with the clerk of the municipality in which the work was performed. The municipality shall immediately issue proper warrants to the county for the work performed. If the municipality fails to issue the warrants, the county auditor may include the amount contained in the itemized statement of costs as part of the next annual tax levy in the municipality and withhold that amount from the municipality in making its next apportionment.

(b) ~~If a county agricultural inspector fails to perform the duties as prescribed in this section, the commissioner shall issue a notice to the inspector providing instructions on how and when to do that duty.~~

(c) ~~The commissioner shall by rule establish procedures to carry out the enforcement actions for nonperformance required by this subdivision.~~

Sec. 23. Minnesota Statutes 2002, section 18.84, subdivision 3, is amended to read:

Subd. 3. COURT APPEAL OF COSTS; PETITION. (a) A landowner who has appealed the cost of noxious weed control measures under subdivision 2 may petition for judicial review. The petition must be filed within 30 days after the conclusion of the hearing before the county board. The petition must be filed with the court administrator in the county in which the land where the noxious weed control measures were undertaken is located, together with proof of service of a copy of the petition on the ~~commissioner~~ and the county auditor. No responsive pleadings may be required of the ~~commissioner~~ or the county, and no court fees may be charged for the appearance of the ~~commissioner~~ or the county in this matter.

(b) The petition must be captioned in the name of the person making the petition as petitioner and the ~~commissioner of agriculture~~ and respective county as respondents. The petition must include the petitioner's name, the legal description of the land involved, a copy of the notice to control noxious weeds, and the date or dates on which appealed control measures were undertaken.

(c) The petition must state with specificity the grounds upon which the petitioner seeks to avoid the imposition of a lien for the cost of noxious weed control measures.

Sec. 24. Minnesota Statutes 2002, section 18.86, is amended to read:

18.86 UNLAWFUL ACTS.

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No person may:

(1) hinder or obstruct in any way the ~~commissioner, the commissioner's authorized agents,~~ county agricultural inspectors, or local weed inspectors in the performance of their duties as provided in sections 18.76 to 18.88 or related rules;

(2) neglect, fail, or refuse to comply with section 18.82 or related rules in the transportation and use of material or equipment infested with noxious weed propagating parts;

(3) sell material containing noxious weed propagating parts to a person who does not have a permit to transport that material or to a person who does not have a screening permit issued in accordance with section 21.74; or

(4) neglect, fail, or refuse to comply with a general notice or an individual notice to control or eradicate noxious weeds.

Sec. 25. Minnesota Statutes 2002, section 18B.10, is amended to read:

18B.10 ACTION TO PREVENT GROUND WATER CONTAMINATION.

(a) The commissioner may, by rule, special order, or delegation through written regulatory agreement with officials of other approved agencies, take action necessary to prevent the contamination of ground water resulting from leaching of pesticides through the soil, from the backsiphoning or backflowing of pesticides through water wells, or from the direct flowage of pesticides to ground water.

(b) With owner consent, the commissioner may use private water wells throughout the state to monitor for the presence of agricultural pesticides and other industrial chemicals in ground water. The specific locations and land owners shall not be identifiable. The owner or user of a private water well sampled by the commissioner must be given access to test results.

Sec. 26. Minnesota Statutes 2002, section 18B.26, subdivision 3, is amended to read:

Subd. 3. **APPLICATION FEE.** (a) A registrant shall pay an annual application fee for each pesticide to be registered, and this fee is set at one-tenth of one percent for calendar year 1990, at one-fifth of one percent for calendar year 1991, and at two-fifths of one percent for calendar year 1992 and thereafter of annual gross sales within the state and annual gross sales of pesticides used in the state, with a minimum nonrefundable fee of \$250. The registrant shall determine when and which pesticides are sold or used in this state. The registrant shall secure sufficient sales information of pesticides distributed into this state from distributors and dealers, regardless of distributor location, to make a determination. Sales of pesticides in this state and sales of pesticides for use in this state by out-of-state distributors are not exempt and must be included in the registrant's annual report, as required under paragraph (c), and fees shall be paid by the registrant based upon those reported sales. Sales of pesticides in the state for use outside of the state are exempt from the application fee in this paragraph if the registrant properly documents the sale location and distributors. A registrant paying more than the minimum fee shall pay the balance due by March 1

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based on the gross sales of the pesticide by the registrant for the preceding calendar year. The fee for disinfectants and sanitizers shall be the minimum. The minimum fee is due by December 31 preceding the year for which the application for registration is made. Of the amount collected after calendar year 1990, at least \$600,000 per fiscal year must be credited to the waste pesticide account under section 18B.065, subdivision 5 The commissioner shall spend at least \$300,000 per fiscal year from the pesticide regulatory account for the purposes of the waste pesticide collection program.

(b) An additional fee of \$100 must be paid by the applicant for each pesticide to be registered if the application is a renewal application that is submitted after December 31.

(c) A registrant must annually report to the commissioner the amount and type of each registered pesticide sold, offered for sale, or otherwise distributed in the state. The report shall be filed by March 1 for the previous year's registration. The commissioner shall specify the form of the report and require additional information deemed necessary to determine the amount and type of pesticides annually distributed in the state. The information required shall include the brand name, amount, and formulation of each pesticide sold, offered for sale, or otherwise distributed in the state, but the information collected, if made public, shall be reported in a manner which does not identify a specific brand name in the report.

Sec. 27. Minnesota Statutes 2002, section 18B.37, is amended by adding a subdivision to read:

Subd. 6. ACCESS TO PESTICIDE APPLICATION INFORMATION. (a) A physician licensed to practice in Minnesota, or a Minnesota licensed veterinarian, may submit a request to the commissioner for access to available information on the application of pesticides by a commercial or noncommercial pesticide applicator related to a course of diagnosis, care, or treatment of a patient under the care of the physician or veterinarian.

(b) A request for pesticide application information under this subdivision must include available details as to the specific location of a known or suspected application that occurred on one or more specified dates and times. The request must also include information on symptoms displayed by the patient that prompted the physician or veterinarian to suspect pesticide exposure. The request must indicate that any information discovered will become part of the confidential patient record and will not be released publicly.

(c) Upon receipt of a request under paragraph (a), the commissioner, in consultation with the commissioner of health, shall promptly review the information contained in the request and determine if release of information held by the department may be beneficial for the medical diagnosis, care, and treatment of the patient.

(d) The commissioner may release to the requester available information on the pesticide. The commissioner shall withhold nonessential information such as total acres treated, the specific amount of pesticides applied, and the identity of the applicator or property owner.

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Sec. 28. Minnesota Statutes 2002, section 28A.08, subdivision 3, is amended to read:

Subd. 3. **FEES EFFECTIVE JULY 1, 1999 2003.**

Type of food handler	License Fee Effective July 1, 1999 <u>2003</u>	Penalties	
		Late Renewal	No License
1. Retail food handler			
(a) Having gross sales of only prepackaged nonperishable food of less than \$15,000 for the immediately previous license or fiscal year and filing a statement with the commissioner	\$ 48 <u>\$ 50</u>	\$ 16 <u>\$ 17</u>	\$ 27 <u>\$ 33</u>
(b) Having under \$15,000 gross sales including food preparation or having \$15,000 to \$50,000 gross sales for the immediately previous license or fiscal year	\$ 65 <u>\$ 77</u>	\$ 16 <u>\$ 25</u>	\$ 27 <u>\$ 51</u>
(c) Having \$50,000 <u>\$50,001 to \$250,000</u> gross sales for the immediately previous license or fiscal year	<u>\$126</u> <u>\$155</u>	\$ 37 <u>\$ 51</u>	\$ 80 <u>\$102</u>
(d) Having <u>\$250,000</u> \$250,001 to \$1,000,000 gross sales for the immediately previous license or fiscal year	<u>\$216</u> <u>\$276</u>	\$ 54 <u>\$ 91</u>	<u>\$107</u> <u>\$182</u>
(e) Having \$1,000,000 <u>\$1,000,001 to \$5,000,000</u> gross sales for the immediately previous license or fiscal year	<u>\$601</u> <u>\$799</u>	<u>\$107</u> <u>\$264</u>	<u>\$187</u> <u>\$527</u>
(f) Having <u>\$5,000,000</u> \$5,000,001 to \$10,000,000 gross sales for the immediately previous license or fiscal year	<u>\$842</u> <u>\$1,162</u>	<u>\$161</u> <u>\$383</u>	<u>\$321</u> <u>\$767</u>

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(g) Having over \$10,000,000 <u>\$10,000,001 to \$15,000,000</u> gross sales for the immediately previous license or fiscal year	\$962 <u>\$1,376</u>	\$214 <u>\$454</u>	\$375 <u>\$908</u>
(h) Having <u>\$15,000,001 to \$20,000,000</u> gross sales for the immediately previous license or fiscal year	<u>\$1,607</u>	<u>\$530</u>	<u>\$1,061</u>
(i) Having <u>\$20,000,001 to \$25,000,000</u> gross sales for the immediately previous license or fiscal year	<u>\$1,847</u>	<u>\$610</u>	<u>\$1,219</u>
(j) Having <u>over \$25,000,001</u> gross sales for the immediately previous license or fiscal year	<u>\$2,001</u>	<u>\$660</u>	<u>\$1,321</u>
2. Wholesale food handler			
(a) Having gross sales or service of less than \$25,000 for the immediately previous license or fiscal year	\$ 54 <u>\$ 57</u>	\$ 16 <u>\$ 19</u>	\$ 16 <u>\$ 38</u>
(b) Having \$25,000 <u>\$25,001 to \$250,000</u> gross sales or service for the immediately previous license or fiscal year	\$241 <u>\$284</u>	\$ 54 <u>\$ 94</u>	\$107 <u>\$187</u>
(c) Having \$250,000 <u>\$250,001 to \$1,000,000</u> gross sales or service from a mobile unit without a separate food facility for the immediately previous license or fiscal year	\$361 <u>\$444</u>	\$ 80 <u>\$147</u>	\$161 <u>\$293</u>
(d) Having \$250,000 <u>\$250,001 to \$1,000,000</u> gross sales or service not covered under paragraph (c) for the immediately previous license or fiscal year	\$480 <u>\$590</u>	\$107 <u>\$195</u>	\$214 <u>\$389</u>
(e) Having \$1,000,000 <u>\$1,000,001 to \$5,000,000</u> gross sales or			

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	service for the immediately previous license or fiscal year	\$601 <u>\$769</u>	\$134 <u>\$254</u>	\$268 <u>\$508</u>
	(f) Having over \$5,000,000 <u>\$5,000,001</u> to <u>\$10,000,000</u> gross sales for the immediately previous license or fiscal year	\$692 <u>\$920</u>	\$161 <u>\$304</u>	\$321 <u>\$607</u>
	(g) <u>Having \$10,000,001 to</u> <u>\$15,000,000 gross sales or</u> <u>service for the immediately</u> <u>previous license or fiscal year</u>	\$990	\$327	\$653
	(h) <u>Having \$15,000,001 to</u> <u>\$20,000,000 gross sales or</u> <u>service for the immediately</u> <u>previous license or fiscal year</u>	\$1,156	\$381	\$763
	(i) <u>Having \$20,000,001 to</u> <u>\$25,000,000 gross sales or</u> <u>service for the immediately</u> <u>previous license or fiscal year</u>	\$1,329	\$439	\$877
	(j) <u>Having over \$25,000,001 or</u> <u>more gross sales or service for</u> <u>the immediately previous license</u> <u>or fiscal year</u>	\$1,502	\$496	\$991
3.	Food broker	\$120 <u>\$150</u>	\$ 32 <u>\$ 50</u>	\$ 54 <u>\$ 99</u>
4.	Wholesale food processor or manufacturer			
	(a) Having gross sales of less than \$125,000 for the immediately previous license or fiscal year	\$161 <u>\$169</u>	\$ 54 <u>\$ 56</u>	\$107 <u>\$112</u>
	(b) Having \$125,000 <u>\$125,001</u> to \$250,000 gross sales for the immediately previous license or fiscal year	\$332 <u>\$392</u>	\$ 80 <u>\$129</u>	\$161 <u>\$259</u>
	(c) Having \$250,001 to \$1,000,000 gross sales for the immediately previous license or fiscal year	\$480	\$107	\$214

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	<u>\$590</u>	<u>\$195</u>	<u>\$389</u>
(d) Having \$1,000,001 to 5,000,000 gross sales for the immediately previous license or fiscal year	<u>\$601</u>	<u>\$134</u>	<u>\$268</u>
	<u>\$769</u>	<u>\$254</u>	<u>\$508</u>
(e) Having \$5,000,001 to \$10,000,000 gross sales for the immediately previous license or fiscal year	<u>\$692</u>	<u>\$161</u>	<u>\$321</u>
	<u>\$920</u>	<u>\$304</u>	<u>\$607</u>
(f) Having over \$10,000,000 <u>\$10,000,001 to \$15,000,000</u> gross sales for the immediately previous license or fiscal year	<u>\$963</u>	<u>\$214</u>	<u>\$375</u>
	<u>\$1,377</u>	<u>\$454</u>	<u>\$909</u>
(g) <u>Having \$15,000,001 to \$20,000,000 gross sales or service for the immediately previous license or fiscal year</u>	<u>\$1,608</u>	<u>\$531</u>	<u>\$1,061</u>
(h) <u>Having \$20,000,001 to \$25,000,000 gross sales or service for the immediately previous license or fiscal year</u>	<u>\$1,849</u>	<u>\$610</u>	<u>\$1,220</u>
(i) <u>Having \$25,000,001 to \$50,000,000 gross sales or service for the immediately previous license or fiscal year</u>	<u>\$2,090</u>	<u>\$690</u>	<u>\$1,379</u>
(j) <u>Having \$50,000,001 to \$100,000,000 gross sales or service for the immediately previous license or fiscal year</u>	<u>\$2,330</u>	<u>\$769</u>	<u>\$1,538</u>
(k) <u>Having \$100,000,000 or more gross sales or service for the immediately previous license or fiscal year</u>	<u>\$2,571</u>	<u>\$848</u>	<u>\$1,697</u>
5. Wholesale food processor of meat or poultry products under supervision of the U. S. Department of Agriculture			

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(a) Having gross sales of less than \$125,000 for the immediately previous license or fiscal year	\$107 <u>\$112</u>	\$ 27 <u>\$ 37</u>	\$ 54 <u>\$ 74</u>
(b) Having \$125,000 <u>\$125,001</u> to \$250,000 gross sales for the immediately previous license or fiscal year	\$181 <u>\$214</u>	\$ 54 <u>\$ 71</u>	\$ 80 <u>\$141</u>
(c) Having \$250,001 to \$1,000,000 gross sales for the immediately previous license or fiscal year	\$271 <u>\$333</u>	\$ 80 <u>\$110</u>	\$134 <u>\$220</u>
(d) Having \$1,000,001 to \$5,000,000 gross sales for the immediately previous license or fiscal year	\$332 <u>\$425</u>	\$ 80 <u>\$140</u>	\$161 <u>\$281</u>
(e) Having \$5,000,001 to \$10,000,000 gross sales for the immediately previous license or fiscal year	\$392 <u>\$521</u>	\$107 <u>\$172</u>	\$187 <u>\$344</u>
(f) Having over \$10,000,000 <u>\$10,000,001</u> gross sales for the immediately previous license or fiscal year	\$535 <u>\$765</u>	\$161 <u>\$252</u>	\$268 <u>\$505</u>
(g) Having <u>\$15,000,001</u> to <u>\$20,000,000</u> gross sales for the immediately previous license or fiscal year	\$893	\$295	\$589
(h) Having <u>\$20,000,001</u> to <u>\$25,000,000</u> gross sales for the immediately previous license or fiscal year	\$1,027	\$339	\$678
(i) Having <u>\$25,000,001</u> to <u>\$50,000,000</u> gross sales for the immediately previous license or fiscal year	\$1,161	\$383	\$766

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<p><u>(j) Having \$50,000,001 to \$100,000,000 gross sales for the immediately previous license or fiscal year</u></p>	<p><u>\$1,295</u></p>	<p><u>\$427</u></p>	<p><u>\$855</u></p>
<p><u>(k) Having \$100,000,001 or more gross sales for the immediately previous license or fiscal year</u></p>	<p><u>\$1,428</u></p>	<p><u>\$471</u></p>	<p><u>\$942</u></p>
<p>6. Wholesale food processor or manufacturer operating only at the state fair</p>	<p>\$125</p>	<p>\$ 40</p>	<p>\$ 50</p>
<p>7. Wholesale food manufacturer having the permission of the commissioner to use the name Minnesota Farmstead cheese</p>	<p>\$ 30</p>	<p>\$ 10</p>	<p>\$ 15</p>
<p>8. Nonresident frozen dairy manufacturer</p>	<p>\$200</p>	<p>\$ 50</p>	<p>\$ 75</p>
<p>9. Wholesale food manufacturer processing less than 700,000 pounds per year of raw milk</p>	<p>\$ 30</p>	<p>\$ 10</p>	<p>\$ 15</p>
<p>10. A milk marketing organization without facilities for processing or manufacturing that purchases milk from milk producers for delivery to a licensed wholesale food processor or manufacturer</p>	<p>\$ 50</p>	<p>\$ 15</p>	<p>\$ 25</p>

Sec. 29. Minnesota Statutes 2002, section 28A.085, subdivision 1, is amended to read:

Subdivision 1. **VIOLETIONS; PROHIBITED ACTS.** The commissioner may charge a reinspection fee for each reinspection of a food handler that:

(1) is found with a major violation of requirements in chapter 28, 29, 30, 31, 31A, 32, 33, or 34, or rules adopted under one of those chapters;

(2) is found with a violation of section 31.02, 31.161, or 31.165, and requires a follow-up inspection after an administrative meeting held pursuant to section 31.14; or

(3) fails to correct equipment and facility deficiencies as required in rules adopted under chapter 28, 29, 30, 31, 31A, 32, or 34. The first reinspection of a firm with gross food sales under \$1,000,000 must be assessed at ~~\$25~~ \$75. The fee for a firm with gross food sales over \$1,000,000 is ~~\$50~~ \$100. The fee for a subsequent reinspection of a firm for the same violation is 50 percent of their current license fee or \$200, whichever is greater. The establishment must be issued written notice of violations with a reasonable date for compliance listed on the notice. An initial inspection relating to a complaint is not a reinspection.

Sec. 30. Minnesota Statutes 2002, section 28A.09, subdivision 1, is amended to read:

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Subdivision 1. **ANNUAL FEE; EXCEPTIONS.** Every coin-operated food vending machine is subject to an annual state inspection fee of ~~\$15~~ \$25 for each nonexempt machine except nut vending machines which are subject to an annual state inspection fee of ~~\$5~~ \$10 for each machine, provided that:

(a) Food vending machines may be inspected by either a home rule charter or statutory city, or a county, but not both, and if inspected by a home rule charter or statutory city, or a county they shall not be subject to the state inspection fee, but the home rule charter or statutory city, or the county may impose an inspection or license fee of no more than the state inspection fee. A home rule charter or statutory city or county that does not inspect food vending machines shall not impose a food vending machine inspection or license fee.

(b) Vending machines dispensing only gum balls, hard candy, unsorted candy, or ice manufactured and packaged by another shall be exempt from the state inspection fee, but may be inspected by the state. A home rule charter or statutory city may impose by ordinance an inspection or license fee of no more than the state inspection fee for nonexempt machines on the vending machines described in this paragraph. A county may impose by ordinance an inspection or license fee of no more than the state inspection fee for nonexempt machines on the vending machines described in this paragraph which are not located in a home rule charter or statutory city.

(c) Vending machines dispensing only bottled or canned soft drinks are exempt from the state, home rule charter or statutory city, and county inspection fees, but may be inspected by the commissioner or the commissioner's designee.

Sec. 31. Minnesota Statutes 2002, section 32.394, subdivision 8, is amended to read:

Subd. 8. **GRADE A INSPECTION FEES.** A processor or marketing organization of milk, milk products, sheep milk, or goat milk who wishes to market Grade A milk or use the Grade A label must apply for Grade A inspection service from the commissioner. A pasteurization plant requesting Grade A inspection service must hold a Grade A permit and pay an annual inspection fee of no more than \$500. For Grade A farm inspection service, the fee must be no more than \$50 per farm, paid annually by the processor or by the marketing organization on behalf of its patrons. For a farm requiring a reinspection in addition to the required biannual inspections, an additional fee of ~~no more than \$25~~ \$45 per reinspection must be paid by the processor or by the marketing organization on behalf of its patrons. ~~The Grade A farm inspection fee must not exceed the lesser of (1) 40 percent of the department's actual average cost per farm inspection or reinspection; or (2) the dollar limits set in this subdivision. No fee increase may be implemented until after the commissioner has held three or more public hearings.~~

Sec. 32. Minnesota Statutes 2002, section 32.394, subdivision 8b, is amended to read:

Subd. 8b. **MANUFACTURING GRADE FARM CERTIFICATION.** A processor or marketing organization of milk, milk products, sheep milk, or goat milk who wishes to market other than Grade A milk must apply for a manufacturing grade farm certification inspection from the commissioner. A manufacturing plant that pasteurizes milk or milk by-products must pay an annual fee based on the number of pasteurization units. This fee must not exceed \$140 per unit. The fee for farm certification inspection must not be more than \$25 per farm to be paid annually by the processor or by the marketing organization on behalf of its patrons. For a farm requiring more than the one

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inspection for certification, a reinspection fee of no more than ~~\$25~~ \$45 must be paid by the processor or by the marketing organization on behalf of its patrons. ~~The fee must be set by the commissioner in an amount necessary to cover 40 percent of the department's actual cost of providing the annual inspection but must not exceed the limits in this subdivision. No fee increase may be implemented until after the commissioner has held three or more public hearings.~~

Sec. 33. Minnesota Statutes 2002, section 32.394, subdivision 8d, is amended to read:

Subd. 8d. **PROCESSOR ASSESSMENT.** (a) A manufacturer shall pay to the commissioner a fee for fluid milk processed and milk used in the manufacture of fluid milk products sold for retail sale in Minnesota. ~~Beginning May 1, 1993, the fee is six cents per hundredweight. If the commissioner determines that a different fee, in an amount not less than five cents and not more than nine cents per hundredweight, when combined with general fund appropriations and fees charged under sections 31.39 and 32.394, subdivision 8, is needed to provide adequate funding for the Grades A and B inspection programs and the administration and enforcement of Laws 1993, chapter 65, the commissioner may, by rule, change the fee on processors within the range provided within this subdivision as set by the commissioner's order except that beginning July 1, 2003, the fee is set at seven cents per hundredweight and thereafter no change within any 12-month period may be in excess of one cent per hundredweight.~~

(b) Processors must report quantities of milk processed under paragraph (a) on forms provided by the commissioner. Processor fees must be paid monthly. The commissioner may require the production of records as necessary to determine compliance with this subdivision.

(c) The commissioner may create within the department a dairy consulting program to provide assistance to dairy producers who are experiencing problems meeting the sanitation and quality requirements of the dairy laws and rules.

The commissioner may use money appropriated from the dairy services account created in subdivision 9 to pay for the program authorized in this paragraph.

Sec. 34. Minnesota Statutes 2002, section 35.155, is amended to read:

35.155 CERVIDAE IMPORT RESTRICTIONS.

(a) A person must not import cervidae into the state from a herd that is infected or exposed to chronic wasting disease or from a known chronic wasting disease endemic area, as determined by the board. A person may import cervidae into the state only from a herd that is not in a known chronic wasting disease endemic area, as determined by the board, and the herd has been subject to a state or provincial approved chronic wasting disease monitoring program for at least three years. Cervidae imported in violation of this section may be seized and destroyed by the commissioner of natural resources.

~~(b) This section expires on June 1, 2003.~~

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

Sec. 35. Minnesota Statutes 2002, section 38.02, subdivision 1, is amended to read:

Subdivision 1. **PRO RATA DISTRIBUTION; CONDITIONS.** ~~(1)~~ (a) Money appropriated to aid county and district agricultural societies and associations shall be distributed among all county and district agricultural societies or associations in the

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state pro rata, upon condition that each of them has complied with the conditions specified in ~~elause (2)~~ paragraph (b).

~~(2)~~ (b) To be eligible to participate in ~~such~~ the distribution of aid, each ~~such~~ agricultural society or association ~~(a)~~ shall have:

(1) held an annual fair for each of the three years last past, unless prevented from doing so because of a calamity or an epidemic declared by the board of health as defined in section 145A.02, subdivision 2, or the state commissioner of health to exist; ~~(b)~~ shall have

(2) an annual membership of 25 or more; ~~(e)~~ shall have

(3) paid out to exhibitors for premiums awarded at the last fair held a sum not less than the amount to be received from the state; ~~(d)~~ shall have

(4) published and distributed not less than three weeks before the opening day of the fair a premium list, listing all items or articles on which premiums are offered and the amounts of such premiums and shall have paid premiums pursuant to the amount shown for each article or item to be exhibited; provided that premiums for school exhibits may be advertised in the published premium list by reference to a school premium list prepared and circulated during the preceding school year; and shall have collected all fees charged for entering an exhibit at the time the entry was made and in accordance with schedule of entry fees to be charged as published in the premium list; ~~(e)~~ shall have

(5) paid not more than one premium on each article or item exhibited, excluding championship or sweepstake awards, and excluding the payment of open class premium awards to 4H Club exhibits which at this same fair had won a first prize award in regular 4H Club competition; ~~(f)~~ shall have and

(6) submitted its records and annual report to the commissioner of agriculture on a form provided by the commissioner of agriculture, on or before the first day of November of the current year in which the fair was held.

~~(3)~~ (c) All payments authorized under the provisions of this chapter shall be made only upon the presentation by the commissioner of agriculture with the commissioner of finance of a statement of premium allocations. As used herein the term premium shall mean the cash award paid to an exhibitor for the merit of an exhibit of livestock, livestock products, grains, fruits, flowers, vegetables, articles of domestic science, handicrafts, hobbies, fine arts, and articles made by school pupils, or the cash award paid to the merit winner of events such as 4H Club or Future Farmer Contest, Youth Group Contests, school spelling contests and school current events contests, the award corresponding to the amount offered in the advertised premium list referred to in schedule 2. Payments of awards for horse races, ball games, musical contests, talent contests, parades, and for amusement features for which admission is charged, are specifically excluded from consideration as premiums within the meaning of that term as used herein. Upon receipt of the statement by the commissioner of agriculture, ~~it shall be the duty of the commissioner of finance to~~ shall draw a voucher in favor of the agricultural society or association for the amount to which it is entitled under the

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provisions of this chapter; ~~which.~~ The amount shall be computed as follows: On the first \$750 premiums paid by each society or association at the last fair held, such the society or association shall receive 100 percent reimbursement; on the second \$750 premiums paid, 80 percent; on the third \$750 premiums paid, 60 percent; and on any sum in excess of \$2,250, 40 percent. The commissioner of finance shall make payments not later than July 15 of the year following the calendar year in which the annual fair was held.

(4) (d) If the total amount of state aid to which the agricultural societies and associations are entitled under the provisions of this chapter exceeds the amount of the appropriation therefor, the amounts to which the societies or associations are entitled shall be prorated so that the total payments by the state will not exceed the appropriation.

Sec. 36. Minnesota Statutes 2002, section 38.02, subdivision 3, is amended to read:

Subd. 3. **CERTIFICATION, COMMISSIONER OF AGRICULTURE.** Any county or district agricultural society which has held its second annual fair is entitled to share pro rata in the distribution. The commissioner of agriculture shall certify to the secretary of the state agricultural society, within 30 days after payments have been made, a list of all county or district agricultural societies that have complied with this chapter, and which are entitled to share in the appropriation. All payments shall be made within three months after the agricultural societies submitted their based on reports submitted by agricultural societies under subdivision 1, paragraph (b), clause ~~(2)(f)~~ (6).

Sec. 37. Minnesota Statutes 2002, section 41A.09, subdivision 2a, is amended to read:

Subd. 2a. **DEFINITIONS.** For the purposes of this section, the terms defined in this subdivision have the meanings given them.

(a) "Ethanol" means fermentation ethyl alcohol derived from agricultural products, including potatoes, cereal, grains, cheese whey, and sugar beets; forest products; or other renewable resources, including residue and waste generated from the production, processing, and marketing of agricultural products, forest products, and other renewable resources, that:

(1) meets all of the specifications in ASTM specification D 4806-88; and

(2) is denatured as specified in Code of Federal Regulations, title 27, parts 20 and 21.

(b) "Wet alcohol" means agriculturally derived fermentation ethyl alcohol having a purity of at least 50 percent but less than 99 percent.

(c) "Anhydrous alcohol" means fermentation ethyl alcohol derived from agricultural products as described in paragraph (a), but that does not meet ASTM specifications or is not denatured and is shipped in bond for further processing.

New language is indicated by underline, deletions by ~~strikeout~~.

(d) "Ethanol plant" means a plant at which ethanol, anhydrous alcohol, or wet alcohol is produced.

(c) "Commissioner" means the commissioner of agriculture.

Sec. 38. Minnesota Statutes 2002, section 41A.09, subdivision 3a, is amended to read:

Subd. 3a. **ETHANOL PRODUCER PAYMENTS.** (a) The commissioner of agriculture shall make cash payments to producers of ethanol, anhydrous alcohol, and wet alcohol located in the state. These payments shall apply only to ethanol, anhydrous alcohol, and wet alcohol fermented in the state and produced at plants that have begun production by June 30, 2000. For the purpose of this subdivision, an entity that holds a controlling interest in more than one ethanol plant is considered a single producer. The amount of the payment for each producer's annual production, is:

(1) except as provided in paragraph (b) (c), is 20 cents per gallon for each gallon of ethanol or anhydrous alcohol produced on or before June 30, 2000, or ten years after the start of production, whichever is later, 19 cents per gallon; and

(2) for each gallon produced of wet alcohol on or before June 30, 2000, or ten years after the start of production, whichever is later, a payment in cents per gallon calculated by the formula "alcohol purity in percent divided by five," and rounded to the nearest cent per gallon, but not less than 11 cents per gallon.

The producer payments for anhydrous alcohol and wet alcohol under this section may be paid to either the original producer of anhydrous alcohol or wet alcohol or the secondary processor, at the option of the original producer, but not to both. The first claim for production after June 30, 2003, must be accompanied by a disclosure statement on a form provided by the commissioner. The disclosure statement must include a detailed description of the organization of the business structure of the claimant listing the percentages of ownership by any person or other entity with an ownership interest of five percent or greater, the distribution of income received by the claimant, including operating income and payments under this subdivision. The disclosure statement must include information sufficient to demonstrate that a majority of the ultimate beneficial interest in the entity receiving payments under this section is owned by farmers or spouses of farmers, as defined in section 500.24, residing in Minnesota. Subsequent quarterly claims must report changes in ownership. Payments must not be made to a claimant that has less than a majority of Minnesota farmer control except that the commissioner may grant an exemption from the farmer majority ownership requirement to a claimant that, on the day following final enactment of this section, has demonstrated greater than 40 percent farmer ownership which, when combined with ownership interests of persons residing within 30 miles of the plant, exceeds 50 percent. In addition, a claimant located in a city of the first class which qualifies for payments in all other respects is not subject to this condition. Information provided under this paragraph is nonpublic data under section 13.02, subdivision 9.

(b) No payments shall be made for ethanol production that occurs after June 30, 2010.

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(b) (c) If the level of production at an ethanol plant increases due to an increase in the production capacity of the plant, the payment under paragraph (a); ~~clause (1)~~, applies to the additional increment of production until ten years after the increased production began. Once a plant's production capacity reaches 15,000,000 gallons per year, no additional increment will qualify for the payment.

(c) ~~The commissioner shall make payments to producers of ethanol or wet alcohol in the amount of 1.5 cents for each kilowatt hour of electricity generated using closed-loop biomass in a cogeneration facility at an ethanol plant located in the state. Payments under this paragraph shall be made only for electricity generated at cogeneration facilities that begin operation by June 30, 2000. The payments apply to electricity generated on or before the date ten years after the producer first qualifies for payment under this paragraph. Total payments under this paragraph in any fiscal year may not exceed \$750,000. For the purposes of this paragraph:~~

(1) "closed-loop biomass" means any organic material from a plant that is planted for the purpose of being used to generate electricity or for multiple purposes that include being used to generate electricity; and

(2) "cogeneration" means the combined generation of:

(i) electrical or mechanical power; and

(ii) steam or forms of useful energy, such as heat, that are used for industrial, commercial, heating, or cooling purposes.

(d) ~~Payments under paragraphs (a) and (b) to all producers may not exceed \$35,150,000 in a fiscal year. (d) Total payments under paragraphs (a) and (b) (c) to a producer in a fiscal year may not exceed \$2,850,000~~ \$3,000,000.

(e) By the last day of October, January, April, and July, each producer shall file a claim for payment for ethanol, anhydrous alcohol, and wet alcohol production during the preceding three calendar months. A producer with more than one plant shall file a separate claim for each plant. A producer that files a claim under this subdivision shall include a statement of the producer's total ethanol, anhydrous alcohol, and wet alcohol production in Minnesota during the quarter covered by the claim, including anhydrous alcohol and wet alcohol produced or received from an outside source. A producer shall file a separate claim for any amount claimed under paragraph (c). For each claim and statement of total ethanol, anhydrous alcohol, and wet alcohol production filed under this subdivision, the volume of ethanol, anhydrous alcohol, and wet alcohol production or amounts of electricity generated using closed-loop biomass must be examined by an independent certified public accountant in accordance with standards established by the American Institute of Certified Public Accountants.

(f) Payments shall be made November 15, February 15, May 15, and August 15. A separate payment shall be made for each claim filed. Except as provided in paragraph (j) (g), the total quarterly payment to a producer under this paragraph; ~~excluding amounts paid under paragraph (c)~~, may not exceed \$750,000.

(g) ~~If the total amount for which all producers are eligible in a quarter under paragraph (c) exceeds the amount available for payments, the commissioner shall make~~

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payments in the order in which the plants covered by the claims began generating electricity using closed-loop biomass.

(h) After July 1, 1997, new production capacity is only eligible for payment under this subdivision if the commissioner receives:

- (1) an application for approval of the new production capacity;
- (2) an appropriate letter of long-term financial commitment for construction of the new production capacity; and
- (3) copies of all necessary permits for construction of the new production capacity.

The commissioner may approve new production capacity based on the order in which the applications are received.

(i) The commissioner may not approve any new production capacity after July 1, 1998, except that a producer with an approved production capacity of at least 12,000,000 gallons per year but less than 15,000,000 gallons per year prior to July 1, 1998, is approved for 15,000,000 gallons of production capacity.

(j) (g) Notwithstanding the quarterly payment limits of paragraph (f), the commissioner shall make an additional payment in the ~~eightth~~ fourth quarter of each fiscal biennium year to ethanol producers for the lesser of: (1) ~~19~~ 20 cents per gallon of production in the ~~eightth~~ fourth quarter of the biennium year that is greater than 3,750,000 gallons; or (2) the total amount of payments lost during the first seven ~~three~~ quarters of the biennium fiscal year due to plant outages, repair, or major maintenance. Total payments to an ethanol producer in a fiscal biennium year, including any payment under this paragraph, must not exceed the total amount the producer is eligible to receive based on the producer's approved production capacity. The provisions of this paragraph apply only to production losses that occur in quarters beginning after December 31, 1999.

(k) For the purposes of this subdivision "new production capacity" means annual ethanol production capacity that was not allowed under a permit issued by the pollution control agency prior to July 1, 1997, or for which construction did not begin prior to July 1, 1997.

(h) The commissioner shall reimburse ethanol producers for any deficiency in payments during earlier quarters if the deficiency occurred because appropriated money was insufficient to make timely payments in the full amount provided in paragraph (a). Notwithstanding the quarterly or annual payment limitations in this subdivision, the commissioner shall begin making payments for earlier deficiencies in each fiscal year that appropriations for ethanol payments exceed the amount required to make eligible scheduled payments. Payments for earlier deficiencies must continue until the deficiencies for each producer are paid in full.

Sec. 39. Minnesota Statutes 2002, section 116.07, subdivision 7a, is amended to read:

New language is indicated by underline, deletions by ~~strikeout~~.

Subd. 7a. **NOTICE OF APPLICATION FOR LIVESTOCK FEEDLOT PERMIT.** (a) A person who applies to the pollution control agency or a county board for a permit to construct or expand a feedlot with a capacity of 500 animal units or more shall, not later less than ten 20 business days after the application is submitted before the date on which a permit is issued, provide notice to each resident and each owner of real property within 5,000 feet of the perimeter of the proposed feedlot. The notice may be delivered by first class mail, in person, or by the publication in a newspaper of general circulation within the affected area and must include information on the type of livestock and the proposed capacity of the feedlot. Notification under this subdivision is satisfied under an equal or greater notification requirement of a county conditional use permit.

(b) The agency or a county board must verify that notice was provided as required under paragraph (a) prior to issuing a permit.

Sec. 40. Minnesota Statutes 2002, section 116D.04, subdivision 2a, is amended to read:

Subd. 2a. Where there is potential for significant environmental effects resulting from any major governmental action, the action shall be preceded by a detailed environmental impact statement prepared by the responsible governmental unit. The environmental impact statement shall be an analytical rather than an encyclopedic document which describes the proposed action in detail, analyzes its significant environmental impacts, discusses appropriate alternatives to the proposed action and their impacts, and explores methods by which adverse environmental impacts of an action could be mitigated. The environmental impact statement shall also analyze those economic, employment and sociological effects that cannot be avoided should the action be implemented. To ensure its use in the decision making process, the environmental impact statement shall be prepared as early as practical in the formulation of an action.

(a) The board shall by rule establish categories of actions for which environmental impact statements and for which environmental assessment worksheets shall be prepared as well as categories of actions for which no environmental review is required under this section.

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

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

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

(1) the proposed action is:

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

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

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

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

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

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

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process shall be incorporated into the order requiring the preparation of an environmental impact statement.

~~(f)~~ (g) Whenever practical, information needed by a governmental unit for making final decisions on permits or other actions required for a proposed project shall be developed in conjunction with the preparation of an environmental impact statement.

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

Sec. 41. Minnesota Statutes 2002, section 116O.09, subdivision 1, is amended to read:

Subdivision 1. **ESTABLISHMENT.** The agricultural utilization research institute is established as a nonprofit corporation under section 501(c)(3) of the Internal Revenue Code of 1986, as amended. The agricultural utilization research institute shall promote the establishment of new products and product uses and the expansion of existing markets for the state's agricultural commodities and products, including direct financial and technical assistance for Minnesota entrepreneurs. The institute must be located near an existing agricultural research facility in the agricultural region of the state must establish or maintain facilities and work with private and public entities to leverage the resources available to achieve maximum results for Minnesota agriculture.

Sec. 42. Minnesota Statutes 2002, section 116O.09, subdivision 1a, is amended to read:

Subd. 1a. **BOARD OF DIRECTORS.** The board of directors of the agricultural utilization research institute is comprised of:

(1) the chairs of the senate and the house of representatives standing committees with jurisdiction over agriculture policy finance or the chair's designee;

(2) two representatives of statewide farm organizations appointed by the commissioner;

(3) two representatives of agribusiness, one of whom is a member of the Minnesota Technology, Inc. board representing agribusiness; and

(4) three representatives of the commodity promotion councils.

A member of the board of directors under clauses ~~(1)~~ (2) to (4), including a member serving on July 1, 2003, may designate a permanent or temporary replacement member representing the same constituency serve for a maximum of two three-year terms. The board's compensation is governed by section 15.0575, subdivision 3.

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Sec. 43. Minnesota Statutes 2002, section 116O.09, subdivision 2, is amended to read:

Subd. 2. **DUTIES.** (a) In addition to the duties and powers assigned to the institutes in section 116O.08, the agricultural utilization research institute shall:

(1) ~~identify the various market segments characterized by Minnesota's agricultural industry, address each segment's individual needs, and identify development opportunities in each segment~~ for agricultural products;

(2) ~~develop and implement a utilization program for each segment that addresses its development needs and identifies techniques to meet those needs~~ opportunities;

(3) ~~monitor and coordinate research among the public and private organizations and individuals specifically addressing procedures to transfer new technology to businesses, farmers, and individuals;~~

(4) ~~provide research grants to public and private educational institutions and other organizations that are undertaking basic and applied research that would promote the development of the various emerging agricultural industries; and~~

(5) ~~provide financial assistance including, but not limited to: (i) direct loans, guarantees, interest subsidy payments, and equity investments; and (ii) participation in loan participations. The board of directors shall establish the terms and conditions of the financial assistance.~~ assist organizations and individuals with market analysis and product marketing implementations;

(6) ~~to the extent possible earn and receive revenue from contracts, patents, licenses, royalties, grants, fees-for-service, and memberships;~~

(7) ~~work with the department of agriculture, the United States Department of Agriculture, the department of trade and economic development, and other agencies to maximize marketing opportunities locally, nationally, and internationally; and~~

(8) ~~leverage available funds from federal, state, and private sources to develop new markets and value added opportunities for Minnesota agricultural products.~~

(b) ~~The agricultural utilization research institute board of directors shall have the sole approval authority for establishing agricultural utilization research priorities, requests for proposals to meet those priorities, awarding of grants, hiring and direction of personnel, and other expenditures of funds consistent with the adopted and approved mission and goals of the agricultural utilization research institute. The actions and expenditures of the agricultural utilization research institute are subject to audit and regular annual report to the legislature in general and specifically the house of representatives agriculture committee, the senate agriculture and rural development committee, the house of representatives environment and natural resources finance committee, and the senate environment and agriculture budget division. The institute shall annually report by February 1 to the senate and house of representatives standing committees with jurisdiction over agricultural policy and funding. The report must list projects initiated, progress on projects, and financial information relating to expenditures, income from other sources, and other information to allow the committees to evaluate the effectiveness of the institute's activities.~~

New language is indicated by underline, deletions by ~~strikeout~~.

Sec. 44. Minnesota Statutes 2002, section 216C.41, subdivision 1, is amended to read:

Subdivision 1. **DEFINITIONS.** (a) The definitions in this subdivision apply to this section.

(b) "Qualified hydroelectric facility" means a hydroelectric generating facility in this state that:

(1) is located at the site of a dam, if the dam was in existence as of March 31, 1994; and

(2) begins generating electricity after July 1, 1994, or generates electricity after substantial refurbishing of a facility that begins after July 1, 2001.

(c) "Qualified wind energy conversion facility" means a wind energy conversion system that:

(1) produces two megawatts or less of electricity as measured by nameplate rating and begins generating electricity after December 31, 1996, and before July 1, 1999;

(2) begins generating electricity after June 30, 1999, produces two megawatts or less of electricity as measured by nameplate rating, and is:

(i) ~~located within one county and owned by a natural person who owns the land where the facility is sited owned by a resident of Minnesota or an entity that is organized under the laws of this state and is not prohibited from owning agricultural land under section 500.24;~~

(ii) owned by a Minnesota small business as defined in section 645.445;

(iii) owned by a nonprofit organization; or

(iv) owned by a tribal council if the facility is located within the boundaries of the reservation; or

(3) begins generating electricity after June 30, 1999, produces seven megawatts or less of electricity as measured by nameplate rating, and:

(i) is owned by a cooperative organized under chapter 308A; and

(ii) all shares and membership in the cooperative are held by natural persons or estates, at least 51 percent of whom reside in a county or contiguous to a county where the wind energy production facilities of the cooperative are located.

(d) "Qualified on-farm biogas recovery facility" means an anaerobic digester system that:

(1) is located at the site of an agricultural operation;

(2) is owned by a natural person who owns or rents the land where the facility is located; and

(3) begins generating electricity after July 1, 2001.

New language is indicated by underline, deletions by ~~strikeout~~.

(e) "Anaerobic digester system" means a system of components that processes animal waste based on the absence of oxygen and produces gas used to generate electricity.

Sec. 45. Minnesota Statutes 2002, section 273.13, subdivision 23, is amended to read:

Subd. 23. **CLASS 2.** (a) Class 2a property is agricultural land including any improvements that is homesteaded. The market value of the house and garage and immediately surrounding one acre of land has the same class rates as class 1a property under subdivision 22. The value of the remaining land including improvements up to and including \$600,000 market value has a net class rate of 0.55 percent of market value. The remaining property over \$600,000 market value has a class rate of one percent of market value.

(b) Class 2b property is (1) real estate, rural in character and used exclusively for growing trees for timber, lumber, and wood and wood products; (2) real estate that is not improved with a structure and is used exclusively for growing trees for timber, lumber, and wood and wood products, if the owner has participated or is participating in a cost-sharing program for afforestation, reforestation, or timber stand improvement on that particular property, administered or coordinated by the commissioner of natural resources; (3) real estate that is nonhomestead agricultural land; or (4) a landing area or public access area of a privately owned public use airport. Class 2b property has a net class rate of one percent of market value.

(c) Agricultural land as used in this section means contiguous acreage of ten acres or more, used during the preceding year for agricultural purposes. "Agricultural purposes" as used in this section means the raising or cultivation of agricultural products or enrollment in the Reinvest in Minnesota program under sections 103F.501 to 103F.535 or the federal Conservation Reserve Program as contained in Public Law Number 99-198. Contiguous acreage on the same parcel, or contiguous acreage on an immediately adjacent parcel under the same ownership, may also qualify as agricultural land, but only if it is pasture, timber, waste, unusable wild land, or land included in state or federal farm programs. Agricultural classification for property shall be determined excluding the house, garage, and immediately surrounding one acre of land, and shall not be based upon the market value of any residential structures on the parcel or contiguous parcels under the same ownership.

(d) Real estate, excluding the house, garage, and immediately surrounding one acre of land, of less than ten acres which is exclusively and intensively used for raising or cultivating agricultural products, shall be considered as agricultural land.

Land shall be classified as agricultural even if all or a portion of the agricultural use of that property is the leasing to, or use by another person for agricultural purposes.

Classification under this subdivision is not determinative for qualifying under section 273.111.

The property classification under this section supersedes, for property tax purposes only, any locally administered agricultural policies or land use restrictions

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that define minimum or maximum farm acreage.

(e) The term "agricultural products" as used in this subdivision includes production for sale of:

(1) livestock, dairy animals, dairy products, poultry and poultry products, fur-bearing animals, horticultural and nursery stock described in sections 18.44 to 18.61, fruit of all kinds, vegetables, forage, grains, bees, and apiary products by the owner;

(2) fish bred for sale and consumption if the fish breeding occurs on land zoned for agricultural use;

(3) the commercial boarding of horses if the boarding is done in conjunction with raising or cultivating agricultural products as defined in clause (1);

(4) property which is owned and operated by nonprofit organizations used for equestrian activities, excluding racing;

(5) game birds and waterfowl bred and raised for use on a shooting preserve licensed under section 97A.115;

(6) insects primarily bred to be used as food for animals;

(7) trees, grown for sale as a crop, and not sold for timber, lumber, wood, or wood products; and

(8) maple syrup taken from trees grown by a person licensed by the Minnesota department of agriculture under chapter 28A as a food processor.

(f) If a parcel used for agricultural purposes is also used for commercial or industrial purposes, including but not limited to:

(1) wholesale and retail sales;

(2) processing of raw agricultural products or other goods;

(3) warehousing or storage of processed goods; and

(4) office facilities for the support of the activities enumerated in clauses (1), (2), and (3),

the assessor shall classify the part of the parcel used for agricultural purposes as class 1b, 2a, or 2b, whichever is appropriate, and the remainder in the class appropriate to its use. The grading, sorting, and packaging of raw agricultural products for first sale is considered an agricultural purpose. A greenhouse or other building where horticultural or nursery products are grown that is also used for the conduct of retail sales must be classified as agricultural if it is primarily used for the growing of horticultural or nursery products from seed, cuttings, or roots and occasionally as a showroom for the retail sale of those products. Use of a greenhouse or building only for the display of already grown horticultural or nursery products does not qualify as an agricultural purpose.

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The assessor shall determine and list separately on the records the market value of the homestead dwelling and the one acre of land on which that dwelling is located. If any farm buildings or structures are located on this homesteaded acre of land, their market value shall not be included in this separate determination.

(g) To qualify for classification under paragraph (b), clause (4), a privately owned public use airport must be licensed as a public airport under section 360.018. For purposes of paragraph (b), clause (4), "landing area" means that part of a privately owned public use airport properly cleared, regularly maintained, and made available to the public for use by aircraft and includes runways, taxiways, aprons, and sites upon which are situated landing or navigational aids. A landing area also includes land underlying both the primary surface and the approach surfaces that comply with all of the following:

(i) the land is properly cleared and regularly maintained for the primary purposes of the landing, taking off, and taxiing of aircraft; but that portion of the land that contains facilities for servicing, repair, or maintenance of aircraft is not included as a landing area;

(ii) the land is part of the airport property; and

(iii) the land is not used for commercial or residential purposes.

The land contained in a landing area under paragraph (b), clause (4), must be described and certified by the commissioner of transportation. The certification is effective until it is modified, or until the airport or landing area no longer meets the requirements of paragraph (b), clause (4). For purposes of paragraph (b), clause (4), "public access area" means property used as an aircraft parking ramp, apron, or storage hangar, or an arrival and departure building in connection with the airport.

Sec. 46. **FEEDLOT ENVIRONMENT REVIEW STUDY; REPORT.**

The environmental quality board shall conduct a study identifying and evaluating information pertaining to environmental review of feedlots of fewer than 1,000 animal units in Minnesota that must include:

(1) significant issues that have been raised during the environmental review process;

(2) avoidance, mitigation, and treatment that resulted from consideration of environmental impacts; and

(3) an assessment of the impact of Minnesota Statutes, section 116D.04, subdivision 2a, paragraph (d), on public participation.

The study shall also examine the process of public notifications, hearings, and opportunities for local residents and property owners to provide input under the pollution control agency's feedlot rules permitting process.

The board shall report by January 15, 2004, to the committees of the house of representatives and the senate with jurisdiction over agricultural, environmental, and judiciary policy, and agricultural finance on the results of the study.

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Sec. 47. REPEALER.

Minnesota Statutes 2002, sections 17.110; 18B.05, subdivision 2; 37.26; 41A.09, subdivisions 1, 5a, 6, 7, and 8, are repealed.

ARTICLE 4

PLANT PROTECTION AND EXPORT CERTIFICATION

Section 1. [18G.01] PLANT PROTECTION; POWERS OF COMMISSIONER OF AGRICULTURE.

(a) This chapter authorizes the commissioner to abate, suppress, eradicate, prevent, or otherwise regulate the introduction or establishment of plant pests that threaten Minnesota's agricultural, forest, or horticultural interests or the general ecological quality of the state.

(b) The commissioner may employ entomologists, plant pathologists, and other qualified employees necessary to administer and enforce this chapter.

Sec. 2. [18G.02] DEFINITIONS.

Subdivision 1. SCOPE. The definitions in this section apply to this chapter.

Subd. 2. BIOLOGICAL CONTROL AGENT. "Biological control agent" means a parasite, predator, pathogen, or competitive organism intentionally released by humans for the purpose of biological control with the intent of causing a reduction of a host or prey population.

Subd. 3. CERTIFICATE. "Certificate" means a document authorized or prepared by a federal or state regulatory official that affirms, declares, or verifies that an article, plant, product, shipment, or other officially regulated item meets phytosanitary, nursery inspection, pest freedom, plant registration or certification, or other legal requirements.

Subd. 4. CERTIFICATION. "Certification" means a regulatory official's act of affirming, declaring, or verifying compliance with phytosanitary, nursery inspection, pest freedom, plant registration or certification, or other legal requirements.

Subd. 5. COMMISSIONER. "Commissioner" means the commissioner of agriculture or the commissioner's designated employee, representative, or agent.

Subd. 6. COMPLIANCE AGREEMENT. "Compliance agreement" means a written agreement between a person and a regulatory agency to achieve compliance with regulatory requirements.

Subd. 7. CONVEYANCE. "Conveyance" is a means of transportation.

Subd. 8. DEPARTMENT. "Department" means the department of agriculture.

New language is indicated by underline, deletions by ~~strikeout~~.

Subd. 9. EMERGENCY REGULATION. "Emergency regulation" means a regulation placed in effect by the commissioner without prior public notice in order to take necessary and immediate regulatory action.

Subd. 10. ERADICATION. "Eradication" means elimination of a pest from a defined geographic area.

Subd. 11. EXOTIC SPECIES. "Exotic species" means a species that is not native to the area. Exotic species also means a species occurring outside its natural range.

Subd. 12. HARMFUL PLANT PEST. "Harmful plant pest" means a plant pest that constitutes a significant threat to the agricultural, forest, or horticultural interests of Minnesota or the general environmental quality of the state.

Subd. 13. INFECTED. "Infected" means a plant that is:

- (1) contaminated with pathogenic microorganisms;
- (2) being parasitized;
- (3) a host or carrier of an infectious, transmissible, or contagious pest; or
- (4) so exposed to a plant listed in clause (1), (2), or (3) that one of those conditions can reasonably be expected to exist and the plant may also pose a risk of contamination to other plants or the environment.

Subd. 14. INFESTED. "Infested" means a plant has been overrun by plant pests, including weeds.

Subd. 15. INVASIVE SPECIES. "Invasive species" means an exotic or nonnative species whose introduction and establishment causes, or may cause, economic or environmental harm or harm to human health.

Subd. 16. MARK. "Mark" means an official indicator affixed by the commissioner for purposes of identification or separation, to, on, around, or near, plants or plant material known or suspected to be infected with a plant pest. This includes, but is not limited to, paint, markers, tags, seals, stickers, tape, ribbons, signs, or placards.

Subd. 17. NURSERY STOCK. "Nursery stock" means a plant intended for planting or propagation, including, but not limited to, trees, shrubs, vines, perennials, biennials, grafts, cuttings, and buds that may be sold for propagation, whether cultivated or wild, and all viable parts of these plants. Nursery stock does not include:

- (1) field and forage crops;
- (2) the seeds of grasses, cereal grains, vegetable crops, and flowers;
- (3) vegetable plants, bulbs, or tubers;
- (4) cut flowers, unless stems or other portions are intended for propagation;
- (5) annuals; or
- (6) Christmas trees.

New language is indicated by underline, deletions by strikeout:

Subd. 18. **OWNER.** “Owner” includes, but is not limited to, the person with the legal right of possession, proprietorship of, or responsibility for the property or place where any of the articles regulated in this chapter are found, or the person who is in possession of, proprietorship of, or has responsibility for the regulated articles.

Subd. 19. **PERMIT.** “Permit” means a document issued by a regulatory official that allows the movement of any regulated item from one location to another in accordance with specified conditions or requirements and for a specified purpose.

Subd. 20. **PERSON.** “Person” means an individual, firm, corporation, partnership, association, trust, joint stock company, or unincorporated organization; the state; a state agency; or a political subdivision.

Subd. 21. **PEST.** “Pest” means any living agent capable of reproducing itself that causes or may potentially cause harm to plants or other biotic organisms.

Subd. 22. **PHYTOSANITARY CERTIFICATE OR EXPORT CERTIFICATE.** “Phytosanitary certificate” or “export certificate” means a document authorized or prepared by a duly authorized federal or state official that affirms, declares, or verifies that an article, nursery stock, plant, plant product, shipment, or any other officially regulated article meets applicable, legally established, plant pest regulations, including this chapter.

Subd. 23. **PLANT.** “Plant” means a plant, plant product, plant part, or reproductive or propagative part of a plant, plant product, or plant part, including all growing media, packing material, or containers associated with the plant, plant part, or plant product.

Subd. 24. **PLANT PEST.** “Plant pest” includes, but is not limited to, an invasive species or any pest of plants, agricultural commodities, horticultural products, nursery stock, or noncultivated plants by organisms such as insects, snails, nematodes, fungi, viruses, bacterium, microorganisms, mycoplasma-like organisms, weeds, plants, and parasitic plants.

Subd. 25. **PRECLEARANCE.** “Preclearance” means an agreement between quarantine officials of exporting and importing states to pass plants, plant material, or other items through quarantine by allowing the exporting state to inspect the plants preshipment, rather than the importing state inspecting the shipment upon arrival.

Subd. 26. **PUBLIC NUISANCE.** “Public nuisance” means:

(1) a plant, appliance, conveyance, or article that is infested with plant pests that may cause significant damage or harm; or

(2) premises where a plant pest is found.

Subd. 27. **QUARANTINE.** “Quarantine” means an enforced isolation or restriction of free movement of plants, plant material, animals, animal products, or any article or material in order to treat, control, or eradicate a plant pest.

Subd. 28. **REGULATED ARTICLE.** “Regulated article” means any item, the movement of which is governed by quarantine or this chapter.

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Subd. 29. REGULATED NONQUARANTINE PEST. “Regulated nonquarantine pest” means a plant pest that has not been quarantined by state or federal agencies and whose presence in plants or articles may pose an unacceptable risk to nursery stock, other plants, the environment, or human activities.

Subd. 30. SIGNIFICANT DAMAGE OR HARM. “Significant damage” or “harm” means a level of adverse impact that results in economic damage, injury, or loss that exceeds the cost of control for a particular crop.

Sec. 3. [18G.03] POWERS AND DUTIES OF COMMISSIONER.

Subdivision 1. ENTRY AND INSPECTION. (a) The commissioner may enter and inspect a public or private place that might harbor plant pests and may require that the owner destroy or treat plant pests, plants, or other material.

(b) If the owner fails to properly comply with a directive of the commissioner, the commissioner may have any necessary work done at the owner’s expense. The commissioner shall notify the owner of the deadline for paying those expenses. If the owner does not reimburse the commissioner for an expense within a time specified by the commissioner, the expense is a charge upon the county as provided in subdivision 4.

(c) If a dangerous plant pest infestation or infection threatens plants of an area in the state, the commissioner may take any measures necessary to eliminate or alleviate the danger.

(d) The commissioner may collect fees required by this chapter.

(e) The commissioner may issue and enforce a written or printed “stop-sale” order to the owner or custodian of any plants or articles infested or infected with dangerously injurious plant pests.

Subd. 2. RULES. The commissioner may adopt rules to carry out the purposes of this chapter.

Subd. 3. QUARANTINE. The commissioner may impose a quarantine to restrict or prohibit the transportation or distribution of plants or other materials capable of carrying plant pests into or through any part of this state.

Subd. 4. COLLECTION OF CHARGES FOR WORK DONE FOR OWNER. If the commissioner incurs an expense in conjunction with carrying out subdivision 1 and is not reimbursed by the owner of the land, the expense is a legal charge against the land. After the expense is incurred, the commissioner shall file verified and itemized statements of the cost of all services rendered with the county auditor of the county in which the land is located. The county auditor shall place a lien in favor of the commissioner against the land involved, which must be certified by the county auditor and collected according to section 429.101.

Sec. 4. [18G.04] ERADICATION, CONTROL, AND ABATEMENT OF NUISANCES; ISSUING CONTROL ORDERS.

New language is indicated by underline, deletions by strikeout.

Subdivision 1. PUBLIC NUISANCE. Any premises, plant, appliance, conveyance, or article that is infected or infested with plant pests that may cause significant damage or harm and any premises where any plant pest is found is a public nuisance and must be prosecuted as a public nuisance in all actions and proceedings. All legal remedies for the prevention and abatement of a nuisance apply to a public nuisance under this section. It is unlawful for any person to maintain a public nuisance.

Subd. 2. CONTROL ORDER. In order to prevent the introduction or spread of harmful or dangerous plant pests, the commissioner may issue orders for necessary control measures. These orders may indicate the type of specific control to be used, the compound or material, the manner or the time of application, and who is responsible for carrying out the control order. Control orders may include directions to control or abate the plant pest to an acceptable level; eradicate the plant pest; restrict the movement of the plant pest or any material, article, appliance, plant, or means of conveyance suspected to be carrying the plant pest; or destroy plants or plant products infested or infected with a plant pest. Material suspected of being infested or infected with a plant pest may be confiscated by the commissioner.

Sec. 5. [18G.05] DISCOVERY OF PLANT PESTS; OFFICIAL MARKING OF INFESTED OR INFECTED ARTICLES.

Upon knowledge of the existence of a dangerous or injurious plant pest or invasive species within the state, the commissioner may conspicuously mark all plants, infested areas, materials, and articles known or suspected to be infected or infested with the plant pest or invasive species. Persons, owners, or tenants in possession of the premises or area in which the existence of the plant pest or invasive species is suspected must be notified by the commissioner with prescribed control measures. A person must comply with the commissioner's control order within the prescribed time. If the commissioner determines that satisfactory control or mitigation of the pest has been achieved, the order must be released.

Sec. 6. [18G.06] ESTABLISHMENT OF QUARANTINE RESTRICTIONS.

Subdivision 1. SCOPE. The commissioner may impose a quarantine restricting or regulating the production, movement, or existence of plants, plant products, agricultural commodities, crop seed, farm products, or other articles or materials in order that the introduction or spread of a plant pest may be prevented or limited or an existing plant pest may be controlled or eradicated.

Subd. 2. QUARANTINE NOTICE. (a) The commissioner may issue orders to take prompt regulatory action in plant pest emergencies on regulated articles. If continuing quarantine action is required, a formal quarantine may be imposed. Orders may be issued to retain necessary quarantine action on a few properties if eradication treatments have been applied and continuing quarantine action is no longer necessary for the majority of the regulated area.

(b) The commissioner may place an emergency regulation or quarantine in effect without prior public notice in order to take immediate regulatory action to prevent the introduction or establishment of a plant pest.

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(c) The commissioner may enter into cooperative agreements with the United States Department of Agriculture and other federal, state, city, or county agencies to assist in the enforcement of federal quarantines. The commissioner may adopt a quarantine or regulation against a pest or an area not covered by a federal quarantine. The commissioner may seize, destroy, or require treatment of products moved from a federally regulated area if they were not moved in accordance with the federal quarantine regulations or, if certified, they were found to be infested with the pest organism.

(d) The commissioner may impose a quarantine against a plant pest that is not quarantined in other states to prevent the spread of the plant pest within this state. The commissioner may enact a quarantine against a plant pest of regional or national significance even when no federal domestic quarantine has been adopted. These quarantines regulate intrastate movement between quarantined and nonquarantined areas of this state. The commissioner may enact a parallel state quarantine if there is a federal quarantine applied to a portion of the state.

(e) The commissioner may impose a state exterior quarantine if the plant pest is not established in this state but is established in other states. State exterior quarantines may be enacted even if no federal domestic quarantine has been adopted. The commissioner may issue control orders at destinations necessary to prevent the introduction or spread of plant pests.

Subd. 3. DESCRIPTION OF REGULATED AREAS. (a) The regulated area to be described in a quarantine may involve the entire state, portions of the state, or certain names and locations of infested properties.

(b) Regulated quarantine areas may be subdivided into suppression areas and generally infested areas if it is desirable to control movement into suppression areas from generally infested areas.

(c) Quarantine provisions or areas regulated may be amended by the commissioner through publication of a notice to that effect in local newspapers or through direct written notice to affected property owners.

(d) If an infestation in a specific regulated area has been eliminated to the extent that movement of the regulated articles no longer present a pest risk, the quarantine in that area may be removed. The commissioner may also exempt areas from specified requirements until eradication has been achieved.

Subd. 4. MOVEMENT OF REGULATED ARTICLES. (a) A regulated article may be refused entry into this state if it is prohibited or is required to be certified and comes from an area regulated by a state or federal quarantine. The owner or carrier of regulated articles that are reportedly originating in nonregulated areas of a quarantined state must provide proof of origin of the regulated articles. An invoice, waybill, or other shipping document satisfactory to the receiving state regulatory official is acceptable as proof of origin.

(b) Certificates or permits are required for the movement of regulated articles from a regulated area to any point outside the regulated area. Certificates or permits are

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not required for a regulated article originating outside of a regulated area moving to another nonregulated area or moving through or reshipped from a regulated area when the point of origin of the article is clearly indicated on a waybill, bill of lading, shipper's invoice, or other similar document accompanying the shipment. Shipments moving through or being reshipped from a regulated area must be safeguarded against infestation while within the regulated area.

Subd. 5. PUBLIC NOTIFICATION OF A STATE QUARANTINE OR EMERGENCY REGULATION. (a) For pest threats of imminent concern, the commissioner may declare an emergency quarantine or enact emergency orders.

(b) If circumstances permit, public notice and a public hearing must be held to solicit comments regarding the proposed state quarantine. If a pest threat is of imminent concern and there is insufficient time to allow full public comment on the proposed quarantine, the commissioner may impose an emergency quarantine until a state quarantine can be implemented.

(c) Upon establishment of a state quarantine, and upon institution of modifications or repeal, notices must be sent to the principal parties of interest, including federal and state authorities, and to organizations representing the public involved in the restrictive measures.

Subd. 6. QUARANTINE REPEAL. A quarantine may be repealed when its purpose has been accomplished. If a quarantine has attained its objective or if the progress of events has clearly proved that attainment is not possible by the restrictions adopted, a quarantine may be modified or repealed.

Sec. 7. [18G.07] TREE CARE AND TREE TRIMMING COMPANY REGISTRY.

Subdivision 1. CREATION OF REGISTRY. The commissioner shall maintain a list of all persons and companies that provide tree care or tree trimming services in Minnesota. All tree care providers, tree trimmers, and persons who remove trees, limbs, branches, brush, or shrubs for hire must provide the following information to the commissioner:

- (1) accurate and up-to-date business name, address, and telephone number;
- (2) a complete list of all Minnesota counties in which they work; and
- (3) a complete list of persons in the business who are certified by the International Society of Arborists.

Subd. 2. INFORMATION DISSEMINATION. The commissioner shall provide registered tree care companies with information and data regarding any existing or potential regulated forest pest infestations within the state.

Sec. 8. [18G.09] SHIPMENT OF PLANT PESTS AND BIOLOGICAL CONTROL AGENTS.

Shipment, introduction into, or release in Minnesota of (1) a plant pest, noxious weed, or other organism that may directly or indirectly affect Minnesota's plant life as

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a harmful or dangerous pest, parasite, or predator of other organisms, or (2) an arthropod, is prohibited, except under permit issued by the commissioner.

No person may sell, offer for sale, move, convey, transport, deliver, ship, or offer for shipment any plant pest, or biological control agent without a permit from the United States Department of Agriculture, Animal and Plant Health Inspection Service or its state equivalent. A permit may be issued only after the commissioner determines that the proposed shipment or use will not create a hazard to the agricultural, forest, or horticultural interests of this state or the state's general environmental quality. For interstate movement, the permit must be affixed conspicuously to the exterior of each shipping container, box, package, or appliance; accompany each shipping container, box, package, or appliance; or comply with other directions of the commissioner. This section does not apply to intrastate shipments of federal or state approved biological control agents used in this state for control of plant pests. Shipping containers must be escape-proof and the commissioner shall specify labeling and shipping protocols.

Sec. 9. [18G.10] EXPORT CERTIFICATION, INSPECTIONS, CERTIFICATES, PERMITS, AND FEES.

Subdivision 1. PURPOSE. To ensure continued access to foreign and domestic markets, the commissioner shall provide inspection and certification services to ensure that appropriate phytosanitary restrictions or requirements are fully met.

Subd. 2. DISPOSITION AND USE OF MONEY RECEIVED. All fees and penalties collected under this chapter and interest attributable to the money in the account must be deposited in the state treasury and credited to the nursery and phytosanitary account in the agricultural fund. Money in the account, including interest earned, is appropriated to the commissioner for the administration and enforcement of this chapter.

Subd. 3. COOPERATIVE AGREEMENTS. The commissioner may enter into cooperative agreements with federal and state agencies for administration of the export certification program. An exporter of plants or plant products desiring to originate shipments from Minnesota to a foreign country requiring a phytosanitary certificate or export certificate must submit an application to the commissioner.

Subd. 4. PHYTOSANITARY AND EXPORT CERTIFICATES. Application for phytosanitary certificates or export certificates must be made on forms provided or approved by the commissioner. The commissioner shall conduct inspections of plants, plant products, or facilities for persons that have applied for or intend to apply for a phytosanitary certificate or export certificate from the commissioner. Inspections must include one or more of the following as requested or required:

(1) an inspection of the plants or plant products intended for export under a phytosanitary certificate or export certificate;

(2) field inspections of growing plants to determine presence or absence of plant diseases, if necessary;

(3) laboratory diagnosis for presence or absence of plant diseases, if necessary;

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(4) observation and evaluation of procedures and facilities utilized in handling plants and plant products, if necessary; and

(5) review of United States Department of Agriculture, Federal Grain Inspection Service Official Export Grain Inspection Certificate logs.

The commissioner may issue a phytosanitary certificate or export certificate if the plants or plant products satisfactorily meet the requirements of the importing foreign country and the United States Department of Agriculture requirements. The requirements of the destination countries must be met by the applicant.

Subd. 5. CERTIFICATE FEES. (a) The commissioner shall assess the fees in paragraphs (b) to (f) for the inspection, service, and work performed in carrying out the issuance of a phytosanitary certificate or export certificate. The inspection fee must be based on mileage and inspection time.

(b) Mileage charge: current United States Internal Revenue Service mileage rate.

(c) Inspection time: \$50 per hour minimum or fee necessary to cover department costs. Inspection time includes the driving time to and from the location in addition to the time spent conducting the inspection.

(d) A fee must be charged for any certificate issued that requires laboratory analysis before issuance. The fee must be deposited into the laboratory account as authorized in section 17.85.

(e) Certificate fee for product value greater than \$250: \$75 for each phytosanitary or export certificate issued for any single shipment valued at more than \$250 in addition to any mileage or inspection time charges that are assessed.

(f) Certificate fee for product value less than \$250: \$25 for each phytosanitary or export certificate issued for any single shipment valued at less than \$250 in addition to any mileage or inspection time charges that are assessed.

Subd. 6. CERTIFICATE DENIAL OR CANCELLATION. The commissioner may deny or cancel the issuance of a phytosanitary or export certificate for any of the following reasons:

(1) failure of the plants or plant products to meet quarantine, regulations, and requirements imposed by the country for which the phytosanitary or export certificate is being requested;

(2) failure to completely or accurately provide the information requested on the application form;

(3) failure to ship the exact plants or plant products which were inspected and approved; or

(4) failure to pay any fees or costs due the commissioner.

Subd. 7. PLANT PROTECTION INSPECTIONS, CERTIFICATES, PERMITS, AND FEES. (a) The commissioner may provide inspection, sampling, or certification services to ensure that Minnesota plant products or commodities meet

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import requirements of other states or countries.

(b) The state plant regulatory official may issue permits and certificates verifying that various Minnesota agricultural products or commodities meet specified phytosanitary requirements, treatment requirements, or pest absence assurances based on determinations by the commissioner. The commissioner may collect fees sufficient to recover costs for these permits or certificates. The fees must be deposited in the nursery and phytosanitary account.

Sec. 10. **[18G.11] COOPERATION WITH OTHER JURISDICTIONS.**

The commissioner may enter into cooperative agreements with organizations, persons, civic groups, governmental agencies, or other organizations to adopt and execute plans to detect and control areas infested or infected with harmful plant pests. The cooperative agreements may include provisions of joint funding of any control treatment.

If a harmful plant pest infestation or infection occurs and cannot be adequately controlled by individual persons, owners, tenants, or local units of government, the commissioner may conduct the necessary control measures independently or on a cooperative basis with federal or other units of government.

Sec. 11. **[18G.12] INVASIVE SPECIES MANAGEMENT AND INVESTIGATION.**

Subdivision 1. **PLANT PEST AND INVASIVE SPECIES RESEARCH.** The commissioner shall conduct research to prevent the introduction or spread of invasive species and plant pests into the state and to investigate the feasibility of their control or eradication.

Subd. 2. **STATEWIDE PROGRAM.** The commissioner shall establish a statewide program to prevent the introduction and the spread of harmful plant pest and terrestrial invasive species. To the extent possible, the program must provide coordination of efforts among governmental entities and private organizations.

Subd. 3. **INVASIVE SPECIES MANAGEMENT PLAN.** The commissioner shall prepare and maintain a long-term terrestrial invasive species management plan which may include specific plans for individual species. The plan must address:

(1) coordination strategies for detection and prevention of accidental introductions;

(2) methods to disseminate information about harmful invasive species to the general public and appropriate agricultural and resource management agencies or organizations;

(3) coordination of control efforts for selected harmful terrestrial invasive species; and

(4) participation by local units of government and other state and federal agencies in the development and implementation of local management efforts.

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Subd. 4. REGIONAL COOPERATION. The commissioner shall seek cooperation with other states and Canadian provinces for the purposes of management and control of harmful invasive species.

Subd. 5. INVASIVE SPECIES ANNUAL REPORT. By January 15 of each year, the commissioner shall submit a report on harmful terrestrial invasive species to the chairs of the legislative committees having jurisdiction over environmental and agricultural resource issues. The report must include:

(1) detailed information on expenditures for administration, education, management, inspections, surveys, and research;

(2) an overview of accomplishments achieved during the prior calendar year;

(3) an analysis of the effectiveness of management activities;

(4) information related to the participation of other state and local units of government;

(5) information about shade tree protection efforts and results;

(6) an assessment of future management needs; and

(7) proposed goals for the coming year.

Sec. 12. [18G.13] LOCAL PEST CONTROL.

Subdivision 1. PURPOSE. The purpose of this section is to authorize political subdivisions to establish and fund their own programs to control pests that are likely to cause economic or environmental harm or harm to human health.

Subd. 2. CONTROL. The governing body of a county, city, or town may appropriate money to control native or exotic pests.

Subd. 3. COST. The governing body of the political subdivision may levy a tax on the taxable property within the subdivision to defray the cost of the activities authorized under subdivision 2.

Subd. 4. CERTIFICATES OF INDEBTEDNESS. To provide funds for activities authorized in subdivision 2 in advance of collection of the tax under subdivision 3, the governing body may, after the tax has been levied and certified to the county auditor for collection, issue certificates of indebtedness in anticipation of the collection and payment of the tax. The total amount of the certificates, including principal and interest, must not exceed 90 percent of the amount of the levy and must be payable from the proceeds of the levy no later than two years from the date of issuance. They must be issued on terms and conditions determined by the governing body and must be sold as provided in section 475.60. If the governing body determines that an emergency exists, it may make appropriations from the proceeds of the certificates for authorized purposes without complying with statutory or charter provisions requiring that expenditures be based on a prior budget authorization or other budgeting requirements.

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Subd. 5. DEPOSIT OF PROCEEDS IN SEPARATE FUND. The proceeds of a tax levied under subdivision 3 or an issue of certificates of indebtedness under subdivision 4 must be deposited in the municipal treasury in a separate fund and spent only for purposes authorized by this section. If no disbursement is made from the fund for a period of five years, any money remaining in the fund may be transferred to the general fund.

Subd. 6. PENALTY. A person who prevents, obstructs, or interferes with the county authorities or their agents in carrying out subdivisions 2 to 5, or neglects to comply with the rules and regulations of the county commissioners adopted under authority of those subdivisions, is guilty of a misdemeanor.

Subd. 7. REGULATIONS; SCOPE. A city council, board of county commissioners, or town board may by resolution or ordinance adopt and enforce regulations to control and prevent the spread of plant pests and diseases. The regulations may authorize appropriate officers and employees to:

- (1) enter and inspect any public or private place that might harbor plant pests;
- (2) provide for the summary removal of diseased trees from public or private places if necessary to prevent the spread of the disease;
- (3) require the owner to destroy or treat plant pests, diseased or invasive plants, or other infested material; and
- (4) provide for the work at the expense of the owner.

The expense must be a lien upon the property and may be collected as a special assessment as provided by section 429.101 or by charter. In this subdivision, "private place" means every place except a private home.

Sec. 13. [18G.14] MOSQUITO ABATEMENT.

Subdivision 1. DECLARATION OF POLICY. The abatement or suppression of mosquitoes is advisable and necessary for the maintenance and improvement of the health, welfare, and prosperity of the people. Areas where mosquitoes incubate or hatch are declared to be public nuisances and may be abated under this section. Mosquito abatement may be undertaken under sections 18.041 to 18.161 anywhere in the state by any governmental unit.

Subd. 2. ESTABLISHING LOCAL BOARD. A governmental unit may engage in mosquito abatement and establish a mosquito abatement board upon adoption of a resolution to that effect by its governing body or upon adoption of a proposal to that effect by the voters of the governmental unit in the manner provided in subdivision 3.

Subd. 3. PETITION; HEARING; ELECTION. If a petition signed by five percent of the property owners or 250 owners, whichever is less, is presented to a governing body requesting the governmental unit to engage in mosquito abatement, a public hearing must be held on the petition by the governing body within 15 days of presentation of the petition. If the governing body does not, within 15 days after the hearing, adopt a resolution to undertake mosquito abatement, the governing body must

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order a vote to be taken at the next regular election or town meeting on the proposal to undertake mosquito abatement. The governing body must provide ballots to be used at the election or meeting. The ballot must bear the words "Shall the (governmental unit) of engage in mosquito abatement?" If the majority of the votes are affirmative, the governing body must take appropriate action as soon as possible to carry on mosquito abatement. A proposal to undertake mosquito abatement that is rejected by the voters must not be resubmitted to the voters for two years.

Subd. 4. DISCONTINUING PROGRAM. If a governmental unit by action of its governing body or voters has chosen to engage in mosquito abatement, the abatement program may be discontinued in the following manner:

(1) if the mosquito abatement was originally undertaken by resolution of the governing body, then by the adoption of a resolution to that effect by the governing body, or by the adoption of a proposal to that effect by the voters of the governmental unit in the manner provided in this subdivision; and

(2) if the mosquito abatement was originally undertaken by the adoption of a proposal to that effect by the voters of the governmental unit, then only by the adoption of a proposal to that effect by the voters of the governmental unit in the manner provided in subdivision 5.

Subd. 5. PETITION; HEARING; AND ELECTION TO DISCONTINUE. If a petition signed by five percent of the property owners or 250 owners, whichever is less, is presented to the governing body engaged in mosquito abatement requesting it to discontinue mosquito abatement, a public hearing must be held on the petition by the governing body within 15 days after presentation of the petition. If the governing body does not, within 15 days after the hearing, adopt a resolution to discontinue mosquito abatement, the governing body must order a vote to be taken at the next regular election or town meeting on the proposal to discontinue mosquito abatement. The governing body shall provide ballots to be used at the election or meeting. The ballot must bear the words "Shall the (governmental unit) of discontinue mosquito abatement?" If a majority of the votes are affirmative, the governing body must take appropriate action as soon as possible to discontinue mosquito abatement. A proposal to discontinue mosquito abatement that is rejected by the voters must not be resubmitted to the voters for two years.

Subd. 6. ABATEMENT BOARD. A governing body that has decided, in the manner required by this section, to engage in mosquito abatement, shall appoint three persons to serve as members of a mosquito abatement board with powers specified in subdivision 8. Each member of the board holds office at the pleasure of the governing body and serves without compensation, except that board members may be reimbursed for actual expenses incurred in fulfilling board duties.

Subd. 7. OFFICERS; MEETINGS. Immediately after appointment of the board and at the first meeting in each succeeding calendar year, the board shall elect a chair, a secretary, a treasurer, and other necessary officers. The board shall provide for the time and place of holding regular meetings and may establish rules for proceedings. All meetings of the board are open to the public. Two members of the board constitute a

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quorum, but one member may adjourn from day to day. The board shall keep a written record of its proceedings and an itemized account of all expenditures and disbursements and that record and account must be open at all reasonable times for public inspection.

Subd. 8. **POWERS OF BOARD.** A mosquito abatement board and a joint board established under section 18.131 may, either by board action or through its members, officers, agents, or employees, as may be appropriate:

(1) enter any property within the governmental unit at reasonable times to determine whether mosquito breeding exists;

(2) take necessary and proper steps for the abatement of mosquitoes and other insects and arachnids, such as ticks, mites, and spiders, as the commissioner may designate;

(3) subject to the paramount control of county and state authorities, lagoon and clean up any stagnant pool of water and clean up shores of lakes and streams and other mosquito breeding places;

(4) spray with insecticides, approved by the commissioner, areas in the governmental unit found to be breeding places for mosquitoes or other insects or arachnids designated under clause (2);

(5) purchase supplies and equipment and employ persons necessary and proper for mosquito abatement;

(6) accept gifts of money or equipment to be used for mosquito abatement; and

(7) enter into contracts necessary to accomplish mosquito abatement.

Subd. 9. **COOPERATE WITH STATE DEPARTMENTS.** Each mosquito abatement board and each governmental unit engaged in mosquito abatement shall cooperate with the University of Minnesota, the commissioners of agriculture, health, natural resources, and transportation, and the agricultural experiment station.

Subd. 10. **TAX LEVY.** An annual tax may be levied for mosquito abatement purposes on all taxable property in any governmental unit undertaking mosquito abatement under this section. The tax must be certified, levied, and collected in the same manner as other taxes levied by the governmental unit.

Subd. 11. **CERTIFICATES OF INDEBTEDNESS.** At any time after the annual tax levy has been certified to the county auditor, and not earlier than October 10 in any year, any governing body may, for the purpose of providing the necessary funds for mosquito abatement for the succeeding year, by resolution, issue and sell as many certificates of indebtedness as may be needed in anticipation of the collection of taxes levied under subdivision 10. Certificates must not be issued in excess of 50 percent of the amount of the tax levy, as spread by the county auditor, to be collected for mosquito abatement. No certificate may be issued to become due and payable later than December 31 of the year succeeding the year in which the tax levy was made. The certificates must not be sold for less than par and accrued interest, and must not bear

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a greater rate of interest than five percent per annum. Each certificate must state upon its face that the proceeds of the certificate must be used for the mosquito abatement fund, the total amount of the certificates issued, and the amount embraced in the tax levy for that particular purpose. The certificates must be numbered consecutively and be in denominations of \$100 or multiples of \$100, may have interest coupons attached, and must be otherwise of a form, on terms, and made payable at a place that will best aid in their negotiation. The proceeds of the tax assessed and collected on account of the mosquito abatement fund must be irrevocably pledged for the redemption of the certificates issued. The certificates must be paid solely from the money derived from the levy for the year against which the certificates were issued, or, if they are not sufficient for that purpose, from the levy for the mosquito abatement fund in the next succeeding year. The money derived from the sale of the certificates must be credited to the mosquito abatement fund for the calendar year immediately succeeding the levy and may not be used or spent until the succeeding year. No certificates for any year may be issued until all certificates for prior years have been paid. No certificates may be extended.

Subd. 12. DEPOSIT AND USE OF FUNDS. All money received for mosquito abatement purposes, either by way of tax collection or the sale of certificates of indebtedness, must be deposited in the treasury of the governmental unit to the credit of a special fund to be designated as the mosquito abatement fund, must not be used for any other purpose, and must be drawn upon by the proper officials upon the properly authenticated voucher of the mosquito abatement board. No money may be paid from the fund except on orders drawn upon the officer of the governmental unit having charge of the custody of the mosquito abatement fund and signed by the chair and the secretary of the mosquito abatement board. Each mosquito abatement board shall annually file an itemized statement of all receipts and disbursements with its governing body.

Subd. 13. DUTIES OF COMMISSIONER. The commissioner:

(1) may establish rules for the conduct of mosquito abatement operations of governmental units and boards engaged in mosquito abatement; and

(2) is an ex officio member of a mosquito abatement board. The commissioner may appoint representatives to act for the commissioner as ex officio members of boards.

Subd. 14. NATURAL RESOURCES. The commissioner of natural resources must approve mosquito abatement plans or order modifications the commissioner of natural resources considers necessary for the protection of public water, wild animals, and natural resources before control operations are started on state lands administered by the commissioner of natural resources or in public waters listed on the department of natural resources public waters inventory. The commissioner of natural resources may make necessary modifications in an approved plan or revoke approval of a plan at any time upon written notice to the governing body or mosquito abatement board.

Subd. 15. COOPERATION BETWEEN GOVERNMENTAL UNITS. If two or more adjacent governmental units have authorized mosquito abatement and

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appointed the members of the mosquito abatement board, the governing bodies may, by written contract, arrange for pooling mosquito abatement funds, apportioning all costs, cooperating in the use of equipment and personnel, and engaging jointly in mosquito abatement upon terms and conditions and subject to mutually agreed upon rules. The immediate control and management of the joint project may, by the terms of the written contract, be entrusted to a joint committee composed of the chair of each of the boards or other board members.

Subd. 16. UNORGANIZED TOWNS; POWERS OF COUNTY BOARD. In any town that is unorganized politically, the county board of the county in which the town is situated has all the rights, powers, and duties conferred by this section upon the governing bodies of towns, including town boards, and the county board must act as though it were the governing body and town board of that town and may authorize and undertake mosquito abatement in the town and cause taxes to be levied for mosquito abatement the same as though the town were organized politically and the county board were the governing body and town board. The cost of mosquito abatement in such a town must be paid solely by a tax levy on the property within the town where mosquito abatement is undertaken and no part of the expense of mosquito abatement in that town may be a county expense or paid by the county.

Subd. 17. COST OF STATE'S SERVICE; REFUNDS. The actual cost to the state of any service rendered or expense incurred by the commissioner of agriculture or natural resources under this section for the benefit of a mosquito abatement board must be reimbursed by the appropriate governmental unit.

Sec. 14. [18G.16] SHADE TREE PEST AND DISEASE CONTROL.

Subdivision 1. DEFINITIONS. (a) The definitions in this subdivision apply to this section.

(b) "Metropolitan area" means the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

(c) "Municipality" means a home rule charter or statutory city or a town located in the metropolitan area that exercises municipal powers under section 368.01 or any general or special law; a special park district organized under chapter 398; a special-purpose park and recreation board organized under the city charter of a city of the first class located in the metropolitan area; a county in the metropolitan area for the purposes of county-owned property or any portion of a county located outside the geographic boundaries of a city or a town exercising municipal powers; and a municipality or county located outside the metropolitan area with an approved disease control program.

(d) "Shade tree disease" means Dutch elm disease, oak wilt, or any disorder affecting the growth and life of shade trees.

(e) "Wood utilization or disposal system" means facilities, equipment, or systems used for the removal and disposal of diseased shade trees, including collection, transportation, processing, or storage of wood and assisting in the recovery of materials or energy from wood.

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(f) “Approved disease control program” means a municipal plan approved by the commissioner to control shade tree disease.

(g) “Disease control area” means an area approved by the commissioner within which a municipality will conduct an approved disease control program.

(h) “Sanitation” means the identification, inspection, disruption of a common root system, girdling, trimming, removal, and disposal of dead or diseased wood of shade trees, including subsidies for trees removed pursuant to subdivision 4, on public or private property within a disease control area.

(i) “Reforestation” means the replacement of shade trees removed from public property and the planting of a tree as part of a municipal disease control program. For purposes of this paragraph, “public property” includes private property within five feet of the boulevard or street terrace in a city that enacted an ordinance on or before January 1, 1977, that prohibits or requires a permit for the planting of trees in the public right-of-way.

Subd. 2. COMMISSIONER TO ADOPT RULES. The commissioner may adopt rules relating to shade tree pest and disease control in any municipality. The rules must prescribe control measures to be used to prevent the spread of shade tree pests and diseases and must include the following:

- (1) a definition of shade tree;
- (2) qualifications for tree inspectors;
- (3) methods of identifying diseased or infested shade trees;
- (4) procedures for giving reasonable notice of inspection of private real property;
- (5) measures for the removal of any shade tree which may contribute to the spread of shade tree pests or disease and for reforestation of pest or disease control areas;
- (6) approved methods of treatment of shade trees;
- (7) criteria for priority designation areas in an approved pest or disease control program; and
- (8) any other matters determined necessary by the commissioner to prevent the spread of shade tree pests or disease and enforce this section.

Subd. 3. DIAGNOSTIC LABORATORY. The commissioner shall operate a diagnostic laboratory for culturing diseased or infested trees for positive identification of diseased or infested shade trees.

Subd. 4. COOPERATION BY UNIVERSITY. The University of Minnesota College of Natural Resources shall cooperate with the department in control of shade tree disease, pests, and disorders and management of shade tree populations. The College of Natural Resources shall cooperate with the department to conduct tree inspector certification and recertification workshops for certified tree inspectors. The College of Natural Resources shall also conduct research into means for identifying diseased shade trees, develop and evaluate control measures, and develop means for disposing of and using diseased shade trees.

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Subd. 5. EXPERIMENTAL PROGRAMS. The commissioner may establish experimental programs for sanitation or treatment of shade tree diseases and for research into tree varieties most suitable for municipal reforestation. The research must include considerations of disease resistance, energy conservation, and other factors considered appropriate. The commissioner may make grants to municipalities or enter into contracts with municipalities, nurseries, colleges, universities, or state or federal agencies in connection with experimental shade tree programs including research to assist municipalities in establishing priority designation areas for shade tree disease control and energy conservation.

Subd. 6. REMOVAL OF DISEASED OR INFESTED TREES. After reasonable notice of inspection, an owner of real property containing a shade tree that is diseased, infested, or may contribute to the spread of pests or disease, must remove or treat the tree within the period of time and in the manner established by the commissioner. Trees that are not removed in compliance with the commissioner's rules must be declared a public nuisance and removed or treated by approved methods by the municipality, which may assess all or part of the expense, limited to the lowest contract rates available that include wage levels which meet Minnesota minimum wage standards, to the property and the expense becomes a lien on the property. A municipality may assess not more than 50 percent of the expense of treating with an approved method or removing diseased shade trees located on street terraces or boulevards to the abutting properties and the assessment becomes a lien on the property.

Subd. 7. RULES; APPLICABILITY TO MUNICIPALITIES. The rules of the commissioner apply in a municipality unless the municipality adopts an ordinance determined by the commissioner to be more stringent than the rules of the commissioner. The rules of the commissioner or the municipality apply to all state agencies, special purpose districts, and metropolitan commissions as defined in section 473.121, subdivision 5a, that own or control land adjacent to or within a shade tree disease control area.

Subd. 8. GRANTS TO MUNICIPALITIES. (a) The commissioner may, in the name of the state and within the limit of appropriations provided, make a grant to a municipality with an approved disease control program for the partial funding of municipal sanitation and reforestation programs to replace trees lost to disease or natural disaster. The commissioner may make a grant to a home rule charter or statutory city, a special purpose park and recreation board organized under a charter of a city of the first class, a nonprofit corporation serving a city of the first class, or a county having an approved disease control program for the acquisition or implementation of a wood use or disposal system.

(b) The commissioner shall adopt rules for the administration of grants under this subdivision. The rules must contain:

- (1) procedures for grant applications;

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(2) conditions and procedures for the administration of grants;

(3) criteria of eligibility for grants including, but not limited to, those specified in this subdivision; and

(4) other matters the commissioner may find necessary to the proper administration of the grant program.

(c) Grants for wood utilization and disposal systems made by the commissioner under this subdivision must not exceed 50 percent of the total cost of the system. Grants for sanitation and reforestation must be combined into one grant program. Grants to a municipality for sanitation must not exceed 50 percent of sanitation costs approved by the commissioner including any amount of sanitation costs paid by special assessments, ad valorem taxes, federal grants, or other funds. A municipality must not specially assess a property owner an amount greater than the amount of the tree's sanitation cost minus the amount of the tree's sanitation cost reimbursed by the commissioner. Grants to municipalities for reforestation must not exceed 50 percent of the wholesale cost of the trees planted under the reforestation program; provided that a reforestation grant to a county may include 90 percent of the cost of the first 50 trees planted on public property in a town not included in the definition of municipality in subdivision 1 and with less than 1,000 population when the town applies to the county. Reforestation grants to towns and home rule charter or statutory cities of less than 4,000 population with an approved disease control program may include 90 percent of the cost of the first 50 trees planted on public property. The governing body of a municipality that receives a reforestation grant under this section must appoint up to seven residents of the municipality or designate an existing municipal board or committee to serve as a reforestation advisory committee to advise the governing body of the municipality in the administration of the reforestation program. For the purpose of this subdivision, "cost" does not include the value of a gift or dedication of trees required by a municipal ordinance but does include documented "in-kind" services or voluntary work for municipalities with a population of less than 1,000 according to the most recent federal census.

(d) Based upon estimates submitted by the municipality to the commissioner, which state the estimated costs of sanitation and reforestation in the succeeding quarter under an approved program, the commissioner shall direct quarterly advance payments to be made by the state to the municipality commencing April 1. The commissioner shall direct adjustment of any overestimate in a succeeding quarter. A municipality may elect to receive the proceeds of its sanitation and reforestation grants on a periodic cost reimbursement basis.

(e) A home rule charter or statutory city, county outside the metropolitan area, or any municipality, as defined in subdivision 1, may submit an application for a grant authorized by this subdivision concurrently with its request for approval of a disease control program.

(f) The commissioner shall not make grants for sanitation and reforestation or wood utilization and disposal systems in excess of 67 percent of the amounts

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appropriated for those purposes to the municipalities located within the metropolitan area, as defined in subdivision 1.

Subd. 9. SUBSIDIES TO CERTAIN OWNERS. A municipality may provide subsidies to nonprofit organizations, to owners of private residential property of five acres or less, to owners of property used for a homestead of more than five acres but less than 20 acres, and to nonprofit cemeteries for the approved treatment or removal of diseased shade trees.

Notwithstanding any law to the contrary, an owner of property on which shade trees are located may contract with a municipality to provide protection against the cost of approved treatment or removal of diseased shade trees or shade trees that will contribute to the spread of shade tree diseases. Under the contract, the municipality must pay for the removal or approved treatment under terms and conditions determined by its governing body.

Subd. 10. TREE INSPECTOR. (a) The governing body of each municipality may appoint a qualified tree inspector. In accordance with section 471.59, two or more municipalities may jointly appoint a tree inspector for the purpose of administering the rules or ordinances in their communities. If a municipality has not appointed a tree inspector by January 1 in any year, the commissioner may assign a qualified employee of the department of agriculture to perform the duties of the tree inspector. The expense of a tree inspector appointed by the commissioner must be paid by the municipality. If an employee of the department of agriculture performs those duties, the expense must be billed to the municipality and paid into the state treasury and credited to the nursery and phytosanitary account.

(b) Upon a determination by the commissioner that a candidate for the position of tree inspector is qualified, the commissioner shall issue a certificate of qualification to the tree inspector. The certificate is valid for one year. A person certified as a tree inspector by the commissioner is authorized upon prior notification to enter and inspect any public or private property that might harbor diseased or infested shade trees.

(c) The commissioner may, upon notice and hearing, decertify a tree inspector if it appears that the tree inspector has failed to act competently or in the public interest in the performance of duties. Notice must be provided and a hearing conducted according to the provisions of chapter 14 governing contested case proceedings. Nothing in this paragraph limits or otherwise affects the authority of a municipality to dismiss or suspend a tree inspector in its discretion.

Subd. 11. FINANCING. (a) A municipality may collect the amount assessed against the property under subdivision 1 as a special assessment and may issue obligations as provided in section 429.101, subdivision 1. The municipality may, at its option, make any assessment levied payable with interest in installments not to exceed five years from the date of the assessment.

(b) After a contract for the sanitation or approved treatment of trees on private property has been approved or the work begun, the municipality may issue obligations to defray the expense of the work financed by special assessments imposed upon

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private property. Section 429.091 applies to those obligations with the following modifications:

(1) the obligations must be payable not more than five years from the date of issuance; and

(2) no election is required.

The certificates must not be included in the net debt of the issuing municipality.

Subd. 12. DEPOSIT OF PROCEEDS IN SEPARATE FUND. Proceeds of taxes, assessments, and interest collected under this section, bonds or certificates of indebtedness issued under subdivision 10, and grants received under subdivision 7 must be deposited in the municipal treasury in a separate fund and spent only for the purposes authorized by this section.

Subd. 13. WOOD USE. The departments of agriculture and natural resources, after consultation with the Minnesota shade tree advisory committee, may investigate, evaluate, and make recommendations to the legislature concerning the potential uses of wood from community trees removed due to disease or other disorders. These recommendations shall include maximum resource recovery through recycling, use as an alternative energy source, or use in construction or the manufacture of new products.

Subd. 14. MUNICIPAL OPTION TO PARTICIPATE IN PROGRAM. The term "municipality" shall include only those municipalities which have informed the commissioner of their intent to continue an approved disease control program. Any municipality desiring to participate in the grants-in-aid for the partial funding of municipal sanitation and reforestation programs must notify the commissioner in writing before the beginning of the calendar year in which it wants to participate and must have an approved disease control program during any year in which it receives grants-in-aid. Notwithstanding the provisions of any law to the contrary, no municipality shall be required to have an approved disease control program after December 31, 1981.

Subd. 15. CERTAIN SPECIES NOT SUBJECT TO CHAPTER 18G. Chapter 18G does not apply to exotic aquatic plants and wild animal species regulated under chapter 84D.

ARTICLE 5

NURSERY LAW

Section 1. **[18H.02] DEFINITIONS.**

Subdivision 1. SCOPE. The definitions in this section apply to this chapter.

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Subd. 2. **AGENT.** “Agent” means a person who, on behalf of another person, receives on consignment, contracts for, or solicits for sale on commission, a plant product from a producer of the product or negotiates the consignment or purchase of a plant product on behalf of another person.

Subd. 3. **ANNUAL.** “Annual” means a plant growing in Minnesota with a life cycle of less than one year.

Subd. 4. **CERTIFICATE.** “Certificate” means a document authorized or prepared by a federal or state regulatory official that affirms, declares, or verifies that a plant, product, shipment, or other officially regulated item meets phytosanitary, nursery inspection, pest freedom, plant registration or certification, or other legal requirements.

Subd. 5. **CERTIFICATION.** “Certification” means a regulatory official’s act of affirming, declaring, or verifying compliance with phytosanitary, nursery inspection, pest freedom, plant registration or certification, or other legal requirements.

Subd. 6. **CERTIFIED NURSERY STOCK.** “Certified nursery stock” means nursery stock which has been officially inspected by the commissioner and found apparently free of quarantine and regulated nonquarantine pests or significant dangerous or potentially damaging plant pests.

Subd. 7. **COMMISSIONER.** “Commissioner” means the commissioner of agriculture or the commissioner’s designated employee, representative, or agent.

Subd. 8. **CONSIGNEE.** “Consignee” means a person to whom a plant, nursery stock, horticultural product, or plant product is shipped for handling, planting, sale, resale, or any other purpose.

Subd. 9. **CONSIGNOR.** “Consignor” means a person who ships or delivers to a consignee a plant, nursery stock, horticultural product, or plant product for handling, planting, sale, resale, or any other purpose.

Subd. 10. **CONTAINER-GROWN.** “Container-grown” means a plant that was produced from a liner or cutting in a container.

Subd. 11. **DEPARTMENT.** “Department” means the Minnesota department of agriculture.

Subd. 12. **DISTRIBUTE.** “Distribute” means offer for sale, sell, barter, ship, deliver for shipment, receive and deliver, offer to deliver, receive on consignment, contract for, solicit for sale on commission, or negotiate the consignment or purchase in this state.

Subd. 13. **INFECTED.** “Infected” means a plant that is:

- (1) contaminated with pathogenic microorganisms;
- (2) being parasitized;
- (3) a host or carrier of an infectious, transmissible, or contagious pest; or

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(4) so exposed to a plant listed in clause (1), (2), or (3) that one of those conditions can reasonably be expected to exist and the plant may also pose a risk of contamination to other plants or the environment.

Subd. 14. INFESTED. “Infested” means a plant has been overrun by plant pests, including weeds.

Subd. 15. LANDSCAPER. “Landscaper” includes, but is not limited to, a nursery stock dealer or person who procures certified stock for immediate sale, distribution, or transplantation and who does not grow or care for nursery stock.

Subd. 16. MARK. “Mark” means an official indicator affixed by the commissioner for purposes of identification or separation to, on, around, or near plants or plant material known or suspected to be infected with a plant pest. This includes, but is not limited to, paint, markers, tags, seals, stickers, tape, ribbons, signs, or placards.

Subd. 17. NURSERY. “Nursery” means a place where nursery stock is grown, propagated, collected, or distributed, including, but not limited to, private property or property owned, leased, or managed by any agency of the United States, Minnesota or its political subdivisions, or any other state or its political subdivisions where nursery stock is fumigated, treated, packed, or stored.

Subd. 18. NURSERY CERTIFICATE. “Nursery certificate” means a document issued by the commissioner recognizing that a person is eligible to sell, offer for sale, or distribute certified nursery stock at a particular location under a specified business name.

Subd. 19. NURSERY HOBBYIST. “Nursery hobbyist” means a person who grows, offers for sale, or distributes less than \$2,000 worth of certified nursery stock annually.

Subd. 20. NURSERY STOCK. “Nursery stock” means a plant intended for planting or propagation, including, but not limited to, trees, shrubs, vines, perennials, biennials, grafts, cuttings, and buds that may be sold for propagation, whether cultivated or wild, and all viable parts of these plants. Nursery stock does not include:

- (1) field and forage crops;
- (2) the seeds of grasses, cereal grains, vegetable crops, and flowers;
- (3) vegetable plants, bulbs, or tubers;
- (4) cut flowers, unless stems or other portions are intended for propagation;
- (5) annuals; or
- (6) Christmas trees.

Subd. 21. NURSERY STOCK BROKER. “Nursery stock broker” means a nursery stock dealer engaged in the business of selling or reselling nursery stock as a business transaction without taking ownership or handling the nursery stock.

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Subd. 22. NURSERY STOCK DEALER. “Nursery stock dealer” means a person involved in the acquisition and further distribution of nursery stock; the utilization of nursery stock for landscaping or purchase of nursery stock for other persons; or the distribution of nursery stock with a mechanical digger, commonly known as a tree spade, or by any other means. A person who purchases more than half of the nursery stock offered for sale at a sales location during the current certificate year is considered a nursery stock dealer rather than a nursery stock grower for the purposes of determining a proper fee schedule. Nursery stock brokers, landscapers, and tree spade operators are considered nursery stock dealers for purposes of determining proper certification.

Subd. 23. NURSERY STOCK GROWER. “Nursery stock grower” includes, but is not limited to, a person who raises, grows, or propagates nursery stock, outdoors or indoors. A person who grows more than half of the nursery stock offered for sale at a sales location during the current certificate year is considered a nursery stock grower for the purpose of determining a proper fee schedule.

Subd. 24. OWNER. “Owner” includes, but is not limited to, the person with the legal right of possession, proprietorship of, or responsibility for the property or place where any of the articles regulated in this chapter are found, or the person who is in possession of, proprietorship of, or has responsibility for the regulated articles.

Subd. 25. PERSON. “Person” means an individual, firm, corporation, partnership, association, trust, joint stock company, unincorporated organization, the state, a state agency, or a political subdivision.

Subd. 26. PLACE OF ORIGIN. “Place of origin” means the county and state where nursery stock was most recently certified or grown for at least one full growing season.

Subd. 27. PLANT. “Plant” means a plant, plant product, plant part, or reproductive or propagative part of a plant, plant product, or plant part, including all growing media, packing material, or containers associated with the plants, plant parts, or plant products.

Subd. 28. PLANT PEST. “Plant pest” means a biotic agent that causes or may cause harm to plants.

Subd. 29. PUBLIC NUISANCE. “Public nuisance” means:

(1) a plant, appliance, conveyance, or article that is infested with plant pests that may cause significant damage or harm; or

(2) premises where a plant pest is found.

Subd. 30. QUARANTINE. “Quarantine” means an enforced isolation or restriction of free movement of plants, plant material, animals, animal products, or any article or material in order to treat, control, or eradicate a plant pest.

Subd. 31. REGULATED NONQUARANTINE PEST. “Regulated nonquarantine pest” means a plant pest that has not been quarantined by state or federal agencies

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and whose presence in plants or articles may pose an unacceptable risk to nursery stock, other plants, the environment, or human activities.

Subd. 32. SALES LOCATION. "Sales location" means a fixed location from which nursery stock is displayed or distributed.

Subd. 33. TREE SPADE. "Tree spade" means a mechanical device or machinery capable of removing nursery stock, root system, and soil from the planting in one operation.

Subd. 34. TREE SPADE OPERATOR. "Tree spade operator" means a nursery stock dealer who uses a tree spade to dig nursery stock and sells, offers for sale, distributes, and transports certified nursery stock.

Sec. 2. [18H.03] POWERS AND DUTIES OF COMMISSIONER.

Subdivision 1. EMPLOYEES. The commissioner may employ entomologists, plant pathologists, and other employees necessary to administer this chapter.

Subd. 2. ENTRY AND INSPECTION; FEES. (a) The commissioner may enter and inspect a public or private place that might harbor plant pests and may require that the owner destroy or treat plant pests, plants, or other material.

(b) If the owner fails to properly comply with a directive of the commissioner within a given period of time, the commissioner may have any necessary work done at the owner's expense. If the owner does not reimburse the commissioner for the expense within a time specified by the commissioner, the expense is a charge upon the county as provided in subdivision 4.

(c) If a dangerous plant pest infestation or infection threatens plants of an area in the state, the commissioner may take any measures necessary to eliminate or alleviate the danger.

(d) The commissioner may collect fees required by this chapter.

(e) The commissioner may issue and enforce a written or printed "stop-sale" order to the owner or custodian of any nursery stock if fees required by the nursery are not paid. The commissioner may not be held liable for the deterioration of nursery stock during the period for which it is held pursuant to a stop-sale order.

Subd. 3. QUARANTINES. The commissioner may impose a quarantine to restrict or prohibit the transportation of nursery stock, plants, or other materials capable of carrying plant pests into or through any part of the state.

Subd. 4. COLLECTION OF CHARGES FOR WORK DONE FOR OWNER. If the commissioner incurs an expense in conjunction with carrying out subdivision 2 and is not reimbursed by the owner of the land, the expense is a legal charge against the land. After the expense is incurred, the commissioner shall file verified and itemized statements of the cost of all services rendered with the county auditor of the county in which the land is located. The county auditor shall place a lien in favor of the commissioner against the land involved, certified by the county auditor, and collected according to section 429.101.

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Subd. 5. DELEGATION AUTHORITY. The commissioner may, by written agreements, delegate specific inspection, enforcement, and other regulatory duties of this chapter to officials of other agencies. This delegation may only be made to a state agency, a political subdivision, or a political subdivision's agency that has signed a joint powers agreement with the commissioner as provided in section 471.59.

Subd. 6. DISSEMINATION OF INFORMATION. The commissioner may disseminate information among growers relative to treatment of nursery stock in both prevention and elimination of attack by plant pests and diseases.

Subd. 7. OTHER DUTIES OF SERVICE. The commissioner may carry out other duties or responsibilities that are of service to the industry or that may be necessary for the protection of the industry.

Sec. 3. **[18H.04] ADOPTION OF RULES.**

The commissioner may adopt rules to carry out the purposes of this chapter. The rules may include, but are not limited to, rules in regard to labeling and the maintenance of viability and vigor of nursery stock. Rules of the commissioner that are in effect on July 1, 2003, relating to plant protection, nursery inspection, or the Plant Pest Act remain in effect until they are superseded by new rules.

Sec. 4. **[18H.05] NURSERY CERTIFICATE REQUIREMENTS.**

(a) No person may offer for sale or distribute nursery stock as a nursery stock grower or dealer without first obtaining the appropriate nursery stock certificate from the commissioner. Certificates are issued solely for these purposes and may not be used for other purposes.

(b) A certificate issued by the commissioner expires on December 31 of the year it is issued.

(c) A person required to be certified by this section must apply for a certificate or for renewal on a form furnished by the commissioner which must contain:

(1) the name and address of the applicant, the number of locations to be operated by the applicant and their addresses, and the assumed business name of the applicant;

(2) if other than an individual, a statement whether a person is a partnership, corporation, or other organization; and

(3) the type of business to be operated and, if the applicant is an agent, the principals the applicant represents.

(d) No person may:

(1) falsely claim to be a certified dealer, grower, broker, or agent; or

(2) make willful false statements when applying for a certificate.

(e) Each application for a certificate must be accompanied by the appropriate certificate fee under section 18H.07.

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(f) Certificates issued by the commissioner must be prominently displayed to the public in the place of business where nursery stock is sold or distributed.

(g) The commissioner may refuse to issue a certificate for cause.

(h) Each grower or dealer is entitled to one sales location under the certificate of the grower or dealer. Each additional sales location maintained by the person requires the payment of the full certificate fee for each additional sales outlet.

(i) A grower who is also a dealer is certified only as a grower for that specific site.

(j) A certificate is personal to the applicant and may not be transferred. A new certificate is necessary if the business entity is changed or if the membership of a partnership is changed, whether or not the business name is changed.

(k) The certificate issued to a dealer or grower applies to the particular premises named in the certificate. However, if prior approval is obtained from the commissioner, the place of business may be moved to the other premises or location without an additional certificate fee.

(l) A collector of nursery stock from the wild is required to obtain a dealer's certificate from the commissioner and is subject to all the requirements that apply to the inspection of nursery stock. All collected nursery stock must be labeled as "collected from the wild."

Sec. 5. [18H.06] EXEMPT NURSERY SALES.

Subdivision 1. NOT-FOR-PROFIT SALES. An organization or individual may offer for sale certified nursery stock and be exempt from the requirement to obtain a nursery stock dealer certificate if sales are conducted by a nonprofit charitable, educational, or religious organization that:

(1) conducts sales or distributions of certified nursery stock on 14 or fewer days in a calendar year; and

(2) uses the proceeds from its certified nursery stock sales or distribution for charitable, educational, or religious purposes.

Subd. 2. NURSERY HOBBYIST SALES. (a) An organization or individual may offer nursery stock for sale and be exempt from the requirement to obtain a nursery stock dealer certificate if:

(1) the gross sales of all nursery stock in a calendar year do not exceed \$2,000;

(2) all nursery stock sold or distributed by the hobbyist is intended for planting in Minnesota; and

(3) all nursery stock purchased or procured for resale or distribution was grown in Minnesota and has been certified by the commissioner.

(b) The commissioner may prescribe the conditions of the exempt nursery sales under this subdivision and may conduct routine inspections of the nursery stock offered for sale.

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Sec. 6. [18H.07] FEE SCHEDULE.

Subdivision 1. ESTABLISHMENT OF FEES. The commissioner shall establish fees sufficient to allow for the administration and enforcement of this chapter and rules adopted under this chapter, including the portion of general support costs and statewide indirect costs of the agency attributable to that function, with a reserve sufficient for up to six months. The commissioner shall review the fee schedule annually in consultation with the Minnesota nursery and landscape advisory committee. For the certificate year beginning January 1, 2004, the fees are as described in this section.

Subd. 2. NURSERY STOCK GROWER CERTIFICATE. (a) A nursery stock grower must pay an annual fee based on the area of all acreage on which nursery stock is grown for certification as follows:

- (1) less than one-half acre, \$150;
- (2) from one-half acre to two acres, \$200;
- (3) over two acres up to five acres, \$300;
- (4) over five acres up to ten acres, \$350;
- (5) over ten acres up to 20 acres, \$500;
- (6) over 20 acres up to 40 acres, \$650;
- (7) over 40 acres up to 50 acres, \$800;
- (8) over 50 acres up to 200 acres, \$1,100;
- (9) over 200 acres up to 500 acres, \$1,500; and
- (10) over 500 acres, \$1,500 plus \$2 for each additional acre.

(b) In addition to the fees in paragraph (a), a penalty of ten percent of the fee due must be charged for each month that the fee is delinquent for any application for renewal not received by January 1 of the year following expiration of a certificate.

Subd. 3. NURSERY STOCK DEALER CERTIFICATE. (a) A nursery stock dealer must pay an annual fee based on the dealer's gross sales of nursery stock per location during the preceding certificate year. A certificate applicant operating for the first time must pay the minimum fee. The fees per sales location are:

- (1) gross sales up to \$20,000, \$150;
- (2) gross sales over \$20,000 up to \$100,000, \$175;
- (3) gross sales over \$100,000 up to \$250,000, \$300;
- (4) gross sales over \$250,000 up to \$500,000, \$425;
- (5) gross sales over \$500,000 up to \$1,000,000, \$550;
- (6) gross sales over \$1,000,000 up to \$2,000,000, \$675; and
- (7) gross sales over \$2,000,000, \$800.

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(b) In addition to the fees in paragraph (a), a penalty of ten percent of the fee due must be charged for each month that the fee is delinquent for any application for renewal not received by January 1 of the year following expiration of a certificate.

Subd. 4. REINSPECTION; ADDITIONAL OR OPTIONAL INSPECTION FEES. If a reinspection is required or an additional inspection is needed or requested a fee must be assessed based on mileage and inspection time as follows:

(1) mileage must be charged at the current United States Internal Revenue Service reimbursement rate; and

(2) inspection time must be charged at the rate of \$50 per hour, including the driving time to and from the location in addition to the time spent conducting the inspection.

Sec. 7. [18H.08] LOCAL SALES AND MISCELLANEOUS.

Subdivision 1. SERVICES AND FEES. The commissioner may make small lot inspections or perform other necessary services for which another charge is not specified. For these services the commissioner shall set a fee plus expenses that will recover the cost of performing this service. The commissioner may set an additional acreage fee for inspection of seed production fields for exporters in order to meet domestic and foreign plant quarantine requirements.

Subd. 2. VIRUS DISEASE-FREE CERTIFICATION. The commissioner may provide special services such as virus disease-free certification and other similar programs. Participation by nursery stock growers is voluntary. Plants offered for sale as certified virus-free must be grown according to certain procedures in a manner defined by the commissioner for the purpose of eliminating viruses and other injurious disease or insect pests. The commissioner shall collect reasonable fees from participating nursery stock growers for services and materials that are necessary to conduct this type of work.

Sec. 8. [18H.09] NURSERY INSPECTIONS REQUIRED.

(a) All nursery stock growing sites in Minnesota must have had an inspection by the commissioner during the previous 12 months and found apparently free from quarantine and regulated nonquarantine pests as well as significantly dangerous or potentially damaging plant pests. All nursery stock originating from out of state and offered for sale in Minnesota must have been inspected by the appropriate state or federal agency during the previous 12 months and found free from quarantine and regulated nonquarantine pests as well as significantly dangerous or potentially damaging plant pests. A nursery stock certificate is valid from January 1 to December 31.

(b) Nursery stock must be accessible to the commissioner for inspection during regular business hours. Weeds or other growth that hinder a proper inspection are grounds to suspend or withhold a certificate or require a reinspection.

(c) Inspection reports issued to growers must contain a list of the plant pests found at the time of inspection. Withdrawal-from-distribution orders are considered part of

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the inspection reports. A withdrawal-from-distribution order must contain a list of plants withdrawn from distribution and the location of the plants.

(d) The commissioner may post signs to delineate sections withdrawn from distribution. These signs must remain in place until the commissioner removes them or grants written permission to the grower to remove the signs.

(e) Inspection reports issued to dealers must outline the violations involved and corrective actions to be taken including withdrawal-from-distribution orders which would specify nursery stock that could not be distributed from a certain area.

(f) Optional inspections of plants may be conducted by the commissioner upon request by any persons desiring an inspection. A fee as provided in section 18H.07 must be charged for such an inspection.

Sec. 9. [18H.10] STORAGE OF NURSERY STOCK.

All nursery stock must be kept and displayed under conditions of temperature, light, and moisture sufficient to maintain the viability and vigor of the nursery stock.

Sec. 10. [18H.11] NURSERY STOCK STANDARDS.

The American Standard for Nursery Stock, ANSI Z60.1, published by the Nursery and Landscape Association, must be used by the commissioner in determining standards and grades of nursery stock when not in conflict with this chapter.

Sec. 11. [18H.12] DAMAGED, DISEASED, INFESTED, OR MISREPRESENTED STOCK.

(a) No person may knowingly offer to distribute, advertise, or display nursery stock that is infested or infected with quarantine or regulated nonquarantine pests or significant dangerous or potentially damaging plant pests, including noxious weeds or nursery stock that is in a dying condition, desiccated, frozen or damaged by freezing, or materially damaged in any way.

(b) No person may knowingly offer to distribute, advertise, or display nursery stock that may result in the capacity and tendency or effect of deceiving any purchaser or prospective purchaser as to the quantity, size, grade, kind, species name, age, variety, maturity, condition, vigor, hardiness, number of times transplanted, growth ability, growth characteristics, rate of growth, time required before flowering or fruiting, price, origin, place where grown, or any other material respect.

(c) Upon discovery or notification of damaged, diseased, infested, or misrepresented stock, the commissioner may place a stop-sale and distribution order on the material. The order makes it an illegal action to distribute, give away, destroy, alter, or tamper with the plants.

(d) The commissioner may conspicuously mark all plants, materials, and articles known or suspected to be infected or infested with quarantine or regulated nonquarantine pests or significant dangerous or potentially damaging plant pests. The commissioner shall notify the persons, owners, or the tenants in possession of the premises or area in question of the existence of the plant pests.

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(e) If the commissioner determines that this chapter has been violated, the commissioner may order that the nuisance, infestation, infection, or plant pest be abated by whatever means necessary, including, but not limited to, destruction, confiscation, treatment, return shipment, or quarantine.

(f) The plant owner is liable for all costs associated with a stop order or a quarantine, treatment, or destruction of plants. The commissioner is not liable for any actual or incidental costs incurred by a person due to authorized actions of the commissioner. The commissioner must be reimbursed by the owner of plants for actual expenses incurred by the commissioner in carrying out a stop order.

Sec. 12. [18H.13] SHIPMENT OF NURSERY STOCK INTO MINNESOTA.

Subdivision 1. LABELING. Plants, plant materials, or nursery stock distributed into Minnesota must be conspicuously labeled on the exterior with the name of the consignor, the state of origin, and the name of the consignee and must be accompanied by certification documents to satisfy all applicable state and federal quarantines. Proof of valid nursery certification must also accompany the shipment. It is the shared responsibility of both the consignee and consignor to examine all shipments for the presence of current and applicable nursery stock certifications for all plant material from all sources of stock in each shipment.

Subd. 2. RECIPROCITY. A person residing outside the state may distribute nursery stock in Minnesota if:

(1) the person is duly certified under the nursery laws of the state where the nursery stock originates and the laws of that state are essentially equivalent to the laws of Minnesota as determined by the commissioner; and

(2) the person complies with this chapter and the rules governing nursery stock distributed in Minnesota.

Subd. 3. RECIPROCAL AGREEMENTS. The commissioner may cooperate with and enter into reciprocal agreements with other states regarding licensing and movement of nursery stock. Reciprocal agreements with other states do not prevent the commissioner from prohibiting the distribution in Minnesota of any nursery stock that fails to meet minimum criteria for nursery stock of Minnesota certified growers, dealers, or both. An official directory of certified nurseries and related nursery industry businesses from other states is acceptable in lieu of individual nursery certificates.

Subd. 4. FOREIGN NURSERY STOCK. A person receiving a shipment of nursery stock from a foreign country that has not been inspected and released by the United States Department of Agriculture at the port of entry must notify the commissioner of the arrival of the shipment, its contents, and the name of the consignor. The person must hold the shipment unopened until inspected or released by the commissioner.

Subd. 5. TRANSPORTATION COMPANIES. A person who acts as the representative of a transportation company, private carrier, commercial shipper, common carrier, express parcel carrier, or other transportation entity, and receives,

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ships, or otherwise distributes a carload, box, container, or any package of plants, plant materials, or nursery stock, that does not have all required certificates attached as required or fails to immediately notify the commissioner is in violation of this chapter.

Sec. 13. [18H.14] LABELING AND ADVERTISING OF NURSERY STOCK.

(a) Plants, plant materials, or nursery stock must not be labeled or advertised with false or misleading information including, but not limited to, scientific name, variety, place of origin, hardiness zone as defined by the United States Commissioner of Agriculture, and growth habit.

(b) A person may not offer for distribution plants, plant materials, or nursery stock, represented by some specific or special form of notation, including, but not limited to, "free from" or "grown free of," unless the plants are produced under a specific program approved by the commissioner to address the specific plant properties addressed in the special notation claim.

Sec. 14. [18H.15] VIOLATIONS.

(a) A person who offers to distribute nursery stock that is uncertified, uninspected, or falsely labeled or advertised possesses an illegal regulated commodity that is considered infested or infected with harmful plant pests and subject to regulatory action and control. If the commissioner determines that the provisions of this section have been violated, the commissioner may order the destruction of all of the plants unless the person:

(1) provides proper phytosanitary preclearance, phytosanitary certification, or nursery stock certification;

(2) agrees to have the plants, plant materials, or nursery stock returned to the consignor; and

(3) provides proper documentation, certification, or compliance to support advertising claims.

(b) The plant owner is liable for all costs associated with a withdrawal-from-distribution order or the quarantine, treatment, or destruction of plants. The commissioner is not liable for actual or incidental costs incurred by a person due to the commissioner's actions. The commissioner must be reimbursed by the owner of the plants for the actual expenses incurred in carrying out a withdrawal-from-distribution order or the quarantine, treatment, or destruction of any plants.

(c) It is unlawful for a person to:

(1) misrepresent, falsify, or knowingly distribute, sell, advertise, or display damaged, mislabeled, misrepresented, infested, or infected nursery stock;

(2) fail to obtain a nursery certificate as required by the commissioner;

(3) fail to renew a nursery certificate, but continue business operations;

(4) fail to display a nursery certificate;

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- (5) misrepresent or falsify a nursery certificate;
- (6) refuse to submit to a nursery inspection;
- (7) fail to provide the cooperation necessary to conduct a successful nursery inspection;
- (8) offer for sale uncertified plants, plant materials, or nursery stock;
- (9) possess an illegal regulated commodity;
- (10) violate or disobey a commissioner's order;
- (11) violate a quarantine issued by the commissioner;
- (12) fail to obtain phytosanitary certification for plant material or nursery stock brought into Minnesota;
- (13) deface, mutilate, or destroy a nursery stock certificate, phytosanitary certificate, or phytosanitary preclearance certificate, or other commissioner mark, permit, or certificate;
- (14) fail to notify the commissioner of an uncertified shipment of plants, plant materials, or nursery stock; or
- (15) transport uncertified plants, plant materials, or nursery stock in Minnesota.

Sec. 15. [18H.16] POLITICAL SUBDIVISION ORDINANCES.

A political subdivision must not enact an ordinance or resolution that conflicts with this chapter.

Sec. 16. [18H.17] NURSERY AND PHYTOSANITARY ACCOUNT.

A nursery and phytosanitary account is established in the state treasury. The fees and penalties collected under this chapter and interest attributable to money in the account must be deposited in the state treasury and credited to the nursery and phytosanitary account in the agricultural fund. Money in the account, including interest earned, is annually appropriated to the commissioner for the administration and enforcement for this chapter.

Sec. 17. [18H.18] CONSERVATION OF CERTAIN WILDFLOWERS.

Subdivision 1. RESTRICTIONS ON COLLECTING. No person shall distribute the state flower (Cypripedium reginae), or any species of lady slipper (Cypripedieae), any member of the orchid family, any gentian (Gentiana), arbutus (epigaea repens), lilies (Lilium), coneflowers (Echinacea), bloodroot (Sanguinaria Canadensis), mayapple (Podophyllum peltatum), any species of trillium, or lotus (Nelumbo lutea), which have been collected in any manner from any public or private property without the written permission of the property owner and written authorization from the commissioner.

Subd. 2. COLLECTION WITHOUT SALE. Wildflower collection from public or private land for the purpose of transplanting the plants to a person's private property and not offering for immediate sale, requires the written permission from the property owner of the land on which the wildflowers are growing.

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Subd. 3. COLLECTION WITH INTENT TO SELL OR DISTRIBUTE WILDFLOWERS. (a) The wildflowers listed in this section may be offered for immediate sale only if the plants are to be used for scientific or herbarium purposes.

(b) The wildflowers listed in this section must not be collected and sold commercially unless the plants are:

(1) growing naturally, collected, and cultivated on the collector's property; or

(2) collected through the process described in subdivision 2 and transplanted and cultivated on the collector's property.

(c) The collector must obtain a written permit from the commissioner before the plants may be offered for commercial sale.

ARTICLE 6

INSPECTION AND ENFORCEMENT

Section 1. **[18J.01] DEFINITIONS.**

(a) The definitions in sections 18G.02 and 18H.02 apply to this chapter.

(b) For purposes of this chapter, "associated rules" means rules adopted under this chapter, chapter 18G or 18H, or sections 21.80 to 21.92.

Sec. 2. **[18J.02] DUTIES OF COMMISSIONER.**

The commissioner shall administer and enforce this chapter, chapters 18G and 18H, sections 21.80 to 21.92, and associated rules.

Sec. 3. **[18J.03] CIVIL LIABILITY.**

A person regulated by this chapter, chapter 18G or 18H, or sections 21.80 to 21.92, is civilly liable for any violation of one of those statutes or associated rules by the person's employee or agent.

Sec. 4. **[18J.04] INSPECTION, SAMPLING, ANALYSIS.**

Subdivision 1. ACCESS AND ENTRY. The commissioner, upon presentation of official department credentials, must be granted immediate access at reasonable times to sites where a person manufactures, distributes, uses, handles, disposes of, stores, or transports seeds, plants, or other living or nonliving products or other objects regulated under chapter 18G or 18H, sections 21.80 to 21.92, or associated rules.

Subd. 2. PURPOSE OF ENTRY. (a) The commissioner may enter sites for:

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(1) inspection of inventory and equipment for the manufacture, storage, handling, distribution, disposal, or any other process regulated under chapter 18G or 18H, sections 21.80 to 21.92, or associated rules;

(2) sampling of sites, seeds, plants, products, or other living or nonliving objects that are manufactured, stored, distributed, handled, or disposed of at those sites and regulated under chapter 18G or 18H, sections 21.80 to 21.92, or associated rules;

(3) inspection of records related to the manufacture, distribution, storage, handling, or disposal of seeds, plants, products, or other living or nonliving objects regulated under chapter 18G or 18H, sections 21.80 to 21.92, or associated rules;

(4) investigating compliance with chapter 18G or 18H, sections 21.80 to 21.92, or associated rules; or

(5) other purposes necessary to implement chapter 18G or 18H, sections 21.80 to 21.92, or associated rules.

(b) The commissioner may enter any public or private premises during or after regular business hours without notice of inspection when a suspected violation of chapter 18G or 18H, sections 21.80 to 21.92, or associated rules may threaten public health or the environment.

Subd. 3. NOTICE OF INSPECTION SAMPLES AND ANALYSES. (a) The commissioner shall provide the owner, operator, or agent in charge with a receipt describing any samples obtained. If requested, the commissioner shall split any samples obtained and provide them to the owner, operator, or agent in charge. If an analysis is made of the samples, a copy of the results of the analysis must be furnished to the owner, operator, or agent in charge within 30 days after an analysis has been performed. If an analysis is not performed, the commissioner must notify the owner, operator, or agent in charge within 30 days of the decision not to perform the analysis.

(b) The sampling and analysis must be done according to methods provided for under applicable provisions of chapter 18G or 18H, sections 21.80 to 21.92, or associated rules. In cases not covered by those sections and methods or in cases where methods are available in which improved applicability has been demonstrated the commissioner may adopt appropriate methods from other sources.

Subd. 4. INSPECTION REQUESTS BY OTHERS. (a) A person who believes that a violation of chapter 18G or 18H, sections 21.80 to 21.92, or associated rules has occurred may request an inspection by giving notice to the commissioner of the violation. The notice must be in writing, state with reasonable particularity the grounds for the notice, and be signed by the person making the request.

(b) If after receiving a notice of violation the commissioner reasonably believes that a violation has occurred, the commissioner shall make a special inspection in accordance with the provisions of this section as soon as practicable, to determine if a violation has occurred.

(c) An inspection conducted pursuant to a notice under this subdivision may cover an entire site and is not limited to the portion of the site specified in the notice. If the

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commissioner determines that reasonable grounds to believe that a violation occurred do not exist, the commissioner must notify the person making the request in writing of the determination.

Subd. 5. ORDER TO ENTER AFTER REFUSAL. After a refusal, or an anticipated refusal based on a prior refusal, to allow entrance on a prior occasion by an owner, operator, or agent in charge to allow entry as specified in this section, the commissioner may apply for an order in the district court in the county where a site is located, that compels a person with authority to allow the commissioner to enter and inspect the site.

Subd. 6. VIOLATOR LIABLE FOR INSPECTION COSTS. (a) The cost of reinspection and reinvestigation may be assessed by the commissioner if the person subject to an order of the commissioner does not comply with the order in a reasonable time as provided in the order.

(b) The commissioner may enter an order for recovery of the inspection and investigation costs.

Subd. 7. INVESTIGATION AUTHORITY. (a) In making inspections under this chapter, the commissioner may administer oaths, certify official acts, issue subpoenas to take and cause to be taken depositions of witnesses, and compel the attendance of witnesses and production of papers, books, documents, records, and testimony.

(b) If a person fails to comply with a subpoena, or a witness refuses to produce evidence or to testify to a matter about which the person may be lawfully questioned, the district court shall, on application of the commissioner, compel obedience proceedings for contempt, as in the case of disobedience of the requirements of a subpoena issued by the court or a refusal to testify in court.

Sec. 5. [18J.05] ENFORCEMENT.

Subdivision 1. ENFORCEMENT REQUIRED. (a) A violation of chapter 18G or 18H, sections 21.80 to 21.92, or an associated rule is a violation of this chapter.

(b) Upon the request of the commissioner, county attorneys, sheriffs, and other officers having authority in the enforcement of the general criminal laws must take action to the extent of their authority necessary or proper for the enforcement of chapter 18G or 18H, sections 21.80 to 21.92, or associated rules or valid orders, standards, stipulations, and agreements of the commissioner.

Subd. 2. COMMISSIONER'S DISCRETION. If minor violations of chapter 18G or 18H, sections 21.80 to 21.92, or associated rules occur or the commissioner believes the public interest will be best served by a suitable notice of warning in writing, this section does not require the commissioner to:

- (1) report the violation for prosecution;
- (2) institute seizure proceedings; or
- (3) issue a withdrawal from distribution, stop-sale, or other order.

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Subd. 3. CIVIL ACTIONS. Civil judicial enforcement actions may be brought by the attorney general in the name of the state on behalf of the commissioner. A county attorney may bring a civil judicial enforcement action upon the request of the commissioner and agreement by the attorney general.

Subd. 4. INJUNCTION. The commissioner may apply to a court with jurisdiction for a temporary or permanent injunction to prevent, restrain, or enjoin violations of this chapter.

Subd. 5. CRIMINAL ACTIONS. For a criminal action, the county attorney from the county where a criminal violation occurred is responsible for prosecuting a violation of this chapter. If the county attorney refuses to prosecute, the attorney general on request of the commissioner may prosecute.

Subd. 6. AGENT FOR SERVICE OF PROCESS. All persons licensed, permitted, registered, or certified under chapter 18G or 18H, sections 21.80 to 21.92, or associated rules must appoint the commissioner as the agent upon whom all legal process may be served and service upon the commissioner is deemed to be service on the licensee, permittee, registrant, or certified person.

Sec. 6. [18J.06] FALSE STATEMENT OR RECORD.

A person must not knowingly make or offer a false statement, record, or other information as part of:

(1) an application for registration, license, certification, or permit under chapter 18G or 18H, sections 21.80 to 21.92, or associated rules;

(2) records or reports required under chapter 18G or 18H, sections 21.80 to 21.92, or associated rules; or

(3) an investigation of a violation of chapter 18G or 18H, sections 21.80 to 21.92, or associated rules.

Sec. 7. [18J.07] ADMINISTRATIVE ACTION.

Subdivision 1. ADMINISTRATIVE REMEDIES. The commissioner may seek to remedy violations by a written warning, administrative meeting, cease and desist, stop-use, stop-sale, removal, correction order, or an order, seizure, stipulation, or agreement, if the commissioner determines that the remedy is in the public interest.

Subd. 2. REVOCATION AND SUSPENSION. The commissioner may, after written notice and hearing, revoke, suspend, or refuse to grant or renew a registration, permit, license, or certification if a person violates this chapter or has a history within the last three years of violation of this chapter.

Subd. 3. CANCELLATION OF REGISTRATION, PERMIT, LICENSE, CERTIFICATION. The commissioner may cancel or revoke a registration, permit, license, or certification provided for under chapter 18G or 18H, sections 21.80 to 21.92, or associated rules or refuse to register, permit, license, or certify under provisions of chapter 18G or 18H, sections 21.80 to 21.92, or associated rules if the registrant, permittee, licensee, or certified person has used fraudulent or deceptive

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practices in the evasion or attempted evasion of a provision of chapter 18G or 18H, sections 21.80 to 21.92, or associated rules.

Subd. 4. SERVICE OF ORDER OR NOTICE. (a) If a person is not available for service of an order, the commissioner may attach the order to the facility, site, seed or seed container, plant or other living or nonliving object regulated under chapter 18G or 18H, sections 21.80 to 21.92, or associated rules and notify the owner, custodian, other responsible party, or registrant.

(b) The seed, seed container, plant, or other living or nonliving object regulated under chapter 18G or 18H, sections 21.80 to 21.92, or associated rules may not be sold, used, tampered with, or removed until released under conditions specified by the commissioner, by an administrative law judge, or by a court.

Subd. 5. UNSATISFIED JUDGMENTS. (a) An applicant for a license, permit, registration, or certification under provisions of this chapter, chapter 18G or 18H, sections 21.80 to 21.92, or associated rules may not allow a final judgment against the applicant for damages arising from a violation of those statutes or rules to remain unsatisfied for a period of more than 30 days.

(b) Failure to satisfy, within 30 days, a final judgment resulting from a violation of this chapter results in automatic suspension of the license, permit, registration, or certification.

Sec. 8. [18J.08] APPEALS OF COMMISSIONER'S ORDERS.

Subdivision 1. NOTICE OF APPEAL. (a) After service of an order, a person has 45 days from receipt of the order to notify the commissioner in writing that the person intends to contest the order.

(b) If the person fails to notify the commissioner that the person intends to contest the order, the order is a final order of the commissioner and not subject to further judicial or administrative review.

Subd. 2. ADMINISTRATIVE REVIEW. If a person notifies the commissioner that the person intends to contest an order issued under this section, the state office of administrative hearings must conduct a hearing in accordance with the applicable provisions of chapter 14 for hearings in contested cases.

Subd. 3. JUDICIAL REVIEW. Judicial review of a final decision in a contested case is available as provided in chapter 14.

Sec. 9. [18J.09] CREDITING OF PENALTIES, FEES, AND COSTS.

Penalties, cost reimbursements, fees, and other money collected under this chapter must be deposited into the state treasury and credited to the appropriate nursery and phytosanitary or seed account.

Sec. 10. [18J.10] CIVIL PENALTIES.

Subdivision 1. GENERAL PENALTY. Except as provided in subdivision 2, a person who violates this chapter or an order, standard, stipulation, agreement, or

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schedule of compliance of the commissioner is subject to a civil penalty of up to \$7,500 per day of violation as determined by the court.

Subd. 2. DEFENSE TO CIVIL REMEDIES AND DAMAGES. As a defense to a civil penalty or claim for damages under subdivision 1, the defendant may prove that the violation was caused solely by an act of God, an act of war, or an act or failure to act that constitutes sabotage or vandalism, or any combination of these defenses.

Subd. 3. ACTIONS TO COMPEL PERFORMANCE. In an action to compel performance of an order of the commissioner to enforce a provision of this chapter, the court may require a defendant adjudged responsible to perform the acts within the person's power that are reasonably necessary to accomplish the purposes of the order.

Subd. 4. RECOVERY OF PENALTIES BY CIVIL ACTION. The civil penalties and payments provided for in this chapter may be recovered by a civil action brought by the county attorney or the attorney general in the name of the state.

Sec. 11. [18J.11] CRIMINAL PENALTIES.

Subdivision 1. GENERAL VIOLATION. Except as provided in subdivisions 2 and 3, a person is guilty of a misdemeanor if the person violates this chapter or an order, standard, stipulation, agreement, or schedule of compliance of the commissioner.

Subd. 2. VIOLATION ENDANGERING HUMANS. A person is guilty of a gross misdemeanor if the person violates this chapter or an order, standard, stipulation, agreement, or schedule of compliance of the commissioner, and the violation endangers humans.

Subd. 3. VIOLATION WITH KNOWLEDGE. A person is guilty of a gross misdemeanor if the person knowingly violates this chapter or an order, standard, stipulation, agreement, or schedule of compliance of the commissioner.

ARTICLE 7

CONFORMING CHANGES

Section 1. REPEALER.

(a) Minnesota Statutes 2002, sections 17.23; 18.012; 18.021; 18.022; 18.0223; 18.0225; 18.0227; 18.0228; 18.0229; 18.023; 18.024; 18.041; 18.051; 18.061; 18.071; 18.081; 18.091; 18.101; 18.111; 18.121; 18.131; 18.141; 18.151; 18.161; 18.331; 18.332; 18.333; 18.334; 18.335; 18.44; 18.45; 18.46; 18.47; 18.48; 18.49; 18.50; 18.51; 18.52; 18.525; 18.53; 18.54; 18.55; 18.56; 18.57; 18.59; 18.60; 18.61; 18.85, are repealed.

(b) Minnesota Rules, part 1510.0281, is repealed.

New language is indicated by underline, deletions by strikeout.

ARTICLE 8**SEED LAW**

Section 1. Minnesota Statutes 2002, section 21.81, is amended by adding a subdivision to read:

Subd. 7a. **DORMANT.** "Dormant" means viable seed, exclusive of hard seed, that fail to germinate under the specified germination conditions for the kind of seed.

Sec. 2. Minnesota Statutes 2002, section 21.81, subdivision 8, is amended to read:

Subd. 8. **FLOWER SEEDS.** "Flower seeds" includes seeds of herbaceous plants grown for their blooms, ornamental foliage, or other ornamental parts and commonly known and sold under the name of flower seeds in this state. This does not include native or introduced wildflowers.

Sec. 3. Minnesota Statutes 2002, section 21.81, is amended by adding a subdivision to read:

Subd. 10a. **HARD SEED.** "Hard seed" means seeds that remain hard at the end of the prescribed test period because they have not absorbed water due to an impermeable seed coat.

Sec. 4. Minnesota Statutes 2002, section 21.81, is amended by adding a subdivision to read:

Subd. 11a. **INERT MATTER.** "Inert matter" means all matter that is not seed, including broken seeds, sterile florets, chaff, fungus bodies, and stones as determined by methods defined by rule.

Sec. 5. Minnesota Statutes 2002, section 21.81, is amended by adding a subdivision to read:

Subd. 16a. **NATIVE WILDFLOWER.** "Native wildflower" means a kind, type, or variety of wildflower derived from wildflowers that are indigenous to Minnesota and wildflowers that are defined or designated as native species under chapter 84D.

Sec. 6. Minnesota Statutes 2002, section 21.81, is amended by adding a subdivision to read:

Subd. 17b. **ORIGIN.** "Origin," for an indigenous stand of trees, means the area on which the trees are growing and, for a nonindigenous stand, the place from which the seed or plants were originally introduced. "Origin" for agricultural and vegetable seed is the area where the seed was produced, and for native grasses and forbs, it is the area where the original seed was harvested.

Sec. 7. Minnesota Statutes 2002, section 21.81, is amended by adding a subdivision to read:

Subd. 17c. **OTHER CROP SEED.** "Other crop seed" means seed of plants grown as crops, other than the variety included in the pure seed, as determined by methods defined by rule.

New language is indicated by underline, deletions by ~~strikeout~~.

Sec. 8. Minnesota Statutes 2002, section 21.81, is amended by adding a subdivision to read:

Subd. 17d. PERSON. "Person" means an individual, firm, corporation, partnership, association, trust, joint stock company, or unincorporated organization; the state, a state agency, or a political subdivision.

Sec. 9. Minnesota Statutes 2002, section 21.82, is amended to read:

21.82 LABEL REQUIREMENTS; AGRICULTURAL, VEGETABLE, OR FLOWER, OR WILDFLOWER SEEDS.

Subdivision 1. **FORM.** Each container of agricultural, vegetable, or flower, or wildflower seed which is offered for sale for sowing purposes shall must bear or have attached in a conspicuous place a plainly written or printed label or tag in the English language giving the information required by this section. This statement shall must not be modified or denied in the labeling or on another label attached to the container.

Subd. 2. **CONTENT.** For agricultural, vegetable, or flower, or wildflower seeds offered for sale as agricultural seed, except as otherwise provided in subdivisions 4, 5, and 6, ~~7 and 8,~~ the label shall must contain:

(a) The name of the kind or kind and variety for each agricultural or vegetable seed component in excess of five percent of the whole and the percentage by weight of each in order of its predominance. The commissioner shall by rule designate the kinds that are required to be labeled as to variety. If the variety of those kinds generally labeled as to variety is not stated and it is not required to be stated, the label shall show the name of the kind and the words: "Variety not stated." The heading "pure seed" must be indicated on the seed label in close association with other required label information.

(1) The percentage that is hybrid shall be at least 95 percent of the percentage of pure seed shown unless the percentage of pure seed which is hybrid seed is shown separately. If two or more kinds or varieties are present in excess of five percent and are named on the label, each that is hybrid shall be designated as hybrid on the label. Any one kind or kind and variety that has pure seed which is less than 95 percent but more than 75 percent hybrid seed as a result of incompletely controlled pollination in a cross shall be labeled to show the percentage of pure seed that is hybrid seed or a statement such as "contains from 75 percent to 95 percent hybrid seed." No one kind or variety of seed shall be labeled as hybrid if the pure seed contains less than 75 percent hybrid seed. The word hybrid shall be shown on the label in conjunction with the kind.

(2) Blends shall be listed on the label using the term "blend" in conjunction with the kind.

(3) Mixtures shall be listed on the label using the term "mixture," "mix," or "mixed."

(b) Lot number or other lot identification.

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(c) Origin, if known, or that the origin is unknown.

(d) Percentage by weight of all weed seeds present in ~~agricultural, vegetable, or flower seed~~. This percentage may not exceed one percent. ~~If weed seeds are not present in vegetable or flower seeds, The heading "weed seeds seed" may be omitted from the label~~ must be indicated on the seed label in close association with other required label information.

(e) Name and rate of occurrence per pound of each kind of restricted noxious weed seeds present. They ~~shall must~~ be listed under the heading "noxious weed seeds." ~~If noxious weed seeds are not present in vegetable or flower seeds, the heading "noxious weed seeds" may be omitted from the label~~ in close association with other required label information.

(f) Percentage by weight of ~~agricultural, vegetable, or flower seeds~~ other than those kinds and varieties required to be named on the label. They ~~shall must~~ be listed under the heading "other crop." ~~If "other crop" seeds are not present in vegetable or flower seeds, the heading "other crop" may be omitted from the label~~ in close association with other required label information.

(g) Percentage by weight of inert matter. The heading "inert matter" must be indicated on the seed label in close association with other required label information.

(h) Net weight of contents, to appear on either the container or the label, ~~except that in the case of vegetable or flower seed containers with contents of 200 seeds or less, a statement indicating the number of seeds in the container may be listed along with or in lieu of the net weight of contents.~~

(i) For each named ~~agricultural or vegetable~~ kind or variety of seed:

(1) percentage of germination, exclusive of hard or dormant seed or both;

(2) percentage of hard or dormant seed or both, if present; and

(3) the calendar month and year the percentages were determined by test or the statement "sell by (month and year)" which may not be more than 12 months from the date of test, exclusive of the month of test.

The headings for "germination" and "hard seed or dormant seed" percentages must be stated separately on the seed label. A separate percentage derived from combining these percentages may also be stated on the seed label, but the heading for this percentage must be "total germination and hard seed or dormant seed when applicable." They must not be stated as "total live seed," "total germination," or in any other unauthorized manner.

(j) Name and address of the person who labeled the seed or who sells the seed within this state, or a code number which has been registered with the commissioner.

Subd. 3. **TREATED SEED.** For all named agricultural, vegetable, or flower, or wildflower seeds which are treated, for which a separate label may be used, the label shall must contain:

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- (a) (1) a word or statement to indicate that the seed has been treated;
- (b) (2) the commonly accepted, coined, chemical, or abbreviated generic chemical name of the applied substance;
- (c) (3) the caution statement "Do not use for food, feed, or oil purposes" if the substance in the amount present with the seed is harmful to human or other vertebrate animals;
- (d) (4) in the case of mercurials or similarly toxic substances, a poison statement and symbol;
- (e) (5) a word or statement describing the process used when the treatment is not of pesticide origin; and
- (f) (6) the date beyond which the inoculant is considered ineffective if the seed is treated with an inoculant. It shall must be listed on the label as "inoculant: expires (month and year)" or wording that conveys the same meaning.

Subd. 4. **HYBRID SEED CORN.** For hybrid seed corn purposes a label shall must contain:

- (a) (1) a statement indicating the number of seeds in the container may be listed along with or in lieu of the net weight of contents; and
- (b) (2) for each variety of hybrid seed field corn, the day classification as determined by the originator or owner. The day classification shall must approximate the number of days of growing season necessary from emergence of the corn plant above ground to relative maturity and shall must conform to the day classification established by the director of the Minnesota agricultural experiment station for the appropriate zone.

Subd. 5. **GRASS SEED.** For grass seed and mixtures of grass seeds intended for lawn and turf purposes, the requirements in clauses paragraphs (a) to (e) and (b) must be met.

(a) The label shall must contain the percentage by weight of inert matter, up to ten percent by weight except for those kinds specified by rule. The percentage by weight of foreign material not common to grass seed must be listed as a separate item in close association with the inert matter percentage statement "sell by (month and year listed here)" which may be no more than 15 months from the date of test, exclusive of the month of test.

(b) If the seed contains no "other crop" seed, the following statement may be used and may be flagged: "contains no other crop seed."

(c) When grass seeds are sold outside their original containers, the labeling requirements are met if the seed is weighed from a properly labeled container in the presence of the purchaser.

Subd. 6. **COATED AGRICULTURAL SEEDS.** For coated agricultural seeds the label shall must contain:

New language is indicated by underline, deletions by ~~strikeout~~.

- (a) (1) percentage by weight of pure seeds with coating material removed;
- (b) (2) percentage by weight of coating material shown as a separate item in close association with the percentage of inert matter; and
- (e) (3) percentage of germination determined on 400 pellets with or without seeds.

Subd. 7. **VEGETABLE SEEDS.** For vegetable seeds prepared for use in home gardens or household plantings the requirements in elauses paragraphs (a) to (d) (p) apply. The origin may be omitted from the label. Vegetable seeds packed for sale in commercial quantities to farmers, conservation groups, and other similar entities are considered agricultural seeds and must be labeled accordingly.

(a) The label shall must contain the following: name of the kind or kind and variety for each seed component in excess of five percent of the whole and the percentage by weight of each in order of its predominance. If the variety of those kinds generally labeled as to variety is not stated and it is not required to be stated, the label must show the name of the kind and the words "variety not stated."

(b) The percentage that is hybrid must be at least 95 percent of the percentage of pure seed shown unless the percentage of pure seed which is hybrid seed is shown separately. If two or more kinds of varieties are present in excess of five percent and are named on the label, each that is hybrid must be designated as hybrid on the label. Any one kind or kind and variety that has pure seed that is less than 95 percent but more than 75 percent hybrid seed as a result of incompletely controlled pollination in a cross must be labeled to show the percentage of pure seed that is hybrid seed or a statement such as "contains from 75 percent to 95 percent hybrid seed." No one kind or variety of seed may be labeled as hybrid if the pure seed contains less than 75 percent hybrid seed. The word "hybrid" must be shown on the label in conjunction with the kind.

(c) Blends must be listed on the label using the term "blend" in conjunction with the kind.

(d) Mixtures shall be listed on the label using the term "mixture," "mix," or "mixed."

(e) The label must show a lot number or other lot identification.

(f) The origin may be omitted from the label.

(1) (g) The label must show the year for which the seed was packed for sale listed as "packed for (year)," or for seed with a percentage of germination that exceeds the standard last established by the commissioner, the percentage of germination and the calendar month and year that the percentages were determined by test; and, or the calendar month and year the germination test was completed and the statement "sell by (month and year listed here)," which may be no more than 12 months from the date of test, exclusive of the month of test.

(2) (h) For vegetable seeds which germinate less than the standard last established by the commissioner, the label must show:

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- (i) (1) a percentage of germination, exclusive of hard or dormant seed or both;
- (ii) (2) a percentage of hard or dormant seed or both, if present; and
- (iii) (3) the words "below standard" in not less than eight point type and the month and year the percentages were determined by test.

(i) The net weight of the contents must appear on either the container or the label, except that for containers with contents of 200 seeds or less a statement indicating the number of seeds in the container may be listed along with or in lieu of the net weight of contents.

(b) (j) The heading for and percentage by weight of pure seed may be omitted from a label if the total is more than 90 percent.

(k) The heading for and percentage by weight of weed seed may be omitted from a label if they are not present in the seed.

(l) The heading "noxious weed seeds" may be omitted from a label if they are not present in the seed.

(m) The heading for and percentage by weight of other crop seed may be omitted from a label if it is less than five percent.

(e) (n) The heading for and percentage by weight of inert matter may be omitted from a label if it is less than ten percent.

(o) The label must contain the name and address of the person who labeled the seed or who sells the seed in this state or a code number that has been registered with the commissioner.

(d) (p) The labeling requirements for vegetable seeds prepared for use in home gardens or household plantings when sold outside their original containers are met if the seed is weighed from a properly labeled container in the presence of the purchaser.

Subd. 8. **FLOWER SEEDS.** (a) All flower seed labels shall contain: For flower and wildflower seeds prepared for use in home gardens or household plantings, the requirements in paragraphs (a) to (l) apply. Flower and wildflower seeds packed for sale in commercial quantities to farmers, conservation groups, and other similar entities are considered agricultural seeds and must be labeled accordingly.

(4) (a) The label must contain the name of the kind and variety or a statement of type and performance characteristics as prescribed by rules; rule.

(b) The percentage that is hybrid must be at least 95 percent of the percentage of pure seed shown unless the percentage of pure seed which is hybrid seed is shown separately. If two or more kinds of varieties are present in excess of five percent and are named on the label, each that is hybrid must be designated as hybrid on the label. Any one kind or kind and variety that has pure seed that is less than 95 percent but more than 75 percent hybrid seed as a result of incompletely controlled pollination in a cross must be labeled to show the percentage of pure seed that is hybrid seed or a statement such as "contains from 75 percent to 95 percent hybrid seed." No one kind

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or variety of seed may be labeled as hybrid if the pure seed contains less than 75 percent hybrid seed. The word "hybrid" must be shown, on the label in conjunction with the kind.

(c) Blends must be listed on the label using the term "blend" in conjunction with the kind.

(d) Mixtures must be listed on the label using the term "mixture," "mix," or "mixed."

(e) The label must contain the lot number or other lot identification.

(f) The origin may be omitted from the label.

(2) (g) The label must contain the year for which the seed was packed for sale listed as "packed for (year)," or for seed with a percentage of germination that exceeds the standard last established by the commissioner, the percentage of germination and the calendar month and year that the percentage was percentages were determined by test; and, or the calendar month and year the germination test was completed and the statement "sell by (month and year listed here)," which may be no more than 12 months from the date of test, exclusive of the month of test.

(3) (h) For flower seeds which germinate less than the standard last established by the commissioner, the label must show:

(i) the (1) percentage of germination exclusive of hard or dormant seed or both; and

(ii) (2) percentage of hard or dormant seed or both, if present; and

(3) the words "below standard" in not less than eight point type and the month and year this percentage was determined by test.

(b) The origin may be omitted from the label.

(i) The label must show the net weight of contents on either the container or the label, except that for containers with contents of 200 seeds or less a statement indicating the number of seeds in the container may be listed along with or in lieu of the net weight of contents.

(e) (j) The heading for and percentage by weight of pure seed may be omitted from a label if the total is more than 90 percent.

(k) The heading for and percentage by weight of weed seed may be omitted from a label if they are not present in the seed.

(l) The heading "noxious weed seeds" may be omitted from a label if they are not present in the seed.

(m) The heading for and percentage by weight of other crop seed may be omitted from a label if it is less than five percent.

(4) (n) The heading for and percentage by weight of inert matter may be omitted from a label if it is less than ten percent.

New language is indicated by underline, deletions by ~~strikeout~~.

(o) The label must show the name and address of the person who labeled the seed or who sells the seed within this state, or a code number which has been registered with the commissioner.

Sec. 10. Minnesota Statutes 2002, section 21.83, subdivision 2, is amended to read:

Subd. 2. **LABEL CONTENT.** For all tree or shrub seed subject to this section the label shall contain:

- (a) the common name of the species, and the subspecies if appropriate;
- (b) the scientific name of the genus and species, and the subspecies if appropriate;
- (c) the lot number or other lot identification;

(d) for seed collected from a predominantly indigenous stand, the area of collection given by latitude and longitude, or geographic description, or political subdivision such as state or county;

(e) for seed collected from a predominantly nonindigenous stand, the identity of the area of collection and the origin of the stand or the words "origin not indigenous";

(f) the elevation or the upper and lower limits of elevation within which the seed was collected;

(g) the percentage of pure seed by weight;

(h) for those kinds of seed for which standard testing procedures are prescribed:

- (1) the percentage of germination exclusive of hard or dormant seed;
- (2) the percentage of hard or dormant seed, if present; and
- (3) the calendar month and year the percentages were determined by test; or
- (4) in lieu of the requirements of clauses (1) to (3), the seed may be labeled "test is in progress, results will be supplied upon request";

(i) for those species for which standard germination testing procedures have not been prescribed by the commissioner, the calendar year in which the seed was collected; and

(j) the name and address of the person who labeled the seed or who sells the seed within this state.

Sec. 11. Minnesota Statutes 2002, section 21.84, is amended to read:

21.84 **RECORDS.**

Each person whose name appears on the label of agricultural, vegetable, flower, wildflower, tree, or shrub seeds subject to section 21.82 or 21.83 shall keep for three years complete records of each lot of agricultural, vegetable, flower, wildflower, tree, or shrub seed sold in this state and shall keep for one year a file sample of each lot of seed after disposition of the lot. ~~In addition, the grower shall have as a part of the record a "genuine grower's declaration" or a "tree seed collector's declaration."~~

New language is indicated by underline, deletions by ~~strikeout~~.

Sec. 12. Minnesota Statutes 2002, section 21.85, subdivision 11, is amended to read:

Subd. 11. **RULES.** The commissioner may ~~make necessary rules for the proper enforcement of sections 21.80 to 21.92 adopt rules under this chapter. Existing rules shall remain in effect unless permanent rules are made that supersede them. A violation of the rules is a violation of this chapter.~~

Sec. 13. Minnesota Statutes 2002, section 21.85, subdivision 13, is amended to read:

Subd. 13. **SAMPLING EXPORT SEED.** The commissioner may sample agricultural, vegetable, flower, ~~wildflower~~, tree, or shrub seeds which are destined for export to other countries, and may establish and collect suitable fees from the exporter for this service.

Sec. 14. Minnesota Statutes 2002, section 21.86, is amended to read:

21.86 UNLAWFUL ACTS.

Subdivision 1. **PROHIBITIONS.** A person may not advertise or sell any agricultural, vegetable, flower, ~~or wildflower~~, tree ~~and~~, or shrub seed if:

(a) ~~except as provided in clauses (1) to (3), a test to determine the percentage of germination required by sections 21.82 and 21.83 has not been completed within a nine-month 12-month period, exclusive of the calendar month in which the test was completed; or it is offered for sale beyond the sell by date exclusive of the calendar month in which the seed was to have been sold, except that:~~

(1) when advertised or offered for sale as agricultural seed, native grass and forb (~~wildflowers~~) seeds must have been tested for percentage of germination as required by section 21.82 within a ~~14-month 15-month~~ period, exclusive of the calendar month in which the test was completed;

(2) it is unlawful to offer cool season lawn and turf grasses including Kentucky bluegrass, red fescue, chewings fescue, hard fescue, tall fescue, perennial ryegrass, intermediate ryegrass, annual ryegrass, colonial bent grass, creeping bent grass, and mixtures or blends of those grasses, for sale beyond the sell by date exclusive of the calendar month in which the seed was to have been sold;

(3) this prohibition does not apply to tree, shrub, agricultural, flower, ~~wildflower~~, or vegetable seeds packaged in hermetically sealed containers. Seeds packaged in hermetically sealed containers under the conditions defined by rule may be offered for sale for a period of 36 months after the last day of the month that the seeds were tested for germination prior to packaging; ~~and~~

~~(3)~~ (4) if seeds in hermetically sealed containers are offered for sale more than 36 months after the last day of the month in which they were tested prior to packaging, they must be retested within a nine-month period, exclusive of the calendar month in which the retest was completed;

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(b) it is not labeled in accordance with sections 21.82 and 21.83 or has false or misleading labeling;

(c) false or misleading advertisement has been used in respect to its sale;

(d) it contains prohibited noxious weed seeds;

(e) it consists of or contains restricted noxious weed seeds in excess of 25 seeds per pound or in excess of the number declared on the label attached to the container of the seed or associated with the seed;

(f) it contains more than one percent by weight of all weed seeds;

(g) it contains less than the stated net weight of contents;

(h) it contains less than the stated number of seeds in the container;

(i) it contains any labeling, advertising, or other representation subject to sections 21.82 and 21.83 representing the seed to be certified unless:

(1) it has been determined by a seed certifying agency that the seed conformed to standards of purity and identity as to kind, species, subspecies, or variety, and also that tree seed was found to be of the origin and elevation claimed, in compliance with the rules pertaining to the seed; and

(2) the seed bears an official label issued for it by a seed certifying agency stating that the seed is of a certified class and a specified kind, species, subspecies, or variety;

(j) it is labeled with a variety name but not certified by an official seed certifying agency when it is a variety for which a United States certificate of plant variety protection has been granted under United States Code, title 7, sections 2481 to 2486, specifying sale by variety name only as a class of certified seed. Seed from a certified lot may be labeled as to variety name when used in a blend or mixture by or with approval of the owner of the variety; or

(k) the person whose name appears on the label does not have complete records including a file sample of each lot of agricultural, vegetable, flower, tree or shrub seed sold in this state as required in section 21.84.

Subd. 2. MISCELLANEOUS VIOLATIONS. No person may:

(a) detach, alter, deface, or destroy any label required in sections 21.82 and 21.83 ~~or, alter or substitute seed in a manner that may defeat the purposes of sections 21.82 and 21.83, or alter or falsify any seed tests, laboratory reports, records, or other documents to create a misleading impression as to kind, variety, history, quality, or origin of the seed;~~

(b) hinder or obstruct in any way any authorized person in the performance of duties under sections 21.80 to 21.92;

(c) fail to comply with a "stop sale" order or to move or otherwise handle or dispose of any lot of seed held under a stop sale order or attached tags, except with express permission of the enforcing officer for the purpose specified;

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(d) use the word "type" in any labeling in connection with the name of any agricultural seed variety;

(e) use the word "trace" as a substitute for any statement which is required; or

(f) plant any agricultural seed which the person knows contains weed seeds or noxious weed seeds in excess of the limits for that seed.

Sec. 15. Minnesota Statutes 2002, section 21.88, is amended to read:

21.88 PENALTIES NOT TO APPLY.

~~Subdivision 1. MISDEMEANOR; GROSS MISDEMEANOR. A violation of sections 21.80 to 21.92 or a rule adopted under section 21.85 is a misdemeanor. Each additional day of violation is a separate offense. A subsequent violation by a person is a gross misdemeanor.~~

~~Subd. 2. UNLAWFUL PRACTICE. In addition to other penalties provided by law, a person who violates a provision of sections 21.80 to 21.92 or a rule adopted under section 21.85 has committed an unlawful practice under sections 325F.68 and 325F.69 and is subject to the remedies provided in sections 8.31 and 325F.70.~~

~~Subd. 3. PENALTIES NOT TO APPLY. A person is not subject to the penalties in subdivision 1 or 2 for having sold seeds which were incorrectly labeled or represented as to kind, species, subspecies, if appropriate, variety, type, origin and year, elevation or place of collection if required, if the seeds cannot be identified by examination unless the person has failed to obtain an invoice or genuine grower's or tree seed collector's declaration or other labeling information and to take other reasonable precautions to ensure the identity is as stated.~~

Sec. 16. Minnesota Statutes 2002, section 21.89, subdivision 2, is amended to read:

Subd. 2. **PERMITS; ISSUANCE AND REVOCATION.** The commissioner shall issue a permit to the initial labeler of agricultural, vegetable, or flower, and wildflower seeds which are sold for use in Minnesota and which conform to and are labeled under sections 21.80 to 21.92. The categories of permits are as follows:

(1) for initial labelers who sell 50,000 pounds or less of agricultural seed each calendar year, an annual permit issued for a fee established in section 21.891, subdivision 2, paragraph (b);

(2) for initial labelers who sell vegetable, flower, and wildflower seed packed for use in home gardens or household plantings, an annual permit issued for a fee established in section 21.891, subdivision 2, paragraph (c), based upon the gross sales from the previous year; and

(3) for initial labelers who sell more than 50,000 pounds of agricultural seed each calendar year, a permanent permit issued for a fee established in section 21.891, subdivision 2, paragraph (d).

In addition, the person shall furnish to the commissioner an itemized statement of all seeds sold in Minnesota for the periods established by the commissioner. This

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statement shall be delivered, along with the payment of the fee, based upon the amount and type of seed sold, to the commissioner no later than 30 days after the end of each reporting period. Any person holding a permit shall show as part of the analysis labels or invoices on all agricultural, vegetable, flower, wildflower, tree, or shrub seeds all information the commissioner requires. The commissioner may revoke any permit in the event of failure to comply with applicable laws and rules.

Sec. 17. Minnesota Statutes 2002, section 21.89, subdivision 4, is amended to read:

Subd. 4. **EXEMPTIONS.** An initial labeler who sells for use in Minnesota agricultural, vegetable, or flower seeds must have a seed fee permit unless:

(a) The person labels and sells less than 50,000 pounds of agricultural seed in Minnesota each calendar year. If more than 50,000 pounds are labeled and sold in Minnesota by any person, the person must have a seed fee permit and pay fees on all seed sold. A person who labels and sells grass seeds and mixtures of grass seeds intended for lawn or turf purposes is not exempted from having a permit and paying seed fees on all seeds in this category sold in Minnesota; or

(b) the agricultural, vegetable, or flower seeds are of the breeder or foundation seed classes of varieties developed by publicly financed research agencies intended for the purpose of increasing the quantity of seed available.

Sec. 18. **[21.891] MINNESOTA SEED LAW FEES.**

Subdivision 1. **SAMPLING EXPORT SEED.** In accordance with section 21.85, subdivision 13, the commissioner may, if requested, sample seed destined for export to other countries. The fee for sampling export seed is an hourly rate published annually by the commissioner and it must be an amount sufficient to recover the actual costs of the service provided.

Subd. 2. **SEED FEE PERMITS.** (a) An initial labeler who wishes to sell seed in Minnesota must comply with section 21.89, subdivisions 1 and 2, and the procedures in this subdivision. Each initial labeler who wishes to sell seed in Minnesota must apply to the commissioner to obtain a permit. The application must contain the name and address of the applicant, the application date, and the name and title of the applicant's contact person.

(b) The application for a seed permit covered by section 21.89, subdivision 2, clause (1), must be accompanied by an application fee of \$50.

(c) The application for a seed permit covered by section 21.89, subdivision 2, clause (2), must be accompanied by an application fee based on the level of annual gross sales as follows:

- (1) for gross sales of \$0 to \$25,000, the annual permit fee is \$50;
- (2) for gross sales of \$25,001 to \$50,000, the annual permit fee is \$100;
- (3) for gross sales of \$50,001 to \$100,000, the annual permit fee is \$200;

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- (4) for gross sales of \$100,001 to \$250,000, the annual permit fee is \$500;
- (5) for gross sales of \$250,001 to \$500,000, the annual permit fee is \$1,000; and
- (6) for gross sales of \$500,001 and above, the annual permit fee is \$2,000.

(d) The application for a seed permit covered by section 21.89, subdivision 2, clause (3), must be accompanied by an application fee of \$50. Initial labelers holding seed fee permits covered under this paragraph need not apply for a new permit or pay the application fee. Under this permit category, the fees for the following kinds of agricultural seed sold either in bulk or containers are:

- (1) oats, wheat, and barley, 6.3 cents per hundredweight;
- (2) rye, field beans, soybeans, buckwheat, and flax, 8.4 cents per hundredweight;
- (3) field corn, 29.4 cents per hundredweight;
- (4) forage, lawn and turf grasses, and legumes, 49 cents per hundredweight;
- (5) sunflower, \$1.40 per hundredweight;
- (6) sugar beet, \$3.29 per hundredweight; and

(7) for any agricultural seed not listed in clauses (1) to (6), the fee for the crop most closely resembling it in normal planting rate applies.

(e) If, for reasons beyond the control and knowledge of the initial labeler, seed is shipped into Minnesota by a person other than the initial labeler, the responsibility for the seed fees are transferred to the shipper. An application for a transfer of this responsibility must be made to the commissioner. Upon approval by the commissioner of the transfer, the shipper is responsible for payment of the seed permit fees.

(f) Seed permit fees may be included in the cost of the seed either as a hidden cost or as a line item cost on each invoice for seed sold. To identify the fee on an invoice, the words "Minnesota seed permit fees" must be used.

(g) All seed fee permit holders must file semiannual reports with the commissioner, even if no seed was sold during the reporting period. Each semiannual report must be submitted within 30 days of the end of each reporting period. The reporting periods are October 1 to March 31 and April 1 to September 30 of each year or July 1 to December 31 and January 1 to June 30 of each year. Permit holders may change their reporting periods with the approval of the commissioner.

(h) The holder of a seed fee permit must pay fees on all seed for which the permit holder is the initial labeler and which are covered by sections 21.80 to 21.92 and sold during the reporting period.

(i) If a seed fee permit holder fails to submit a semiannual report and pay the seed fee within 30 days after the end of each reporting period, the commissioner shall assess a penalty of \$100 or eight percent, calculated on an annual basis, of the fee due, whichever is greater, but no more than \$500 for each late semiannual report. A \$15 penalty must be charged when the semiannual report is late, even if no fee is due for

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the reporting period. Seed fee permits may be revoked for failure to comply with the applicable provisions of this paragraph or the Minnesota seed law.

Subd. 3. HYBRID SEED CORN VARIETY REGISTRATION FEE. Until August 1, 2006, and in accordance with section 21.90, subdivision 2, the fee for the registration of each hybrid seed corn variety or blend is \$50, which must be paid at the time of registration. New hybrid seed corn variety registrations received after March 1 and renewed registrations of older varieties received after August 1 of each year have an annual registration fee of \$75 per variety.

Subd. 4. DISCONTINUATION OF REGISTRATION AND TESTING. The commissioner, in consultation with the Minnesota agricultural experiment station, shall develop a standardized testing method for labelers to determine relative maturity for the hybrid seed corn sold in this state. Standards may be developed without regard to chapter 14 and without complying with section 14.386. After development of the standardized method, the registration and testing of hybrids sold in this state will no longer be required.

Subd. 5. BRAND NAME REGISTRATION FEE. The fee is \$25 for each variety registered for sale by brand name.

Sec. 19. Minnesota Statutes 2002, section 21.90, subdivision 2, is amended to read:

Subd. 2. FEES. A record of each new hybrid seed field corn variety to be sold in Minnesota shall be registered with the commissioner by ~~February~~ March 1 of each year by the originator or owner. Records of all other hybrid seed field corn varieties sold in Minnesota shall be registered with the commissioner by August 1 of each year by the originator or owner. The commissioner shall establish the annual fee for registration for each variety. The record shall include the permanent designation of the hybrid as well as the day classification and zone of adaptation, as determined under subdivision 1, which the originator or owner declares to be the zone in which the variety is adapted. In addition, at the time of the first registration of a hybrid seed field corn variety, the originator or owner shall include a sworn statement that the declaration of the zone of adaptation was based on actual field trials in that zone and that the field trials substantiate the declaration as to the day and zone classifications to which the variety is adapted. The name or number used to designate a hybrid seed field corn variety in the registration is the only name of all seed corn covered by or sold under that registration.

Sec. 20. Minnesota Statutes 2002, section 21.90, subdivision 3, is amended to read:

Subd. 3. TESTS OF VARIETIES TRANSFER OF MONEY. ~~If the commissioner needs to verify that a hybrid seed field corn variety is adapted to the corn growing zone declared by the originator or owner, it must, when grown in several official comparative trials by the director of the Minnesota agricultural experiment station in the declared zone of adaptation, have an average kernel moisture at normal harvest time which does not differ from the average kernel moisture content of three~~

New language is indicated by underline, deletions by strikeout.

or more selected standard varieties adapted for grain production in that particular growing zone by more than four percentage points. If a new variety when tested has more than six percentage points of moisture over the standard variety, it must have the relative maturity increased by five days in the correct zone of adaptation before it can be sold the second year. If it does not exceed the standard varieties by more than five percentage points of moisture the second year tested, it can be sold the third year with the same relative maturity. If upon being tested the third year the moisture percentage points are found to be over the four percentage points allowed, the variety then must have the relative maturity increased by five days in the correct zone. The varieties to be used as standard varieties for determining adaptability to a zone shall be selected for each zone by the director of the Minnesota agricultural experiment station with the advice and consent of the commissioner of agriculture. Should a person, firm, originator, or owner of a hybrid seed field corn variety wish to offer hybrid seed for sale or distribution in this state, the person, firm, originator, or owner not having distributed any products in Minnesota during the past ten years, or not having any record of testing by an agency acceptable to the commissioner, then after registration of the variety the commissioner is required to have the variety tested for one year by the director of the Minnesota agricultural experiment station before it may be distributed in Minnesota. Should any person, firm, originator, or owner of a seed field corn variety be guilty of two successive violations with respect to the declaration of relative maturity date and zone number, then the violator must commence a program of pretesting for varieties as determined by the commissioner. The list of varieties to be used as standards in each growing zone shall be sent by the commissioner not later than February 1 of each year to each seed firm registering hybrid varieties with the commissioner as of the previous April 1. To assist in defraying the expenses of the Minnesota agricultural experiment station in carrying out the provisions of this section, there shall be transferred annually from the seed inspection account to the agricultural experiment station a sum which shall at least equal ~~80~~ 60 percent of the total revenue from all hybrid seed field corn variety registrations.

Sec. 21. Minnesota Statutes 2002, section 21.901, is amended to read:

21.901 BRAND NAME REGISTRATION.

The owner or originator of a variety of nonhybrid seed that is to be sold in this state must annually register the variety with the commissioner if the variety is to be sold only under a brand name. The registration must include the brand name and the variety of seed. The brand name for a blend or mixture need not be registered.

The fee is \$15 for each variety registered for sale by brand name.

Sec. 22. REPEALER.

(a) Minnesota Statutes 2002, section 21.85, subdivisions 1, 3, 4, 5, 6, 7, 8, and 9, are repealed.

(b) Minnesota Statutes, sections 21.891, subdivisions 3 and 4, as added by this article; and 21.90, are repealed August 1, 2006.

New language is indicated by underline, deletions by ~~strikeout~~.

ARTICLE 9

CENTRAL IRON RANGE SANITARY SEWER DISTRICT

Section 1. Laws 2002, chapter 382, article 2, section 1, subdivision 2, is amended to read:

Subd. 2. **DISTRICT.** "Central iron range sanitary sewer district" and "district" mean the area over which the central iron range sanitary sewer board has jurisdiction, which includes the area within the cities of Hibbing, Chisholm, ~~and Buhl, and Kinney~~; the townships of ~~Kinney, Balkan, and Great Scott~~; and the territory occupied by Ironworld. The district shall precisely describe the area over which it has jurisdiction by a metes and bounds description in the comprehensive plan adopted pursuant to section 5.

Sec. 2. Laws 2002, chapter 382, article 2, section 1, subdivision 5, is amended to read:

Subd. 5. **LOCAL GOVERNMENTAL UNITS.** "Local governmental units" or "governmental units" means the iron range resources and rehabilitation board, the cities of Hibbing, Chisholm, ~~and Buhl, and Kinney~~, and the townships of ~~Kinney, Balkan, and Great Scott~~.

Sec. 3. Laws 2002, chapter 382, article 2, section 2, subdivision 1, is amended to read:

Subdivision 1. **ESTABLISHMENT.** A sanitary sewer district is established in the cities of Hibbing, Chisholm, ~~and Buhl, and Kinney~~; the townships of ~~Kinney, Balkan, and Great Scott~~; and the territory occupied by Ironworld, to be known as the central iron range sanitary sewer district. The sewer district is under the control and management of the central iron range sanitary sewer board. The board is established as a public corporation and political subdivision of the state with perpetual succession and all the rights, powers, privileges, immunities, and duties granted to or imposed upon a municipal corporation, as provided in sections 1 to 19.

Sec. 4. Laws 2002, chapter 382, article 2, section 2, subdivision 2, is amended to read:

Subd. 2. **MEMBERS AND SELECTION.** The board is composed of 13 members selected as provided in this subdivision. Each of the town boards of the townships shall meet to appoint one resident to the sewer board. Four members must be selected by the governing body of the city of Hibbing. Three members must be selected by the governing body of the city of Chisholm. Two members must be selected by the governing body of the city of Buhl. One member must be selected by the governing body of the city of Kinney. One member must be selected by the iron range resources and rehabilitation board on behalf of Ironworld. Each member has one vote. The first terms are as follows: four for one year, four for two years, and five for three years, fixed by lot at the district's first meeting. Thereafter, all terms are for three years.

New language is indicated by underline, deletions by ~~strikeout~~.

Sec. 5. Laws 2002, chapter 382, article 2, section 3, subdivision 4, is amended to read:

Subd. 4. **PUBLIC EMPLOYEES.** The executive director, if any, and other persons, if any, employed by the district are public employees and have all the rights and duties conferred on public employees under Minnesota Statutes, sections 179A.01 to 179A.25. The board may elect to have employees become members of either the public employees retirement association or the Minnesota state retirement system. The compensation and conditions of employment of the employees must be governed by rules applicable to state employees in the classified service and to the provisions of Minnesota Statutes, chapter 15A.

Sec. 6. Laws 2002, chapter 382, article 2, section 4, subdivision 6, is amended to read:

Subd. 6. **STUDIES AND INVESTIGATIONS.** The board may conduct research studies and programs, collect and analyze data, prepare reports, maps, charts, and tables, and conduct all necessary hearings and investigations in connection with the need for, benefits of, design, construction, and operation of the district disposal system.

Sec. 7. Laws 2002, chapter 382, article 2, section 4, subdivision 8, is amended to read:

Subd. 8. **PROPERTY RIGHTS, POWERS.** By vote of at least 75 percent of the members of the board, the board may acquire by purchase, lease, condemnation, gift, or grant, any real or personal property including positive and negative easements and water and air rights, and it may construct, enlarge, improve, replace, repair, maintain, and operate any interceptor, treatment works, or water facility determined to be necessary or convenient for the collection and disposal of sewage in the district. Any local governmental unit and the commissioners of transportation and natural resources are authorized to convey to or permit the use of any of the above-mentioned facilities owned or controlled by it, ~~by the board,~~ subject to the rights of the holders of any bonds issued with respect to those facilities, with or without compensation, without an election or approval by any other governmental unit or agency. All powers conferred by this subdivision may be exercised both within or without the district as may be necessary for the exercise by the board of its powers or the accomplishment of its purposes. By vote of at least 75 percent of the members of the board, the board may hold, lease, convey, or otherwise dispose of the above-mentioned property for its purposes upon the terms and in the manner it deems advisable. Unless otherwise provided, the right to acquire lands and property rights by condemnation may be exercised only in accordance with Minnesota Statutes, sections 117.011 to 117.232, and applies to any property or interest in the property owned by any local governmental unit. Property devoted to an actual public use at the time, or held to be devoted to such a use within a reasonable time, must not be so acquired unless a court of competent jurisdiction determines that the use proposed by the board is paramount to the existing use. Except in the case of property in actual public use, the board may take possession of any property on which condemnation proceedings have been commenced at any time after the issuance of a court order appointing commissioners for its condemnation.

New language is indicated by underline, deletions by ~~strikeout~~.

Sec. 8. Laws 2002, chapter 382, article 2, section 4, subdivision 10, is amended to read:

Subd. 10. **DISPOSAL OF PROPERTY.** By vote of at least 75 percent of the members of the board, the board may sell, lease, or otherwise dispose of any real or personal property acquired by it which is no longer required for accomplishment of its purposes. The property may be sold in the manner provided by Minnesota Statutes, section 469.065, insofar as practical. The board may give notice of sale as it deems appropriate. When the board determines that any property or any part of the district disposal system acquired from a local governmental unit without compensation is no longer required but is required as a local facility by the governmental unit from which it was acquired, the board may by resolution transfer it to that governmental unit.

Sec. 9. Laws 2002, chapter 382, article 2, section 5, subdivision 1, is amended to read:

Subdivision 1. **BOARD PLAN AND PROGRAM.** The board shall adopt a comprehensive plan for the collection, treatment, and disposal of sewage in the district for a designated period the board deems proper and reasonable. The board shall prepare and adopt subsequent comprehensive plans for the collection, treatment, and disposal of sewage in the district for each succeeding designated period as the board deems proper and reasonable. All comprehensive plans of the district shall be subject to the planning and zoning authority of St. Louis county and in conformance with all planning and zoning ordinances of St. Louis county. The first plan, as modified by the board, and any subsequent plan shall take into account the preservation and best and most economic use of water and other natural resources in the area; the preservation, use, and potential for use of lands adjoining waters of the state to be used for the disposal of sewage; and the impact the disposal system will have on present and future land use in the area affected. ~~In no case shall the comprehensive plan provide for more than 325 connections to the disposal system. All connections must be charged a full assessment. Connections made after the initial assessment period ends must be charged an amount equal to the initial assessment plus an adjustment for inflation and plus any other charges determined to be reasonable and necessary by the board. Deferred assessments may be permitted, as provided for in Minnesota Statutes, chapter 429.~~ The plans shall include the general location of needed interceptors and treatment works, a description of the area that is to be served by the various interceptors and treatment works, a long-range capital improvements program, and any other details as the board deems appropriate. In developing the plans, the board shall consult with persons designated for the purpose by governing bodies of any governmental unit within the district to represent the entities and shall consider the data, resources, and input offered to the board by the entities and any planning agency acting on behalf of one or more of the entities. Each plan, when adopted, must be followed in the district and may be revised as often as the board deems necessary.

Sec. 10. Laws 2002, chapter 382, article 2, section 5, is amended by adding a subdivision to read:

Subd. 3. **REMOVAL OF AREA.** After adopting the first plan, any of the local governmental units can elect not to be included within the central iron range sanitary

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sewer district by delivering a written resolution of the governing body of the governmental unit to the central iron range sanitary sewer district within 60 days of adoption of the first comprehensive plan. The area of the local governmental unit shall then be removed from the district.

Sec. 11. Laws 2002, chapter 382, article 2, section 6, is amended to read:

Sec. 6. POWERS TO ISSUE OBLIGATIONS AND IMPOSE SPECIAL ASSESSMENTS.

The central iron range sanitary sewer board, in order to implement the powers granted under sections 1 to 19 to establish, maintain, and administer the central iron range sanitary sewer district upon a vote of at least 75 percent of the members of the board, may issue obligations and impose special assessments against benefited property within the limits of the district benefited by facilities constructed under sections 1 to 19 in the manner provided for local governments by Minnesota Statutes, chapter 429.

Sec. 12. Laws 2002, chapter 382, article 2, section 8, subdivision 3, is amended to read:

Subd. 3. **UTILIZATION OF DISTRICT SYSTEM.** By vote of at least 75 percent of the members of the board, the board may require any person or local governmental unit to provide for the discharge of any sewage, directly or indirectly, into the district disposal system, or to connect any disposal system or a part of it with the district disposal system wherever reasonable opportunity for connection is provided; may regulate the manner in which the connections are made; may require any person or local governmental unit discharging sewage into the disposal system to provide preliminary treatment for it; may prohibit the discharge into the district disposal system of any substance that it determines will or may be harmful to the system or any persons operating it; and may require any local governmental unit to discontinue the acquisition, betterment, or operation of any facility for the unit's disposal system wherever and so far as adequate service is or will be provided by the district disposal system.

Sec. 13. Laws 2002, chapter 382, article 2, section 9, is amended to read:

Sec. 9. BUDGET.

(a) The board shall prepare and adopt, on or before October 1, 2002 2003, and each year thereafter, a budget showing for the following calendar year or other fiscal year determined by the board, sometimes referred to in sections 1 to 19 as the budget year, estimated receipts of money from all sources, including but not limited to payments by each local governmental unit, federal or state grants, taxes on property, and funds on hand at the beginning of the year, and estimated expenditures for:

(1) costs of operation, administration, and maintenance of the district disposal system;

(2) cost of acquisition and betterment of the district disposal system; and

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(3) debt service, including principal and interest, on general obligation bonds and certificates issued pursuant to section 13, and any money judgments entered by a court of competent jurisdiction.

(b) Expenditures within these general categories, and any other categories as the board may from time to time determine, must be itemized in detail as the board prescribes. The board and its officers, agents, and employees must not spend money for any purpose other than debt service without having set forth the expense in the budget nor in excess of the amount set forth in the budget for it. No obligation to make an expenditure of the above-mentioned type is enforceable except as the obligation of the person or persons incurring it. The board may amend the budget at any time by transferring from one purpose to another any sums except money for debt service and bond proceeds or by increasing expenditures in any amount by which actual cash receipts during the budget year exceed the total amounts designated in the original budget. The creation of any obligation under section 13, or the receipt of any federal or state grant is a sufficient budget designation of the proceeds for the purpose for which it is authorized, and of the tax or other revenue pledged to pay the obligation and interest on it, whether or not specifically included in any annual budget.

Sec. 14. Laws 2002, chapter 382, article 2, section 10, subdivision 2, is amended to read:

Subd. 2. **METHOD OF ALLOCATION OF CURRENT COSTS.** Current costs must be allocated in the district on an equitable basis as the board may determine by resolution to be in the best interests of the district. The adoption or revision of any method of allocation used by the board must be by the affirmative vote of at least ~~two-thirds~~ 75 percent of the members of the board.

Sec. 15. Laws 2002, chapter 382, article 2, section 11, is amended to read:

Sec. 11. TAX LEVIES.

To accomplish any duty imposed on it the board may, upon a vote of at least 75 percent of the members of the board, in addition to the powers granted in sections 1 to 19 and in any other law or charter, exercise the powers granted any municipality by Minnesota Statutes, chapters 117, 412, 429, 475, sections 115.46, 444.075, and 471.59, with respect to the area in the district. By vote of at least 75 percent of the members of the board, the board may levy taxes upon all taxable property in the district for all or a part of the amount payable to the board, pursuant to section 10, to be assessed and extended as a tax upon that taxable property by the county auditor for the next calendar year, free from any limit of rate or amount imposed by law or charter. The tax must be collected and remitted in the same manner as other general taxes.

Sec. 16. Laws 2002, chapter 382, article 2, section 12, subdivision 5, is amended to read:

Subd. 5. **POWER OF THE BOARD TO SPECIALLY ASSESS.** The board may, upon a vote of at least 75 percent of the members of the board, specially assess all or any part of the costs of acquisition and betterment as provided in this subdivision, of any project ordered under this section. The special assessments must be levied in

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accordance with Minnesota Statutes, sections 429.051 to 429.081, except as otherwise provided in this subdivision. No other provisions of Minnesota Statutes, chapter 429, apply. For purposes of levying the special assessments, the hearing on the project required in subdivision 1 serves as the hearing on the making of the original improvement provided for by Minnesota Statutes, section 429.051. The area assessed may be less than but may not exceed the area proposed to be assessed as stated in the notice of hearing on the project provided for in subdivision 2.

Sec. 17. Laws 2002, chapter 382, article 2, section 13, subdivision 3, is amended to read:

Subd. 3. **GENERAL OBLIGATION BONDS.** The board may, upon a vote of at least 75 percent of the members of the board, by resolution authorize the issuance of general obligation bonds for the acquisition or betterment of any part of the district disposal system, including but without limitation the payment of interest during construction and for a reasonable period thereafter, or for the refunding of outstanding bonds, certificates of indebtedness, or judgments. The board shall pledge its full faith and credit and taxing power for the payment of the bonds and shall provide for the issuance and sale and for the security of the bonds in the manner provided in Minnesota Statutes, chapter 475. The board has the same powers and duties as a municipality issuing bonds under that law, except that no election is required and the debt limitations of Minnesota Statutes, chapter 475, do not apply to the bonds. The board may also pledge for the payment of the bonds and deduct from the amount of any tax levy required under Minnesota Statutes, section 475.61, subdivision 1, and any revenues receivable under any state and federal grants anticipated by the board and may covenant to refund the bonds if and when and to the extent that for any reason the revenues, together with other funds available and appropriated for that purpose, are not sufficient to pay all principal and interest due or about to become due, provided that the revenues have not been anticipated by the issuance of certificates under subdivision 1.

Sec. 18. Laws 2002, chapter 382, article 2, section 16, is amended to read:

Sec. 16. **SERVICE CONTRACTS WITH GOVERNMENTAL ENTITIES OUTSIDE THE JURISDICTION OF THE BOARD.**

(a) The board may, upon a vote of at least 75 percent of the members of the board, contract with the United States or any agency of the federal government, any state or its agency, or any municipal or public corporation, governmental subdivision or agency or political subdivision in any state, outside the jurisdiction of the board, for furnishing services to those entities, including but not limited to planning for and the acquisition, betterment, operation, administration, and maintenance of any or all interceptors, treatment works, and local water and sanitary sewer facilities. The board may include as one of the terms of the contract that the entity must pay to the board an amount agreed upon as a reasonable estimate of the proportionate share properly allocable to the entity of costs of acquisition, betterment, and debt service previously allocated in the district. When payments are made by entities to the board, they must be applied in reduction of the total amount of costs thereafter allocated in the district, on an equitable basis as the board deems to be in the best interests of the district, applying so far as

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practicable and appropriate the criteria set forth in section 10, subdivision 2. A municipality in the state of Minnesota may enter into a contract and perform all acts and things required as a condition or consideration therefor consistent with the purposes of sections 1 to 19, whether or not included among the powers otherwise granted to the municipality by law or charter.

(b) The board shall contract with a qualified entity to make necessary inspections of the district facilities, and to otherwise process or assist in processing any of the work of the district.

Sec. 19. LOCAL APPROVAL.

This article takes effect the day after each of the governing bodies of each of the local governmental units has complied with Minnesota Statutes, section 645.021, subdivision 3.

ARTICLE 10

APPROPRIATIONS

ECONOMIC DEVELOPMENT

Section 1. ECONOMIC DEVELOPMENT; 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 "2004" and "2005," where used in this act, mean that the appropriation or appropriations listed under them are available for the year ending June 30, 2004, or June 30, 2005, respectively. The term "first year" means the fiscal year ending June 30, 2004, and the term "second year" means the fiscal year ending June 30, 2005. The term "DR-1419" as used in this act refers to the area included in Presidential Declaration of Major Disaster DR-1419, whether included in the original declaration or added later by federal government action.

SUMMARY BY FUND

	2004	2005	TOTAL
General	\$ 134,620,000	\$ 128,527,000	\$ 263,147,000
Petroleum Tank Cleanup	750,000	-0-	750,000
Environmental Fund	700,000	700,000	1,400,000

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Workers' Compensation	21,415,000	20,890,000	42,305,000
Workforce Development Fund	9,200,000	9,120,000	18,320,000
Special Revenue	240,000	240,000	480,000
TOTAL	\$ 166,925,000	\$ 159,477,000	\$ 326,402,000

APPROPRIATIONS
Available for the Year
Ending June 30

2004 2005

Sec. 2. TRADE AND ECONOMIC DEVELOPMENT

Subdivision 1. Total Appropriation \$ 67,659,000 \$ 64,429,000

Summary by Fund

General	57,219,000	54,819,000
Petroleum Tank Cleanup	750,000	-0-
Environmental Fund	700,000	700,000
Workforce Development Fund	8,750,000	8,670,000
Special Revenue	240,000	240,000

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Business and Community Development 10,489,000 7,734,000

Summary by Fund

General	9,039,000	7,034,000
Petroleum Tank Cleanup	750,000	-0-
Environmental Fund	700,000	700,000

Of this amount, \$35,000 the first year from funds available for small business assis-

tance is for a onetime grant to Blue Earth county for the Rural Advanced Business Facilitation program. The grant shall be provided on the condition that the funds be matched on a one-to-one basis from non-state sources. This appropriation is available until spent.

\$1,203,000 the first year and \$1,203,000 the second year are for Minnesota investment fund grants.

\$150,000 the first year and \$150,000 the second year are for grants to the rural policy and development center at Minnesota State University, Mankato. The grant shall be used for research and policy analysis on emerging economic and social issues in rural Minnesota, to serve as a policy resource center for rural Minnesota communities, to encourage collaboration across higher education institutions to provide interdisciplinary team approaches to research and problem solving in rural communities, and to administer overall operations of the center.

The grant shall be provided upon the condition that each state-appropriated dollar be matched with a nonstate dollar. Acceptable matching funds are nonstate contributions that the center has received and have not been used to match previous state grants. The funds not spent the first year are available the second.

\$1,000,000 the first year and \$1,000,000 the second year are onetime appropriations to encourage and facilitate a joint partnership with the University of Minnesota and the Mayo Foundation for research in biotechnology and medical genomics. This appropriation must be matched dollar for dollar by nonstate funds. Funds shall be made available on a reimbursement basis after certification to the commissioner of finance of the nonstate match.

In the first year, the appropriation funds operating costs of the collaboration, including salaries, but does not include capital expenditures. The University of Minnesota and the Mayo Foundation shall submit a business plan to the governor, the chair of the house jobs and economic development committee, and the chair of the senate jobs, housing, and community development committee no later than October 1, 2003. The plan should identify specific disciplines for development and collaboration, data access and confidentiality policies; timelines, and include a discussion of the expected economic benefits of the partnership to the state of Minnesota.

After adoption of the business plan by the governing bodies of the University of Minnesota and the Mayo Foundation, the appropriation in the second year shall be made available on a reimbursement basis to begin implementation of the business plan. A preliminary report on the budgeted expenditure of these funds should be submitted no later than October 1, 2004. A final report on the expenditure of these funds should be submitted no later than July 31, 2005.

\$2,000,000 the first year is to the Minnesota investment fund to make grants to local units of government for locally administered grants or loan programs, including buyouts, for businesses directly and adversely affected by flooding in the area included in DR-1419. Criteria and requirements must be locally established with the approval of the commissioner. For the purposes of this appropriation, Minnesota Statutes, sections 116J.8731, subdivisions 3, 4, 5, and 7; 116J.993; 116J.994; and 116J.995, are waived. Businesses that receive grants or loans from this appropriation must set goals for jobs retained and

wages paid within the area included in DR-1419.

This is a onetime appropriation and is available until expended.

Notwithstanding Minnesota Statutes, section 115C.08, subdivision 4, \$750,000 the first year is for grants to local units of government in the area included in DR-1419 to safely rehabilitate buildings if a portion of the rehabilitation costs is attributable to petroleum contamination or to buy out property substantially damaged by a petroleum tank release. This appropriation is not subject to the limitations of Minnesota Statutes, section 115C.09, subdivision 3i.

This is a onetime appropriation from the petroleum tank release cleanup fund and is available until expended.

Subd. 3. Minnesota Trade Office	2,187,000	2,187,000
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Of this amount, \$127,000 the first year is for a onetime transfer to the department of agriculture for the purposes of agricultural trade promotion.

Subd. 4. Workforce Development	7,385,000	7,385,000
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Summary by Fund

General	7,285,000	7,285,000
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Workforce Development Fund	100,000	100,000
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(a) \$6,785,000 the first year and \$6,785,000 the second year are for the job skills partnership and pathways programs. If the appropriation for either year is insufficient, the appropriation for the other year is available. This appropriation does not cancel.

(b) \$100,000 the first year and \$100,000 the second year are from the workforce development fund for onetime grants to

Lifetrack Resources for its immigrant/refugee collaborative programs, including those related to job-seeking skills and workplace orientation, intensive job development, functional work English, and on-site job coaching.

(c) \$250,000 the first year and \$250,000 the second year are from the general fund for grants under Minnesota Statutes, section 116J.8747 to Twin Cities Rise to provide training to hard-to-train individuals. The commissioner must present information reported by grant recipients to the legislative committees with jurisdiction over economic development by February 15 of 2004 and 2005.

(d) \$100,000 the first year and \$100,000 the second year are for a grant to the Metropolitan Economic Development Association for continuing minority business development programs in the metropolitan area.

(e) \$150,000 the first year and \$150,000 the second year are for grants to WomenVenture for women's business development programs.

Subd. 5. Office of Tourism

8,066,000	8,059,000
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To develop maximum private sector involvement in tourism, \$3,500,000 the first year and \$3,500,000 the second year of the amounts appropriated for marketing activities are contingent on receipt of an equal contribution from nonstate sources that have been certified by the commissioner. Up to one-half of the match may be given in in-kind contributions.

In order to maximize marketing grant benefits, the commissioner must give priority for joint venture marketing grants to organizations with year-round sustained tour-

ism activities. For programs and projects submitted, the commissioner must give priority to those that encompass two or more areas or that attract nonresident travelers to the state.

If an appropriation for either year for grants is not sufficient, the appropriation for the other year is available for it.

The commissioner may use grant dollars or the value of in-kind services to provide the state contribution for the partnership program.

Any unexpended money from general fund appropriations made under this subdivision does not cancel but must be placed in a special advertising account for use by the office of tourism to purchase additional media.

Of this amount, \$50,000 the first year is for a onetime grant to the Mississippi River parkway commission to support the increased promotion of tourism along the Great River Road. This appropriation is available until June 30, 2005.

Of this amount, \$175,000 the first year and \$175,000 the second year are for the Minnesota film board. The appropriation in each year is available only upon receipt by the board of \$1 in matching contributions of money or in-kind from nonstate sources for every \$3 provided by this appropriation.

Subd. 6. Administrative Support

4,992,000	4,604,000
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Subd. 7. Workforce Services

8,274,000

8,254,000

Summary by Fund

General	6,389,000	6,389,000
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Workforce Development Fund	1,645,000	1,625,000
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Special Revenue	240,000	240,000
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(a) \$990,000 the first year and \$990,000 the second year are for displaced homemaker programs under Minnesota Statutes, section 268.96. Of this amount, \$750,000 each year is from the workforce development fund and \$240,000 each year is from the special revenue fund. The commissioner of economic security shall report to the legislature by February 15, 2005, on the outcome of grants under this paragraph.

(b) \$875,000 the first year and \$875,000 the second year are from the workforce development fund for the Opportunities Industrialization Center programs.

(c) \$1,257,000 the first year and \$1,257,000 the second year are for youth intervention programs under Minnesota Statutes, section 268.30. One percent of this appropriation is for a grant to the Minnesota Youth Intervention Programs Association (YIPA) to provide collaborative training and technical assistance to community-based grantees of the program. The base funding in the fiscal year 2006-2007 biennium is \$1,446,000 each year.

(d) \$4,154,000 the first year and \$4,154,000 the second year are for the Minnesota youth program. If the appropriation in either year is insufficient, the appropriation for the other year is available. Of the money appropriated for the summer youth program for the first year, \$400,000 is immediately available. Any remaining balance of the immediately available money is available in the first year.

(e) \$754,000 the first year and \$754,000 the second year are for the Youthbuild program under Minnesota Statutes, sections 268.361 to 268.3661. A Minnesota Youthbuild program funded under this section as authorized in Minnesota Statutes, sections 268.361 to 268.3661, qualifies as an approved training program under Minnesota

Rules, part 5200.0930, subpart 1.

(f) \$20,000 the first year is a onetime appropriation from the workforce development fund for a transfer to the University of Minnesota Duluth for the purpose of funding the continuation of workforce surveys in northeast Minnesota. The chancellor of the University of Minnesota Duluth is requested to direct the School of Business and Economics to conduct a survey of households and businesses with the goal of providing information on regional workforce demand and supply. The survey results must be organized and distributed as follows:

- (1) information organized in the form of a development information sheet to be used in industrial recruiting;
- (2) a formal report, similar to those produced by the School of Business and Economics previous surveys;
- (3) appropriate oral presentations to a reasonable number of interested parties;
- (4) a Web page, usable by economic developers and prospective industries, summarizing the data; and
- (5) continuous updates to be presented to the legislature.

An advisory committee may be appointed to review and aid in the survey effort.

Subd. 8. Rehabilitation Services	21,818,000	21,758,000
Summary by Fund		
General	14,813,000	14,813,000
Workforce Development Fund	7,005,000	6,945,000

\$11,737,000 the first year and \$11,737,000 the second year are for extended employment services for persons with severe dis-

abilities or related conditions under Minnesota Statutes, section 268A.15. Of this amount, \$6,920,000 the first year and \$6,920,000 the second year are from the workforce development fund.

\$1,325,000 the first year and \$1,325,000 the second year are for grants to fund the eight centers for independent living. The base funding in the fiscal year 2006-2007 biennium is \$1,690,000 each year. Money not expended in the first year is available in the second year.

\$150,000 the first year and \$150,000 the second year are for grants to the Minnesota employment center for people who are deaf or hard-of-hearing. Money not expended in the first year is available in the second year.

\$1,000,000 the first year and \$1,000,000 the second year are for grants for programs that provide employment support services to persons with mental illness under Minnesota Statutes, sections 268A.13 and 268A.14. Up to \$70,000 each year may be used for administrative and salary expenses.

\$60,000 the first year is a onetime appropriation from the workforce development fund for education for employers to support HIV/AIDS general education and awareness and to improve capacities to manage HIV/AIDS in the workplace. The commissioner may contract with a community-based organization for education and legal and technical assistance for employers and their employees. This appropriation is available until June 30, 2005.

Subd. 9. State Services for the Blind

4,448,000

4,448,000

The base funding restored by this subdivision is intended to be used to provide services to blind persons, and that restored funding should be used to hire staff that

provide direct services, including accessible materials from the communication center, to blind persons.

Sec. 3. MINNESOTA TECHNOLOGY,
INC.

3,000,000

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\$3,000,000 the first year is for transfer from the general fund to the Minnesota Technology, Inc. fund. This is a onetime appropriation and no base funding is provided for any future year.

Sec. 4. HOUSING FINANCE
AGENCY

Subdivision 1. Total Appropriation

35,385,000

34,885,000

The amounts that may be spent from this appropriation for certain programs are specified in the following subdivisions.

This appropriation is for transfer to the housing development fund for the programs specified. Except as otherwise indicated, this transfer is part of the agency's permanent budget base.

Subd. 2. Roseau Flood Assistance

\$500,000 the first year is for a onetime grant for the city of Roseau to buy out flood damaged residential properties as provided below. The agency is authorized to provide assistance for the city of Roseau to acquire properties within the area included in DR-1419 that meet the following criteria:

- (1) the owner agrees to voluntarily sell the property;
- (2) the property to be acquired was the principal residence of the owner prior to the flooding described in DR-1419; and
- (3) the cost of restoring the property to its predamage condition would equal or exceed 50 percent of the market value of the structure before the damage occurred, or

the property has been declared uninhabitable by a state or local official in accordance with current codes or ordinances.

Property owners may receive assistance from the city in amounts up to the preflood fair market value of their property. The city must reduce the assistance provided to a property owner by any duplication of benefits from other sources. If the property owner is selling the structure which served as the principal residence but not the real property on which the structure is located, the assistance must be reduced by the preflood fair market value of the real property. If the city sells the real property it has acquired with the assistance provided under this subdivision, it will repay to the agency any funds obtained from the sale of the real property.

Subd. 3. Affordable Rental Investment Fund

\$9,273,000 the first year and \$9,273,000 the second year are for the affordable rental investment fund program under Minnesota Statutes, section 462A.21, subdivision 8b.

This appropriation is to finance the acquisition, rehabilitation, and debt restructuring of federally assisted rental property and for making equity take-out loans under Minnesota Statutes, section 462A.05, subdivision 39. The owner of the federally assisted rental property must agree to participate in the applicable federally assisted housing program and to extend any existing low-income affordability restrictions on the housing for the maximum term permitted. The owner must also enter into an agreement that gives local units of government, housing and redevelopment authorities, and nonprofit housing organizations the right of first refusal if the rental property is offered for sale. Priority must be given among comparable properties to properties

with the longest remaining term under an agreement for federal rental assistance. Priority must also be given among comparable rental housing developments to developments that are or will be owned by local government units, a housing and redevelopment authority, or a nonprofit housing organization.

Subd. 4. Family Homeless Prevention

\$3,715,000 the first year and \$3,715,000 the second year are for family homeless prevention and assistance programs under Minnesota Statutes, section 462A.204. Any balance in the first year does not cancel but is available in the second year.

Subd. 5. Challenge Program

\$9,622,000 the first year and \$9,622,000 the second year are for the economic development and housing challenge program under Minnesota Statutes, section 462A.33.

Subd. 6. Rental Assistance for Mentally III

\$1,638,000 the first year and \$1,638,000 the second year are for a rental housing assistance program for persons with a mental illness or families with an adult member with a mental illness under Minnesota Statutes, section 462A.2097. The agency must not reduce the funding under this subdivision.

Subd. 7. Home Ownership Education, Counseling, and Training

\$770,000 the first year and \$770,000 the second year are for the home ownership education, counseling, and training program under Minnesota Statutes, section 462A.209.

Subd. 8. Housing Trust Fund

\$4,305,000 the first year and \$4,305,000 the second year are for the housing trust fund to be deposited in the housing trust fund account created under Minnesota Statutes, section 462A.201, and used for the purposes provided in that section.

Subd. 9. Urban Indian Housing Program

\$180,000 the first year and \$180,000 the second year are for the urban Indian housing program under Minnesota Statutes, section 462A.07, subdivision 15.

Subd. 10. Tribal Indian Housing Program

\$1,105,000 the first year and \$1,105,000 the second year are for the tribal Indian housing program under Minnesota Statutes, section 462A.07, subdivision 14.

Subd. 11. Capacity Building Grants

\$305,000 the first year and \$305,000 the second year are for nonprofit capacity building grants under Minnesota Statutes, section 462A.21, subdivision 3b.

Subd. 12. Housing Rehabilitation and Accessibility

\$3,972,000 the first year and \$3,972,000 the second year are for the housing rehabilitation and accessibility program under Minnesota Statutes, section 462A.05, subdivisions 14a and 15a.

Subd. 13. Home Ownership Assistance Fund

The budget base for the home ownership assistance fund shall be \$885,000 in fiscal year 2006 and \$885,000 in fiscal year 2007.

Sec. 5. LABOR AND INDUSTRY

Subdivision 1. Total Appropriation	23,152,000	22,561,000
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Summary by Fund

General	2,905,000	2,839,000
Workers' Compensation	19,797,000	19,272,000
Workforce Development Fund	450,000	450,000

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Workers' Compensation

10,566,000	10,346,000
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This appropriation is from the workers' compensation fund.

\$125,000 the first year and \$125,000 the second year are for grants to the Vinland Center for rehabilitation service.

Subd. 3. Workplace Services

6,994,000	6,928,000
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Summary by Fund

General	2,905,000	2,839,000
Workers' Compensation	3,639,000	3,639,000
Workforce Development Fund	450,000	450,000

\$345,000 the first year and \$345,000 the second year are for boiler inspections under Minnesota Statutes, section 183.38, subdivision 1. This is a onetime appropriation and is not added to the department's base.

\$350,000 each year is from the workforce development fund for the apprenticeship program under Minnesota Statutes, chapter 178.

\$100,000 the first year and \$100,000 the second year are for labor education and advancement program grants. This appro-

priation is from the workforce development fund.

Subd. 4. General Support

5,592,000	5,287,000
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This appropriation is from the workers' compensation fund.

Sec. 6. BUREAU OF MEDIATION SERVICES

Subdivision 1. Total Appropriation	1,773,000	1,773,000
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The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Mediation Services

1,673,000	1,673,000
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Subd. 3. Labor Management Cooperation Grants

100,000	100,000
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\$100,000 each year is for grants to area labor-management committees. Grants may be awarded for a 12-month period beginning July 1 of each year. Any unencumbered balance remaining at the end of the first year does not cancel but is available for the second year.

Sec. 7. WORKERS' COMPENSATION COURT OF APPEALS	1,618,000	1,618,000
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This appropriation is from the workers' compensation fund.

Sec. 8. MINNESOTA HISTORICAL SOCIETY

Subdivision 1. Total Appropriation	22,407,000	22,280,000
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The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

The historical society shall make its best possible efforts, including the use of vol-

unteers, to avoid closing historic sites or substantially limiting public access to them. Before closing any site, the society must consult with, and fully consider proposals from, interested community groups or individuals who are willing to provide financial or in-kind support for site operations.

Subd. 2. Education and Outreach	12,381,000	12,381,000
Subd. 3. Preservation and Access	9,772,000	9,772,000
Subd. 4. Fiscal Agent	254,000	127,000
(a) Minnesota International Center		
43,000		42,000
(b) Minnesota Air National Guard Museum		
16,000		-0-
(c) Minnesota Military Museum		
67,000		-0-
(d) Farmamerica		
128,000		85,000

Notwithstanding any other law, this appropriation may be used for operations.

(e) Balances Forward

Any unencumbered balance remaining in this subdivision the first year does not cancel but is available for the second year of the biennium.

Subd. 5. Fund Transfer

The society may reallocate funds appropriated in and between subdivisions 2 and 3 for any program purposes.

Sec. 9. BOARD OF THE ARTS

Subdivision 1. Total Appropriation	8,593,000	8,593,000
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If the appropriation for either year is insufficient, the appropriation for the other year is available.

Subd. 2. Operations and Services	404,000	404,000
Subd. 3. Grants Programs	5,767,000	5,767,000
Subd. 4. Regional Arts Councils	2,422,000	2,422,000
Sec. 10. CHILDREN, FAMILIES AND LEARNING		
Subdivision 1. Total Appropriation	3,338,000	3,338,000
Subd. 2. Emergency Services		
350,000	350,000	

For emergency services grants under Laws 1997, chapter 162, article 3, section 7. Any balance in the first year does not cancel but is available in the second year.

Subd. 3. Transitional Housing	2,988,000	2,988,000
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\$2,988,000 the first year and \$2,988,000 the second year are for transitional housing programs according to Minnesota Statutes, section 119A.43. Any balance in the first year does not cancel but is available in the second year.

Sec. 11. CANCELLATIONS AND TRANSFERS.

(a) The unexpended balance as of July 1, 2003, from all appropriations to the capital access program established under Minnesota Statutes, section 116J.8761, is canceled to the general fund.

(b) The unexpended balance as of July 1, 2003, in the nongame wildlife tourism program in the department of trade and economic development is canceled to the general fund.

(c) Of the appropriation made to the department of trade and economic development in Laws 1997, chapter 200, article 1, section 2, subdivision 2, \$361,000 is canceled to the general fund.

(d) Of the appropriation made to the public facilities authority in Laws 2000, chapter 492, article 1, section 22, subdivision 3, \$700,000 is canceled to the general fund.

(e) After July 1, 2003, but before September 30, 2003, the commissioner of finance shall transfer \$800,000 of the unexpended balance in the tourism loan account

New language is indicated by underline, deletions by ~~strikeout~~.

established under Minnesota Statutes, section 116J.617, subdivision 5, to the general fund.

(f) Any repayments of principal and any interest earned on money previously in the tourism loan account shall be deposited in the general fund.

(g) On or before June 30 of each fiscal year, the commissioner of finance shall transfer \$550,000 from the workforce development fund to the general fund.

Sec. 12. Laws 2002, chapter 220, article 13, section 9, subdivision 2, as amended by Laws 2002, chapter 374, article 8, section 6, is amended to read:

Subd. 2. **SPECIAL COMPENSATION FUND.** After June 1, 2003, but no later than June 30, 2003, the commissioner of finance shall transfer \$250,000,000 \$265,000,000 in assets of the excess surplus account of the special compensation fund created under Minnesota Statutes, section 176.129, to the general fund.

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

Sec. 13. Laws 2002, chapter 331, section 19, is amended to read:

Sec. 19. **EFFECTIVE DATE.**

Sections 16 and 17 are effective July 1, ~~2003~~ 2004.

Sec. 14. **FEDERAL FUND APPROVAL.**

Requests to spend federal grants and aids as shown in the biennial budget document and its supplements for the departments of trade and economic development, economic security, and labor and industry; the Minnesota housing finance agency; and Minnesota Technology, Inc., for which further review was requested under Minnesota Statutes, section 3.3005, subdivision 2a, in January or February 2003, are approved and the amounts shown in the budget documents are appropriated for the purpose indicated in the request.

Sec. 15. **REPEALER.**

Minnesota Statutes 2002, section 138.91, is repealed.

ARTICLE 11

DEPARTMENT OF LABOR AND INDUSTRY

POLICY PROVISIONS

Section 1. Minnesota Statutes 2002, section 175.16, subdivision 1, is amended to read:

New language is indicated by underline, deletions by ~~strikeout~~.

Subdivision 1. **ESTABLISHED.** The department of labor and industry shall consist of the following divisions: division of workers' compensation, division of boiler inspection, division of occupational safety and health, division of statistics, division of steamfitting standards, ~~division of voluntary apprenticeship~~, division of labor standards and apprenticeship, and such other divisions as the commissioner of the department of labor and industry may deem necessary and establish. Each division of the department and persons in charge thereof shall be subject to the supervision of the commissioner of the department of labor and industry and, in addition to such duties as are or may be imposed on them by statute, shall perform such other duties as may be assigned to them by said the commissioner. Notwithstanding any other law to the contrary, the commissioner is the administrator and supervisor of all of the department's dispute resolution functions and personnel and may delegate authority to compensation judges and others to make determinations under sections 176.106, 176.238, and 176.239 and to approve settlement of claims under section 176.521.

Sec. 2. Minnesota Statutes 2002, section 177.26, subdivision 1, is amended to read:

Subdivision 1. **CREATION.** The division of labor standards and apprenticeship in the department of labor and industry is supervised and controlled by the commissioner of labor and industry.

Sec. 3. Minnesota Statutes 2002, section 177.26, subdivision 2, is amended to read:

Subd. 2. **POWERS AND DUTIES.** ~~The powers, duties, and functions given to the department's division of women and children by this chapter, and other applicable laws relating to wages, hours, and working conditions, are transferred to the division of labor standards. The division of labor standards and apprenticeship shall administer sections 177.21 to 177.35 and chapter chapters 177, 178, 181, 181A, and 184. The division shall perform duties under sections 181.9435 and 181.9436.~~

Sec. 4. Minnesota Statutes 2002, section 178.01, is amended to read:

178.01 **PURPOSES.**

The purposes of this chapter are: to open to young people regardless of race, sex, creed, color or national origin, the opportunity to obtain training that will equip them for profitable employment and citizenship; to establish as a means to this end, a program of voluntary apprenticeship under approved apprentice agreements providing facilities for their training and guidance in the arts, skills, and crafts of industry and trade, with concurrent, supplementary instruction in related subjects; to promote employment opportunities under conditions providing adequate training and reasonable earnings; to relate the supply of skilled workers to employment demands; to establish standards for apprentice training; to establish an apprenticeship advisory council and apprenticeship committees to assist in effectuating the purposes of this chapter; to provide for a division of voluntary labor standards and apprenticeship within the department of labor and industry; to provide for reports to the legislature regarding the status of apprentice training in the state; to establish a procedure for the determination of apprentice agreement controversies; and to accomplish related ends.

New language is indicated by underline, deletions by ~~strikeout~~.

Sec. 5. Minnesota Statutes 2002, section 178.03, subdivision 1, is amended to read:

Subdivision 1. **ESTABLISHMENT OF DIVISION.** There is hereby established a division of ~~voluntary labor standards and apprenticeship~~ in the department of labor and industry. This division shall be administered by a director, and be under the supervision of the commissioner of labor and industry, hereinafter referred to as the commissioner.

Sec. 6. Minnesota Statutes 2002, section 178.03, subdivision 2, is amended to read:

Subd. 2. **DIRECTOR OF VOLUNTARY LABOR STANDARDS AND APPRENTICESHIP.** The commissioner shall appoint a director of the division of ~~voluntary labor standards and apprenticeship~~, hereinafter referred to as the director, and may appoint and employ such clerical, technical, and professional help as is necessary to accomplish the purposes of this chapter. The director and division staff shall be appointed and shall serve in the classified service pursuant to civil service law and rules.

Sec. 7. **[178.12] REGISTRATION FEE.**

The apprenticeship registration account is established in the special revenue fund of the state treasury. An annual registration fee will be charged to each sponsor for each apprentice registered in the program. The fee is established at \$30 per apprentice. Subsequent adjustments to this fee will be made pursuant to Minnesota Statutes, sections 16A.1283 and 16A.1285, subdivision 2. The fees collected and any interest earned are appropriated to the commissioner for purposes of this chapter.

Sec. 8. Minnesota Statutes 2002, section 181.9435, subdivision 1, is amended to read:

Subdivision 1. **INVESTIGATION.** The division of labor standards and apprenticeship shall receive complaints of employees against employers relating to sections 181.940 to 181.9436 and investigate informally whether an employer may be in violation of sections 181.940 to 181.9436. The division shall attempt to resolve employee complaints by informing employees and employers of the provisions of the law and directing employers to comply with the law.

Sec. 9. Minnesota Statutes 2002, section 181.9436, is amended to read:

181.9436 **POSTING OF LAW.**

The division of labor standards and apprenticeship shall develop, with the assistance of interested business and community organizations, an educational poster stating employees' rights under sections 181.940 to 181.9436. The department shall make the poster available, upon request, to employers for posting on the employer's premises.

New language is indicated by underline, deletions by ~~strikeout~~.

Sec. 10. Minnesota Statutes 2002, section 182.667, subdivision 2, is amended to read:

Subd. 2. Any employer who willfully or repeatedly violates the requirements of section 182.653, any safety and health standard promulgated under this chapter, any existing rule promulgated by the department, may be punished by a fine of not more than ~~\$20,000~~ \$70,000 or by imprisonment for not more than six months or by both; except, that if the conviction is for a violation committed after a first conviction of such person, punishment shall be a fine of not more than ~~\$35,000~~ \$100,000 or by imprisonment for not more than one year, or by both.

Sec. 11. BOILER INSPECTION AND LICENSE FEE SURCHARGE.

The commissioner of labor and industry shall impose a surcharge of \$5 on each of the fees authorized under Minnesota Statutes, section 183.545, subdivisions 2, 3, and 4, for the period starting July 1, 2003, and ending June 30, 2005.

Sec. 12. WORKERS' COMPENSATION WORKING GROUP.

The commissioner of labor and industry shall convene a working group to study issues related to the medical cost drivers of the workers' compensation program. The group shall report its findings, along with any recommendations to the workers' compensation advisory council before January 9, 2004. The purpose of the study is to examine the medical cost drivers of the workers' compensation program in order to ensure costs are not excessive, while at the same time ensuring that injured workers have adequate access to health care providers under the workers' compensation system. The working group shall consist of an equal number of provider, employer, and labor representatives. The study shall examine:

(1) the growth in medical costs in the workers' compensation program compared to the growth in overall medical costs; and

(2) the costs that are unique to providing medical services to injured workers under the workers' compensation program.

The commissioner shall convene the study group no later than September 1, 2003. By February 15, 2004, the workers' compensation advisory council must report to the chairs of the legislative committees with jurisdiction over workers' compensation regarding the recommendations of the working group, including a description of action taken on the recommendations.

ARTICLE 12

DEPARTMENT OF TRADE AND ECONOMIC DEVELOPMENT

POLICY PROVISIONS - PART ONE

Section 1. Minnesota Statutes 2002, section 248.10, is amended to read:

New language is indicated by underline, deletions by ~~strikeout~~.

248.10 REHABILITATION COUNCIL FOR THE BLIND.

(a) The commissioner shall establish a rehabilitation council for the blind consistent with the federal Rehabilitation Act of 1973, Public Law Number 93-112, as amended. Council members shall be compensated as provided in section 15.059, subdivision 3. The council shall advise the commissioner about programs of the division of state services for the blind.

(b) Notwithstanding section 13D.01, the rehabilitation council for the blind may conduct a meeting of its members by telephone or other electronic means so long as the following conditions are met:

(1) all members of the council participating in the meeting, wherever their physical location, can hear one another and can hear all discussion and testimony;

(2) members of the public present at the regular meeting location of the council can hear all discussion and testimony and all votes of members of the council;

(3) at least one member of the council is physically present at the regular meeting location; and

(4) all votes are conducted by roll call, so each member's vote on each issue can be identified and recorded.

(c) Each member of the council participating in a meeting by telephone or other electronic means is considered present at the meeting for purposes of determining a quorum and participating in all proceedings.

(d) If telephone or another electronic means is used to conduct a meeting, the council to the extent practical, shall allow a person to monitor the meeting electronically from a remote location. The council may require the person making such a connection to pay for documented marginal costs that the council incurs as a result of the additional connection.

(e) If telephone or another electronic means is used to conduct a regular, special, or emergency meeting, the council shall provide notice of the regular meeting location, of the fact that some members may participate by electronic means, and of the provisions of paragraph (d). The timing and method of providing notice is governed by section 13D.04.

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

Sec. 2. Minnesota Statutes 2002, section 268A.02, is amended by adding a subdivision to read:

Subd. 3. ELECTRONIC OR TELEPHONIC MEETINGS. (a) Notwithstanding section 13D.01, the state rehabilitation council and the statewide independent living council may conduct a meeting of its members by telephone or other electronic means so long as the following conditions are met:

(1) all members of the council participating in the meeting, wherever their physical location, can hear one another and can hear all discussion and testimony;

New language is indicated by underline, deletions by ~~strikeout~~.

(2) members of the public present at the regular meeting location of the council can hear all discussion and testimony and all votes of members of the council;

(3) at least one member of the council is physically present at the regular meeting location; and

(4) all votes are conducted by roll call, so each member's vote on each issue can be identified and recorded.

(b) Each member of the council participating in a meeting by telephone or other electronic means is considered present at the meeting for purposes of determining a quorum and participating in all proceedings.

(c) If telephone or other electronic means is used to conduct a meeting, the council, to the extent practical, shall allow a person to monitor the meeting electronically from a remote location. The council may require the person making such a connection to pay for documented marginal costs that the council incurs as a result of the additional connection.

(d) If telephone or other electronic means is used to conduct a regular, special, or emergency meeting, the council shall provide notice of the regular meeting location, of the fact that some members may participate by telephone or other electronic means, and of the provisions of paragraph (c). The timing and method of providing notice is governed by section 13D.04.

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

Sec. 3. Minnesota Statutes 2002, section 517.08, subdivision 1b, is amended to read:

Subd. 1b. **TERM OF LICENSE; FEE; PREMARITAL EDUCATION.** (a) The court administrator shall examine upon oath the party applying for a license relative to the legality of the contemplated marriage. If at the expiration of a five-day period, on being satisfied that there is no legal impediment to it, including the restriction contained in section 259.13, the court administrator shall issue the license, containing the full names of the parties before and after marriage, and county and state of residence, with the district court seal attached, and make a record of the date of issuance. The license shall be valid for a period of six months. In case of emergency or extraordinary circumstances, a judge of the district court of the county in which the application is made, may authorize the license to be issued at any time before the expiration of the five days. Except as provided in paragraph (b), the court administrator shall collect from the applicant a fee of ~~\$70~~ \$80 for administering the oath, issuing, recording, and filing all papers required, and preparing and transmitting to the state registrar of vital statistics the reports of marriage required by this section. If the license should not be used within the period of six months due to illness or other extenuating circumstances, it may be surrendered to the court administrator for cancellation, and in that case a new license shall issue upon request of the parties of the original license without fee. A court administrator who knowingly issues or signs a marriage license in any manner other than as provided in this section shall pay to the parties aggrieved an amount not to exceed \$1,000.

New language is indicated by underline, deletions by ~~strikeout~~.

(b) The marriage license fee for parties who have completed at least 12 hours of premarital education is \$20. In order to qualify for the reduced fee, the parties must submit a signed and dated statement from the person who provided the premarital education confirming that it was received. The premarital education must be provided by a licensed or ordained minister or the minister's designee, a person authorized to solemnize marriages under section 517.18, or a person authorized to practice marriage and family therapy under section 148B.33. The education must include the use of a premarital inventory and the teaching of communication and conflict management skills.

(c) The statement from the person who provided the premarital education under paragraph (b) must be in the following form:

"I, (name of educator), confirm that (names of both parties) received at least 12 hours of premarital education that included the use of a premarital inventory and the teaching of communication and conflict management skills. I am a licensed or ordained minister, a person authorized to solemnize marriages under Minnesota Statutes, section 517.18, or a person licensed to practice marriage and family therapy under Minnesota Statutes, section 148B.33."

The names of the parties in the educator's statement must be identical to the legal names of the parties as they appear in the marriage license application. Notwithstanding section 138.17, the educator's statement must be retained for seven years, after which time it may be destroyed.

(d) If section 259.13 applies to the request for a marriage license, the court administrator shall grant the marriage license without the requested name change. Alternatively, the court administrator may delay the granting of the marriage license until the party with the conviction:

(1) certifies under oath that 30 days have passed since service of the notice for a name change upon the prosecuting authority and, if applicable, the attorney general and no objection has been filed under section 259.13; or

(2) provides a certified copy of the court order granting it. The parties seeking the marriage license shall have the right to choose to have the license granted without the name change or to delay its granting pending further action on the name change request.

Sec. 4. Minnesota Statutes 2002, section 517.08, subdivision 1c, is amended to read:

Subd. 1c. **DISPOSITION OF LICENSE FEE.** (a) Of the marriage license fee collected pursuant to subdivision 1b, paragraph (a), \$15 must be retained by the county. The court administrator must pay ~~\$55~~ \$65 to the state treasurer to be deposited as follows:

(1) \$50 in the general fund;

(2) \$3 in the special revenue fund to be appropriated to the commissioner of children, families, and learning for parenting time centers under section 119A.37; and

New language is indicated by underline, deletions by ~~strikeout~~.

(3) \$2 in the special revenue fund to be appropriated to the commissioner of health for developing and implementing the MN ENABL program under section 145.9255; and

(4) \$10 in the special revenue fund to be appropriated to the commissioner of economic security for the displaced homemaker program under section 268.96.

(b) Of the \$20 fee under subdivision 1b, paragraph (b), \$15 must be retained by the county. The state court administrator must pay \$5 to the state treasurer to be distributed as provided in paragraph (a), clauses (2) and (3).

Sec. 5. Laws 2001, First Special Session chapter 4, article 2, section 31, is amended to read:

Sec. 31. **WORKFORCE ENHANCEMENT FEE.**

Subdivision 1. **FEE.** Notwithstanding Minnesota Statutes, section 268.022, effective January 1, 2002, the special assessment under that section on taxable wages as defined in Minnesota Statutes, section 268.035, subdivision 24, is suspended until December 31, 2005. Effective January 1, 2002, there shall be assessed, in addition to unemployment taxes due under Minnesota Statutes, section 268.051, a workforce enhancement fee of ~~.09~~ .12 percent on taxable wages. If the commissioner of trade and economic development determines that the need for services under the dislocated worker program substantially exceeds the resources that will be available for that program, the commissioner may increase the fee to no more than .14 percent of taxable wages. This fee shall be due and be paid on the same schedule and in the same manner as unemployment taxes under Minnesota Statutes, section 268.051. Any amount past due under this section shall be subject to the same interest and collection provisions as unemployment taxes. This fee shall expire on December 31, 2005.

Subd. 2. **USE OF FUNDS COLLECTED.** ~~An amount equal to .07 percent on taxable wages shall be deposited in the workforce development fund provided for under Minnesota Statutes, section 268.022, subdivision 2.~~ An amount equal to .02 percent on taxable wages, less reimbursement for collection costs of the total amount of the fee, shall be deposited in the unemployment insurance technology initiative account provided for in section 32. The remaining funds collected under this section shall be deposited in the workforce development fund provided for under Minnesota Statutes, section 268.022, subdivision 2.

EFFECTIVE DATE. This section is effective January 1, 2004.

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ARTICLE 13

DEPARTMENT OF TRADE AND ECONOMIC

DEVELOPMENT POLICY PROVISIONS - PART TWO

Section 1. Minnesota Statutes 2002, section 17.03, subdivision 6, is amended to read:

Subd. 6. **COOPERATION WITH MINNESOTA TRADE DIVISION DEPARTMENT OF TRADE AND ECONOMIC DEVELOPMENT.** The commissioner of agriculture, ~~and the commissioner of trade and economic development, and the director of the Minnesota trade division~~ shall cooperate with each other to promote the beneficial agricultural interests of the state. The commissioner of ~~trade and economic development~~ and the ~~director of the Minnesota trade division~~ agriculture has primary responsibility for promoting state agricultural interests to international markets. The commissioner of ~~trade and economic development~~ and the ~~director of the Minnesota trade division~~ agriculture is also responsible for the promotion of national trade programs related to international marketing. The commissioner of agriculture has primary responsibility for promoting the agriculture interests of producers, promoting state agricultural markets, and promoting agricultural interests of the state in cooperative production and marketing efforts with other states and the United States Department of Agriculture. The commissioner of agriculture is also responsible for promoting the national and international marketing of state agricultural products.

Sec. 2. Minnesota Statutes 2002, section 17.101, subdivision 1, is amended to read:

Subdivision 1. **DEPARTMENTAL DUTIES.** For the purposes of expanding, improving, and developing production and marketing of products of Minnesota agriculture, the commissioner shall encourage and promote the production and marketing of these products by means of:

- (a) advertising Minnesota agricultural products;
- (b) assisting state agricultural commodity organizations;
- (c) developing methods to increase processing and marketing of agricultural commodities including commodities not being produced in Minnesota on a commercial scale, but which may have economic potential in national and international markets;
- (d) investigating and identifying new marketing technology and methods to enhance the competitive position of Minnesota agricultural products;
- (e) evaluating livestock marketing opportunities;
- (f) assessing and developing national and international markets for Minnesota agricultural products;

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(g) studying the conversion of raw agricultural products to manufactured products including ethanol;

(h) hosting the visits of foreign trade teams to Minnesota and defraying the teams' expenses;

(i) assisting Minnesota agricultural businesses desiring to sell their products;

(j) conducting research to eliminate or reduce specific production or technological barriers to market development and trade; and

(k) other activities the commissioner deems appropriate to promote Minnesota agricultural products, provided that the activities do not duplicate programs or services provided by the Minnesota trade division ~~or the Minnesota world trade center.~~

Sec. 3. Minnesota Statutes 2002, section 41A.036, subdivision 2, is amended to read:

Subd. 2. SMALL BUSINESS DEVELOPMENT LOANS; PREFERENCES.

The following eligible small businesses have preference among all business applicants for small business development loans:

(1) businesses located in rural areas of the state that are experiencing the most severe unemployment rates in the state;

(2) businesses that are likely to expand and provide additional permanent employment in rural areas of the state, or enhance the quality of existing jobs in those areas;

(3) businesses located in border communities that experience a competitive disadvantage due to location;

(4) businesses that have been unable to obtain traditional financial assistance due to a disadvantageous location, minority ownership, or other factors rather than due to the business having been considered a poor financial risk;

(5) businesses that utilize state resources and reduce state dependence on outside resources, and that produce products or services consistent with the long-term social and economic needs of the state; and

(6) businesses located in designated enterprise zones, as described in section 469.168.

Sec. 4. Minnesota Statutes 2002, section 115C.08, subdivision 4, is amended to read:

Subd. 4. EXPENDITURES. (a) Money in the fund may only be spent:

(1) to administer the petroleum tank release cleanup program established in this chapter;

(2) for agency administrative costs under sections 116.46 to 116.50, sections 115C.03 to 115C.06, and costs of corrective action taken by the agency under section 115C.03, including investigations;

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- (3) for costs of recovering expenses of corrective actions under section 115C.04;
 - (4) for training, certification, and rulemaking under sections 116.46 to 116.50;
 - (5) for agency administrative costs of enforcing rules governing the construction, installation, operation, and closure of aboveground and underground petroleum storage tanks;
 - (6) for reimbursement of the environmental response, compensation, and compliance account under subdivision 5 and section 115B.26, subdivision 4;
 - (7) for administrative and staff costs as set by the board to administer the petroleum tank release program established in this chapter;
 - (8) for corrective action performance audits under section 115C.093; and
 - (9) for contamination cleanup grants, as provided in paragraph (c).
- (b) Except as provided in paragraph (c), money in the fund is appropriated to the board to make reimbursements or payments under this section.

(c) \$6,200,000 is annually appropriated from the fund to the commissioner of trade and economic development for contamination cleanup grants under section 116J.554. Of this amount, the commissioner may spend up to ~~\$120,000~~ \$180,000 annually for administration of the contamination cleanup grant program. The appropriation does not cancel and is available until expended. The appropriation shall not be withdrawn from the fund nor the fund balance reduced until the funds are requested by the commissioner of trade and economic development. The commissioner shall schedule requests for withdrawals from the fund to minimize the necessity to impose the fee authorized by subdivision 2. Unless otherwise provided, the appropriation in this paragraph may be used for:

- (1) project costs at a qualifying site if a portion of the cleanup costs are attributable to petroleum contamination; and
- (2) the costs of performing contamination investigation if there is a reasonable basis to suspect the contamination is attributable to petroleum.

EFFECTIVE DATE. This section is effective June 30, 2003.

Sec. 5. Minnesota Statutes 2002, section 116J.011, is amended to read:

116J.011 MISSION.

The mission of the department of trade and economic development is to employ all of the available state government resources to facilitate an economic environment that produces net new job growth in excess of the national average, to improve the quality of existing jobs, and to increase nonresident and resident tourism revenues. It is part of the department's mission that within the department's resources the commissioner shall endeavor to:

- (1) prevent the waste or unnecessary spending of public money;

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(2) use innovative fiscal and human resource practices to manage the state's resources and operate the department as efficiently as possible;

(3) coordinate the department's activities wherever appropriate with the activities of other governmental agencies;

(4) use technology where appropriate to increase agency productivity, improve customer service, increase public access to information about government, and increase public participation in the business of government;

(5) utilize constructive and cooperative labor-management practices to the extent otherwise required by chapters 43A and 179A;

(6) report to the legislature on the performance of agency operations and the accomplishment of agency goals in the agency's biennial budget according to section 16A.10, subdivision 1; and

(7) recommend to the legislature appropriate changes in law necessary to carry out the mission and improve the performance of the department.

Sec. 6. Minnesota Statutes 2002, section 116J.411, is amended by adding a subdivision to read:

Subd. 2a. **JOB ENHANCEMENT.** "Job enhancement" means:

(1) an increase in wages, and an increase in the responsibility or skill level of job duties; or

(2) the provision of additional training or education for employees in existing jobs.

Sec. 7. Minnesota Statutes 2002, section 116J.415, subdivision 1, is amended to read:

Subdivision 1. **ORGANIZATION.** The commissioner shall make challenge grants to regional organizations, for the purpose of providing financial assistance to encourage private investment, to provide jobs or job enhancement for low-income persons, and to promote economic development in the rural areas of the state.

Sec. 8. Minnesota Statutes 2002, section 116J.415, subdivision 2, is amended to read:

Subd. 2. **FUNDING REGIONS.** The commissioner shall divide the state outside of the metropolitan area as defined in section 473.121, subdivision 2, into six regions. A region's boundaries must be coterminous with the boundaries of one or more of the development regions established under section 462.385. The commissioner shall designate up to \$1,000,000 for each region, to be awarded over a period of three years allocate all funds remaining in each regional subaccount of the rural rehabilitation account, as established under section 166J.955, to each respective regional organization. The money designated to each region must be used for revolving loans assistance authorized in this section.

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Sec. 9. Minnesota Statutes 2002, section 116J.415, subdivision 4, is amended to read:

Subd. 4. **REVOLVING LOAN FUND.** A regional organization shall establish a commissioner certified revolving loan fund to provide loans to new and expanding businesses in rural Minnesota to promote economic development in rural Minnesota. Eligible business enterprises include technologically innovative industries, value-added manufacturing, agriprocessing, information industries, and agricultural marketing. Loan applications given preliminary approval by the organization must be forwarded to the commissioner for final approval. The amount of state money allocated for each loan is appropriated from the rural rehabilitation account established in section 116J.955 to the organization's regional revolving loan fund when the commissioner gives final approval for each loan. The amount of money appropriated from the rural rehabilitation account may not exceed 50 percent for each loan. The amount of nonpublic money must equal at least 50 percent for each loan. Funds may be used to provide loans, loan guarantees, interest buy-downs, and other forms of participation with private sources of financing, provided that the financial assistance must be for a principal amount that does not exceed one-half of the cost of the project for which financing is sought.

Sec. 10. Minnesota Statutes 2002, section 116J.415, subdivision 5, is amended to read:

Subd. 5. **LOAN ASSISTANCE CRITERIA.** The following criteria apply to loans made under Projects supported through the challenge grant program must be used principally to benefit low-income persons by:

(1) loans must be made to businesses that are not likely to undertake a project for which loans are sought without assistance from the challenge grant program;

(2) a loan must be used for a project designed principally to benefit low-income persons through the creation of job or business opportunities for them;

(3) the minimum loan is \$5,000 and the maximum is \$200,000;

(4) a loan may not exceed 50 percent of the total cost of an individual project;

(5) a loan may not be used for a retail development project; and

(6) a business applying for a loan, except a microenterprise loan under subdivision 6, must be sponsored by a resolution of the governing body of the local governmental unit within whose jurisdiction the project is located.

(1) creating new jobs, job enhancement, or retaining existing jobs;

(2) increasing the local tax base;

(3) demonstrating that investment of public dollars induces private funds;

(4) providing higher wage levels to the community or adding value to current workforce skills;

(5) retaining existing business; or

(6) attracting out-of-state business.

New language is indicated by underline, deletions by ~~strikeout~~.

Sec. 11. Minnesota Statutes 2002, section 116J.415, subdivision 7, is amended to read:

Subd. 7. **REVOLVING FUND ADMINISTRATION.** (a) The commissioner shall establish a minimum interest rate for loans to ensure that necessary management costs are covered:

(b) ~~Loan Repayment amounts equal to one-half of the principal and interest must be deposited in the rural rehabilitation revolving fund for challenge grants to the region from which the money was originally designated. The remaining amount of the loan repayment may must be deposited in the regional revolving loan fund for further distribution by the regional organization, consistent with the loan criteria specified in subdivisions 4 and 5.~~

(c) ~~The first \$1,000,000 of revolving loans for each region must be matched by nonstate sources. The matching requirement does not apply to loans made under paragraph (b).~~

(d) ~~Administrative expenses of each organization may be paid out of the interest earned on loans and on interest earned on money invested by the state board of investment under section 116J.413, subdivision 2.~~

Sec. 12. Minnesota Statutes 2002, section 116J.415, subdivision 11, is amended to read:

Subd. 11. **REPORTING REQUIREMENTS.** An organization that receives a challenge grant shall:

(1) submit an annual report to the commissioner by February 15 of each August 30 for the preceding fiscal year that includes a description of projects supported by the challenge grant program, an account of loans made, written off, and fully paid during the calendar year, the source and amount of money collected and distributed by the challenge grant program regional revolving fund, and the program's assets and liabilities, and an explanation of administrative expenses funds' cash balance and loans receivable; and

(2) provide for an independent annual audit to be performed in accordance with generally accepted accounting practices and auditing standards and submit a copy of each annual audit report to the commissioner.

Sec. 13. Minnesota Statutes 2002, section 116J.553, subdivision 2, is amended to read:

Subd. 2. **REQUIRED CONTENT.** (a) The commissioner shall prescribe and provide the application form. The application must include at least the following information:

(1) identification of the site;

(2) an approved response action plan for the site, including the results of engineering and other tests showing the nature and extent of the release or threatened release of contaminants at the site;

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(3) a detailed estimate, along with necessary supporting evidence, of the total cleanup costs for the site;

(4) an appraisal of the current market value of the property, separately taking into account the effect of the contaminants on the market value, prepared by a qualified independent appraiser licensed under chapter 82B using accepted appraisal methodology or, the estimated market value of the property for the latest year shown on the most recent valuation notice used under section 273.121;

(5) an assessment of the development potential or likely use of the site after completion of the response action plan, including any specific commitments from third parties to construct improvements on the site;

(6) the manner in which the municipality will meet the local match requirement; and

(7) any additional information or material that the commissioner prescribes.

(b) A response action plan is not required as a condition to receive a grant under section 116J.554, subdivision 1, paragraph (c).

Sec. 14. Minnesota Statutes 2002, section 116J.554, subdivision 2, is amended to read:

Subd. 2. **QUALIFYING SITES.** A site qualifies for a grant under this section, if the following criteria are met:

(1) the site is not scheduled for funding during the current or next fiscal year under the Comprehensive Environmental Response, Compensation, and Liability Act, United States Code, title 42, section 9601, et seq. or under the Environmental Response, and Liability Act under sections 115B.01 to 115B.24;

(2) the appraised value of the site after adjusting for the effect on the value of the presence or possible presence of contaminants using accepted appraisal methodology, or the current market value of the site as issued under section 273.121, separately taking into account the effect of the contaminants on the market value, (i) is less than 75 percent of the estimated project costs for the site or (ii) is less than or equal to the estimated cleanup costs for the site and the cleanup costs equal or exceed \$3 per square foot for the site; and

(3) if the proposed cleanup is completed, it is expected that the site will be improved with buildings or other improvements and these improvements will provide a substantial increase in the property tax base within a reasonable period of time or the site will be used for an important publicly owned or tax-exempt facility.

Sec. 15. Minnesota Statutes 2002, section 116J.64, subdivision 2, is amended to read:

Subd. 2. "Indian" means a person of ~~one-quarter or more Indian blood~~ and who is an enrolled member of a federally recognized Minnesota based band or tribe.

Sec. 16. Minnesota Statutes 2002, section 116J.8731, subdivision 1, is amended to read:

New language is indicated by underline, deletions by ~~strikeout~~.

Subdivision 1. **PURPOSE.** The Minnesota investment fund is created to provide financial assistance, through partnership with communities, for the creation of new employment or to maintain existing employment, and for business start-up, expansions, and retention. It shall accomplish these goals by the following means:

(1) creation or retention of permanent private-sector jobs in order to create above-average economic growth consistent with environmental protection, which includes investments in technology and equipment that increase productivity and provide for a higher wage;

(2) stimulation or leverage of private investment to ensure economic renewal and competitiveness;

(3) increasing the local tax base, based on demonstrated measurable outcomes, to guarantee a diversified industry mix;

(4) improving the quality of existing jobs, based on increases in wages or improvements in the job duties, training, or education associated with those jobs;

(5) improvement of employment and economic opportunity for citizens in the region to create a reasonable standard of living, consistent with federal and state guidelines on low- to moderate-income persons; and

~~(5)~~ (6) stimulation of productivity growth through improved manufacturing or new technologies, including cold weather testing.

Sec. 17. Minnesota Statutes 2002, section 116J.8731, subdivision 4, is amended to read:

Subd. 4. **ELIGIBLE PROJECTS.** Assistance must be evaluated on the existence of the following conditions:

(1) creation of new jobs or retention of existing jobs, or improvements in the quality of existing jobs as measured by the wages, skills, or education associated with those jobs;

(2) increase in the tax base;

(3) the project can demonstrate that investment of public dollars induces private funds;

(4) the project can demonstrate an excessive public infrastructure or improvement cost beyond the means of the affected community and private participants in the project;

(5) the project provides higher wage levels to the community or will add value to current workforce skills;

(6) whether assistance is necessary to retain existing business; and

(7) whether assistance is necessary to attract out-of-state business.

A grant or loan cannot be made based solely on a finding that the conditions in clause (6) or (7) exist. A finding must be made that a condition in clause (1), (2), (3), (4), or (5) also exists.

Applications recommended for funding shall be submitted to the commissioner.

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Sec. 18. Minnesota Statutes 2002, section 116J.8731, subdivision 5, is amended to read:

Subd. 5. **GRANT LIMITS.** A Minnesota investment fund grant may not be approved for an amount in excess of \$~~500,000~~ \$1,000,000. This limit covers all money paid to complete the same project, whether paid to one or more grant recipients and whether paid in one or more fiscal years. The portion of a Minnesota investment fund grant that exceeds \$100,000 must be repaid to the state when it is repaid to the local community or recognized Indian tribal government by the person or entity to which it was loaned by the local community or Indian tribal government. Money repaid to the state must be credited to the general fund a Minnesota investment revolving loan account in the state treasury. Funds in the account are appropriated to the commissioner and must be used in the same manner as are funds appropriated to the Minnesota investment fund. Funds repaid to the state through existing Minnesota investment fund agreements must be credited to the Minnesota investment revolving loan account effective July 1, 2003. A grant or loan may not be made to a person or entity for the operation or expansion of a casino or a store which is used solely or principally for retail sales. Persons or entities receiving grants or loans must pay each employee total compensation, including benefits not mandated by law, that on an annualized basis is equal to at least 110 percent of the federal poverty level for a family of four.

Sec. 19. Minnesota Statutes 2002, section 116J.8731, subdivision 7, is amended to read:

Subd. 7. **CONTRACTUAL OBLIGATION.** A business receiving Minnesota investment fund grants must demonstrate why the grant is necessary for a project and enter into an agreement with the local grantor. The agreement, among other things, must obligate the recipient to pay the minimum compensation set by this section and meet job creation or job enhancement goals. A recipient that breaches the agreement must repay the grant directly to the commissioner. Repayments under this subdivision must be deposited in the general fund Minnesota investment revolving loan account. If the commissioner determines, during the repayment period of a Minnesota investment fund loan, that the project for which the loan was made is in imminent danger of ceasing operations due to financial difficulties, the commissioner may elect to delay loan payments due on the loan for a period of no more than two years. In making a determination about whether a recipient qualifies for possible delay in payments, the commissioner must consider all available information regarding the health of the affected business and the industry in which it operates, the potential for displacement of workers in the event that operations cease, and the likelihood that a delay of payments will provide the business with a reasonable ability to improve its financial condition.

Sec. 20. **[116J.8747] JOB TRAINING PROGRAM GRANT.**

Subdivision 1. **GRANT ALLOWED.** The commissioner may provide a grant to a qualified job training program from money appropriated for the purposes of this section as follows:

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(1) a \$9,000 placement grant paid to a job training program upon placement in employment of a qualified graduate of the program; and

(2) a \$9,000 retention grant paid to a job training program upon retention in employment of a qualified graduate of the program for at least one year.

Subd. 2. QUALIFIED JOB TRAINING PROGRAM. To qualify for grants under this section, a job training program must satisfy the following requirements:

(1) the program must be operated by a nonprofit corporation that qualifies under section 501(c)(3) of the Internal Revenue Code;

(2) the program must spend at least \$15,000 per graduate of the program;

(3) the program must provide education and training in:

(i) basic skills, such as reading, writing, mathematics, and communications;

(ii) thinking skills, such as reasoning, creative thinking, decision making, and problem solving; and

(iii) personal qualities, such as responsibility, self-esteem, self-management, honesty, and integrity;

(4) the program must provide income supplements, when needed, to participants for housing, counseling, tuition, and other basic needs;

(5) the program's education and training course must last for at least six months;

(6) individuals served by the program must:

(i) be 18 years of age or older;

(ii) have federal adjusted gross income of no more than \$11,000 per year in the two years immediately before entering the program;

(iii) have assets of no more than \$7,000, excluding the value of a homestead; and

(iv) not have been claimed as a dependent on the federal tax return of another person in the previous taxable year; and

(7) the program must be certified by the commissioner of trade and economic development as meeting the requirements of this subdivision.

Subd. 3. GRADUATION AND RETENTION GRANT REQUIREMENTS.

For purposes of a placement grant under this section, a qualified graduate is a graduate of a job training program qualifying under subdivision 2 who is placed in a job in Minnesota that pays at least \$9 per hour or its equivalent plus health care benefits. To qualify for a retention grant under this section for a retention fee, a job in which the graduate is retained must pay at least \$10 per hour or its equivalent plus health care benefits at the end of the first year of employment.

Subd. 4. DUTIES OF PROGRAM. (a) A program certified by the commissioner under subdivision 2 must comply with the requirements of this subdivision.

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(b) A program must maintain records for each qualified graduate. The records must include information sufficient to verify the graduate's eligibility under this section, identify the employer, and describe the job including its compensation rate and benefits.

(c) A program must report by January 1 of each year to the commissioner. The report must include, at least, information on:

- (1) the number of graduates placed;
- (2) demographic information on the graduates;
- (3) the type of position in which each graduate is placed, including compensation information;
- (4) the tenure of each graduate at the placed position or in other jobs;
- (5) the amount of employer fees paid to the program;
- (6) the amount of money raised by the program from other sources; and
- (7) the types and sizes of employers with which graduates have been placed and retained.

Sec. 21. Minnesota Statutes 2002, section 116J.8764, is amended by adding a subdivision to read:

Subd. 2a. ENROLLMENT OF LOANS WITHOUT COMMISSIONER'S FULL PREMIUM PAYMENT. The commissioner may continue to accept loans for enrollment into the program even if the amount of funds contained in the account is zero or an amount less than the full amount that is required to be transferred under section 116J.8765, subdivision 2, paragraph (a), (b), or (c).

Sec. 22. Minnesota Statutes 2002, section 116J.955, subdivision 2, is amended to read:

Subd. 2. EXPENDITURE OF ACCOUNT. The commissioner may use the rural rehabilitation account for the purposes that are allowed under the Minnesota rural rehabilitation corporation's charter and agreement with, as may be amended or modified by, the United States Secretary of Agriculture as provided in Public Law Number 499, 81st Congress, enacted May 3, 1950 and as allowed under Laws 1987, chapter 386, article 1. Not more than three percent of the combined book value of the Minnesota rural rehabilitation corporation's assets account and the regional revolving funds may be used for administrative purposes in a year without approval of the United States Secretary of Agriculture. Any funds used for administrative purposes may only be drawn from money remaining in the Minnesota rural rehabilitation account.

Sec. 23. Minnesota Statutes 2002, section 116J.966, subdivision 2, is amended to read:

Subd. 2. AGRICULTURAL PROMOTION. The commissioner of agriculture, and the commissioner of trade and economic development, and the director of the Minnesota trade division shall cooperate with each other to promote the beneficial

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agricultural interests of the state. The commissioner of ~~trade and economic development and the director of the Minnesota trade division~~ have agriculture ~~has~~ primary responsibility for promoting state agricultural interests to international markets. The commissioner of ~~trade and economic development and the director of the Minnesota trade division~~ are agriculture is also responsible for the promotion of national trade programs related to international marketing. The commissioner of agriculture has primary responsibility for promoting the agriculture interests of producers, promoting state agricultural markets, and promoting agricultural interests of the state in cooperative production and marketing efforts with other states and the United States Department of Agriculture. The commissioner of agriculture is also responsible for promoting the national and international marketing of state agricultural products.

Sec. 24. Minnesota Statutes 2002, section 116J.994, subdivision 4, is amended to read:

Subd. 4. **WAGE AND JOB GOALS.** The subsidy agreement, in addition to any other goals, must include: (1) goals for the number of jobs created, which may include separate goals for the number of part-time or full-time jobs, or, in cases where job loss is specific and demonstrable, goals for the number of jobs retained; and (2) wage goals for the any jobs created or retained; and (3) wage goals for any jobs to be enhanced through increased wages. After a public hearing, if the creation or retention of jobs is determined not to be a goal, the wage and job goals may be set at zero.

In addition to other specific goal time frames, the wage and job goals must contain specific goals to be attained within two years of the benefit date.

Sec. 25. Minnesota Statutes 2002, section 116J.994, subdivision 9, is amended to read:

Subd. 9. **COMPILATION AND SUMMARY REPORT.** The department of trade and economic development must publish a compilation and summary of the results of the reports for the previous calendar year by August 1 of each year 2004 and every other year thereafter. The reports of the government agencies to the department and the compilation and summary report of the department must be made available to the public.

The commissioner must coordinate the production of reports so that useful comparisons across time periods and across grantors can be made. The commissioner may add other information to the report as the commissioner deems necessary to evaluate business subsidies. Among the information in the summary and compilation report, the commissioner must include:

- (1) total amount of subsidies awarded in each development region of the state;
- (2) distribution of business subsidy amounts by size of the business subsidy;
- (3) distribution of business subsidy amounts by time category;
- (4) distribution of subsidies by type and by public purpose;
- (5) percent of all business subsidies that reached their goals;

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(6) percent of business subsidies that did not reach their goals by two years from the benefit date;

(7) total dollar amount of business subsidies that did not meet their goals after two years from the benefit date;

(8) percent of subsidies that did not meet their goals and that did not receive repayment;

(9) list of recipients that have failed to meet the terms of a subsidy agreement in the past five years and have not satisfied their repayment obligations;

(10) number of part-time and full-time jobs within separate bands of wages; and

(11) benefits paid within separate bands of wages.

Sec. 26. Minnesota Statutes 2002, section 116J.994, subdivision 10, is amended to read:

Subd. 10. **COMPILATION.** The department of trade and economic development must publish a compilation of granting agencies' criteria policies adopted in the past two calendar year years by August 1 of each year 2004 and every other year thereafter.

Sec. 27. Minnesota Statutes 2002, section 116J.995, is amended to read:

116J.995 ECONOMIC GRANTS.

An appropriation rider in an appropriation to the department of trade and economic development that specifies that the appropriation be granted to a particular business or class of businesses must contain a statement of the expected benefits associated with the grant. At a minimum, the statement must include goals for the number of jobs created or enhanced, wages paid, and the tax revenue increases due to the grant. The wage and job goals must contain specific goals to be attained within two years of the benefit date. The statement must specify the recipient's obligation if the recipient does not attain the goals. At a minimum, the statement must require a recipient failing to meet the job and wage goals to pay back the assistance plus interest to the department of trade and economic development provided that repayment may be prorated to reflect partial fulfillment of goals. The interest rate must be set at no less than the implicit price deflator as defined under section 116J.994, subdivision 6. The legislature, after a public hearing, may extend for up to one year the period for meeting the goals provided in the statement.

Sec. 28. Minnesota Statutes 2002, section 116L.02, is amended to read:

116L.02 JOB SKILLS PARTNERSHIP PROGRAM.

(a) The Minnesota job skills partnership program is created to act as a catalyst to bring together employers with specific training needs with educational or other nonprofit institutions which can design programs to fill those needs. The partnership shall work closely with employers to prepare, train and place prospective or incumbent workers in identifiable positions as well as assisting educational or other nonprofit

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institutions in developing training programs that coincide with current and future employer requirements. The partnership shall provide grants to educational or other nonprofit institutions for the purpose of training workers. A participating business must match the grant-in-aid made by the Minnesota job skills partnership. The match may be in the form of funding, equipment, or faculty.

(b) The partnership program shall administer the health care and human services worker training and retention program under sections 116L.10 to 116L.15.

(c) The partnership program is authorized to use funds to pay for training for individuals who have incomes at or below 200 percent of the federal poverty line. The board may grant funds to eligible recipients to pay for board-certified training. Eligible recipients of grants may include public, private, or nonprofit entities that provide employment services to low-income individuals.

Sec. 29. Minnesota Statutes 2002, section 116L.04, subdivision 1, is amended to read:

Subdivision 1. **PARTNERSHIP PROGRAM.** (a) The partnership program may provide grants-in-aid to educational or other nonprofit educational institutions using the following guidelines:

(1) the educational or other nonprofit educational institution is a provider of training within the state in either the public or private sector;

(2) the program involves skills training that is an area of employment need; and

(3) preference will be given to educational or other nonprofit training institutions which serve economically disadvantaged people, minorities, or those who are victims of economic dislocation and to businesses located in rural areas.

(b) A single grant to any one institution shall not exceed \$400,000. Up to 25 percent of a grant may be used for preemployment training.

Sec. 30. Minnesota Statutes 2002, section 116L.04, subdivision 1a, is amended to read:

Subd. 1a. **PATHWAYS PROGRAM.** The pathways program may provide grants-in-aid for developing programs which assist in the transition of persons from welfare to work and assist individuals at or below 200 percent of the federal poverty guidelines. The program is to be operated by the board. The board shall consult and coordinate with program administrators at the department of economic security to design and provide services for temporary assistance for needy families recipients.

Pathways grants-in-aid may be awarded to educational or other nonprofit training institutions for education and training programs and services supporting education and training programs that serve eligible recipients.

Preference shall be given to projects that:

(1) provide employment with benefits paid to employees;

(2) provide employment where there are defined career paths for trainees;

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(3) pilot the development of an educational pathway that can be used on a continuing basis for transitioning persons from welfare to work; and

(4) demonstrate the active participation of department of economic security workforce centers, Minnesota state college and university institutions and other educational institutions, and local welfare agencies.

Pathways projects must demonstrate the active involvement and financial commitment of private business. Pathways projects must be matched with cash or in-kind contributions on at least a one-to-one ratio by participating private business.

A single grant to any one institution shall not exceed \$400,000. Up to 25 percent of a grant may be used for preemployment training.

~~The board shall annually, by March 31, report to the commissioners of economic security and trade and economic development on pathways programs, including the number of recipients participating in the program, the number of participants placed in employment, the salary and benefits they receive, and the state program costs per participant.~~

Sec. 31. Minnesota Statutes 2002, section 116L.12, subdivision 4, is amended to read:

Subd. 4. **GRANTS.** Within the limits of available appropriations, the board shall make grants not to exceed \$400,000 each to qualifying consortia to operate local, regional, or statewide training and retention programs. Grants may be made from TANF funds, general fund appropriations, and any other funding sources available to the board, provided the requirements of those funding sources are satisfied. Up to 25 percent of a grant may be used for preemployment training. Grant awards must establish specific, measurable outcomes and timelines for achieving those outcomes.

Sec. 32. Minnesota Statutes 2002, section 116L.17, subdivision 2, is amended to read:

Subd. 2. **GRANTS.** The board shall make grants to workforce service areas or other eligible organizations to provide services to dislocated workers. The board shall allocate funds available for the purposes of this section in its discretion to respond to large layoffs. The board shall regularly allocate funds to provide services to individual dislocated workers or small groups. The allocation for this purpose must be ~~no less than~~ at least 35 percent and no more than 50 percent of the projected actual collections, including penalty and interest accounts, interest, and other earnings of the workforce development fund during the period for which the allocation is made, less any collection costs paid out of the fund and any amounts appropriated by the legislature from the workforce development fund for programs other than the state dislocated worker program. The board shall consider the need for services to individual workers and workers in small layoffs in comparison to those in large layoffs relative to the needs in previous years when making this allocation. The board may, in its discretion, allocate funds carried forward from previous years under subdivision 9 for large, small, or individual layoffs.

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Sec. 33. Minnesota Statutes 2002, section 116L.17, subdivision 3, is amended to read:

Subd. 3. **ALLOCATION OF FUNDS.** The board, in consultation with local workforce councils and local elected officials, shall develop a method of distributing funds to provide services for dislocated workers who are dislocated as a result of small or individual layoffs. The board shall consider current requests for services and the likelihood of future layoffs when making this allocation. The board shall consider factors for determining the allocation amounts that include, but are not limited to, the previous year's obligations and projected layoffs. After the first quarter of the program year, the board shall evaluate the obligations by workforce service areas for the purpose of reallocating funds to workforce service areas with increased demand for services. Periodically throughout the program year, the board shall consider making additional allocations to the workforce service areas with a demonstrated need for increased funding. The board shall make an initial determination regarding allocations under this subdivision by July 15, 2001, and in subsequent years shall make a determination by ~~April~~ June 15.

Sec. 34. Minnesota Statutes 2002, section 116L.17, subdivision 8, is amended to read:

Subd. 8. **ADMINISTRATIVE COSTS.** No more than ~~three~~ five percent of the funds appropriated to the board for the purposes of this section may be spent by the board for its administrative costs.

Sec. 35. Minnesota Statutes 2002, section 116L.17, is amended by adding a subdivision to read:

Subd. 10. **RAPID RESPONSE ACTIVITIES.** The commissioner, in cooperation with local workforce councils, shall be responsible for implementing the following rapid response activities:

(1) establishing on-site contact with employer and employee representatives within a short period of time after becoming aware of a current or projected plant closing or substantial layoff in order to:

(i) provide information on and facilitate access to available public programs and services; and

(ii) provide emergency assistance adapted to the particular closure or layoff;

(2) promoting the formation of a employee-management committee by providing:

(i) immediate assistance in the establishment of the employee-management committee;

(ii) technical advice and information on sources of assistance and liaison with other public and private services and programs; and

(iii) assistance in the selection of worker representatives in the event no union is present;

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(3) collecting and disseminating information related to economic dislocation, including potential closings or layoffs, and all available resources with the state for dislocated workers;

(4) providing or obtaining appropriate financial and technical advice and liaison with economic development agencies and other organizations to assist in efforts to avert dislocation;

(5) disseminating information throughout the state on the availability of services and activities carried out by the dislocated worker unit; and

(6) assisting the local workforce council in developing its own coordinated response to a plant closing or substantial layoff and access to state economic development assistance.

Sec. 36. Minnesota Statutes 2002, section 116M.14, subdivision 4, is amended to read:

Subd. 4. **LOW-INCOME AREA.** "Low-income area" means Minneapolis, St. Paul, and those cities in the metropolitan area as defined in section 473.121, subdivision 2, that have an average income that is below 60 80 percent of the median income for a four-person family as of the latest report by the United States Census Bureau.

Sec. 37. SUSPENSION OF MORTGAGE CREDIT CERTIFICATE AID.

Notwithstanding Minnesota Statutes, section 462C.15, during the fiscal years 2004 and 2005, no applications or reports shall be made pursuant to subdivision 1 of that section, no aid shall be provided pursuant to subdivision 3 of that section, and no money is appropriated pursuant to subdivision 4 of that section.

Sec. 38. WORKFORCE SERVICE AREA STUDY.

The governor's workforce development council, in consultation with representatives of the local workforce councils and local elected officials, shall study the current configuration of workforce services areas in Minnesota and whether the efficiency or quality of service delivery could be improved by changing the boundaries of the workforce service areas or reducing the number of areas. As part of this study, the council shall develop recommendations for clarifying the governance role of the local workforce councils and strategies for improving the ability of the local workforce councils and local elected officials to oversee and manage an integrated service delivery system at the community level. Before redesignating any workforce service area, the governor must seek the advice of the local elected officials from the affected workforce services areas. The council shall report to the legislative committees with jurisdiction over workforce development by January 15, 2004.

Sec. 39. DISLOCATED WORKER PROGRAM STUDY.

The governor's workforce development council, in consultation with representatives of the local workforce councils, certified providers, including independent grantees, and local elected officials, shall develop recommendations for legislative

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changes that would improve the efficiency of the dislocated worker program.

The governor's workforce development council shall report the recommendations to the legislative committees with jurisdiction over workforce development programs by January 15, 2004.

Sec. 40. REPEALER.

Minnesota Statutes 2002, sections 13.598, subdivision 2; 17.03, subdivision 8; 116J.411, subdivision 3; 116J.415, subdivisions 6, 9, and 10; 116J.617, subdivisions 5 and 6; 116J.693; and 116J.9665, are repealed.

ARTICLE 14

MOTOR VEHICLE INSTALLMENT SALES

Section 1. Minnesota Statutes 2002, section 47.59, subdivision 4a, is amended to read:

Subd. 4a. **FINANCE CHARGE FOR MOTOR VEHICLE RETAIL INSTALLMENT SALES.** A retail installment contract evidencing the retail installment sale of a motor vehicle as defined in section 168.66 is subject to the finance charge limitations in paragraphs (a) and (b).

(a) The finance charge authorized by this subdivision in a retail installment sale may not exceed the following annual percentage rates applied to the principal balance determined in the same manner as in section 168.71, subdivision 2, clause (5):

(1) Class 1. A motor vehicle designated by the manufacturer by a year model of the same or not more than one year before the year in which the sale is made, 18 percent per year.

(2) Class 2. A motor vehicle designated by the manufacturer by a year model of two to three years before the year in which the sale is made, 19.75 percent per year.

(3) Class 3. Any motor vehicle not in Class 1 or Class 2, 23.25 percent per year.

(b) A sale of a manufactured home made after July 31, 1983, is governed by this subdivision for purposes of determining the lawful finance charge rate, except that the maximum finance charge for a Class 1 manufactured home may not exceed 14.5 percent per year. A retail installment sale of a manufactured home that imposes a finance charge that is greater than the rate permitted by this subdivision is lawful and enforceable in accordance with its terms until the indebtedness is fully satisfied if the rate was lawful when the sale was made.

Sec. 2. Minnesota Statutes 2002, section 168.66, subdivision 14, is amended to read:

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Subd. 14. **CASH SALE PRICE.** "Cash sale price" means the price at which the seller would in good faith sell to the buyer, and the buyer would in good faith buy from the seller, the motor vehicle which is the subject matter of the retail installment contract, if such sale were a sale for cash, instead of a retail installment sale. The cash sale price may include any taxes, charges for delivery, servicing, repairing or improving the motor vehicle, including accessories and their installation, and any other charges agreed upon between the parties. The cash price may not include a documentary fee or document administration fee in excess of ~~\$25~~ \$50 for services actually rendered to, for, or on behalf of, the retail buyer in preparing, handling, and processing documents relating to the motor vehicle and the closing of the retail sale.

Sec. 3. Minnesota Statutes 2002, section 168.71, subdivision 2, is amended to read:

Subd. 2. **CONTENTS.** The retail installment contract shall contain the following items:

(1) the cash sale price of the motor vehicle which is the subject matter of the retail installment contract;

(2) the total amount of the retail buyer's down payment, whether made in money or goods, or partly in money or partly in goods;

(3) the difference between clauses (1) and (2);

(4) the ~~charge amount~~, if any, included in the transaction but not included in clause (1) to pay the balance of an existing purchase money motor vehicle lien which exceeds the value of the trade-in amount, or to discharge an interest in an existing motor vehicle lease, for any insurance and other benefits not included in clause (1), specifying the types of coverage and, taxes, fees, and charges that actually are or will be paid to public officials or government agencies, including those for perfecting, releasing, or satisfying a security interest if such taxes, fees, or charges are not included in clause (1), and any other amount to be financed that is related to the transaction;

(5) principal balance, which is the sum of clauses (3) and (4);

(6) the amount of the finance charge;

(7) the total of payments payable by the retail buyer to the retail seller and the number of installment payments required and the amount of each installment expressed in dollars or percentages, and date of each payment necessary finally to pay the total of payments which is the sum of clauses (5) and (6).

Provided, however, that said clauses (1) to (7) inclusive need not be stated in the terms, sequence, or order set forth above. Provided further, that clauses (6) and (7) may be disclosed on the assumption that all scheduled payments under the contract will be made when due.

In lieu of the above clauses, the retail seller may give the retail buyer disclosures which satisfy the requirements of the Federal Truth-In-Lending Act in effect as of the time of the contract, notwithstanding whether or not that act applies to the transaction.

New language is indicated by underline, deletions by ~~strikeout~~.

Sec. 4. Minnesota Statutes 2002, section 168.75, is amended to read:

168.75 VEHICLE SALES FINANCE COMPANY VIOLATIONS; REMEDIES.

(a) **CRIMINAL VIOLATIONS.** Any person engaged in the business of a sales finance company in this state without a license therefor as provided in sections 168.66 to 168.77 shall be guilty of a gross misdemeanor and punished by a fine not exceeding \$3,000, or by imprisonment for a period not to exceed one year, or by both such fine and imprisonment in the discretion of the court.

(b) In case of ~~an intentional failure to comply with a~~ fraudulent violation of any provision of sections 168.66 to 168.77, the buyer shall have a right to recover from the person committing such violation, to set off or counterclaim in any action by such person to enforce such contract an amount as liquidated damages, the whole of the contract due and payable, plus reasonable attorneys' fees.

(c) In case of a failure to comply with any provision of sections 168.66 to 168.77, other than ~~an intentional failure a~~ fraudulent violation, the buyer shall have a right to recover from the person committing such violation, to set off or counterclaim in any action by such person to enforce such contract an amount as liquidated damages equal to three times the amount of any time price differential charged in excess of the amount authorized by sections 168.66 to 168.77 or \$50, whichever is greater, plus reasonable attorneys' fees.

Sec. 5. EFFECTIVE DATE.

Sections 1 to 3 are effective the day following final enactment. Section 4 is effective August 1, 2003, and applies to all installment sales contracts entered into on or after that date.

ARTICLE 15

MISCELLANEOUS

Section 1. Minnesota Statutes 2002, section 13.462, subdivision 2, is amended to read:

Subd. 2. **PUBLIC DATA.** The names and addresses of applicants for and recipients of benefits, aid, or assistance through programs administered by any political subdivision, state agency, or statewide system that are intended to assist with the purchase of, rehabilitation, or other purposes related to housing or other real property are classified as public data on individuals. If an applicant or recipient is a corporation, the names and addresses of the officers of the corporation are public data on individuals. If an applicant or recipient is a partnership, the names and addresses of the

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partners are public data on individuals. The amount or value of benefits, aid, or assistance received is public data.

Sec. 2. Minnesota Statutes 2002, section 43A.24, subdivision 2, is amended to read:

Subd. 2. **OTHER ELIGIBLE PERSONS.** The following persons are eligible for state paid life insurance and hospital, medical, and dental benefits as determined in applicable collective bargaining agreements or by the commissioner or by plans pursuant to section 43A.18, subdivision 6, or by the board of regents for employees of the University of Minnesota not covered by collective bargaining agreements. Coverages made available, including optional coverages, are as contained in the plan established pursuant to section 43A.18, subdivision 2:

(a) a member of the state legislature, provided that changes in benefits resulting in increased costs to the state shall not be effective until expiration of the term of the members of the existing house of representatives. An eligible member of the state legislature may decline to be enrolled for state paid coverages by filing a written waiver with the commissioner. The waiver shall not prohibit the member from enrolling the member or dependents for optional coverages, without cost to the state, as provided for in section 43A.26. A member of the state legislature who returns from a leave of absence to a position previously occupied in the civil service shall be eligible to receive the life insurance and hospital, medical, and dental benefits to which the position is entitled;

(b) an employee of the legislature or an employee of a permanent study or interim committee or commission or a state employee on leave of absence to work for the legislature, during a regular or special legislative session, as determined by the legislative coordinating commission;

(c) a judge of the appellate courts or an officer or employee of these courts; a judge of the district court, a judge of county court, or a judge of county municipal court; a district court referee, judicial officer, court reporter, or law clerk; a district administrator; an employee of the office of the district administrator that is not in the second or fourth judicial district; a court administrator or employee of the court administrator in a judicial district under section 480.181, subdivision 1, paragraph (b), and a guardian ad litem program employee;

(d) a salaried employee of the public employees retirement association;

(e) a full-time military or civilian officer or employee in the unclassified service of the department of military affairs whose salary is paid from state funds;

(f) a salaried employee of the Minnesota historical society, whether paid from state funds or otherwise, who is not a member of the governing board;

(g) an employee of the regents of the University of Minnesota;

(h) notwithstanding section 43A.27, subdivision 3, an employee of the state of Minnesota or the regents of the University of Minnesota who is at least 60 and not yet 65 years of age on July 1, 1982, who is otherwise eligible for employee and dependent

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insurance and benefits pursuant to section 43A.18 or other law, who has at least 20 years of service and retires, earlier than required, within 60 days of March 23, 1982; or an employee who is at least 60 and not yet 65 years of age on July 1, 1982, who has at least 20 years of state service and retires, earlier than required, from employment at Rochester state hospital after July 1, 1981; or an employee who is at least 55 and not yet 65 years of age on July 1, 1982, and is covered by the Minnesota state retirement system correctional employee retirement plan or the state patrol retirement fund, who has at least 20 years of state service and retires, earlier than required, within 60 days of March 23, 1982. For purposes of this clause, a person retires when the person terminates active employment in state or University of Minnesota service and applies for a retirement annuity. Eligibility shall cease when the retired employee attains the age of 65, or when the employee chooses not to receive the annuity that the employee has applied for. The retired employee shall be eligible for coverages to which the employee was entitled at the time of retirement, subject to any changes in coverage through collective bargaining or plans established pursuant to section 43A.18, for employees in positions equivalent to that from which retired, provided that the retired employee shall not be eligible for state-paid life insurance. Coverages shall be coordinated with relevant health insurance benefits provided through the federally sponsored Medicare program;

(i) an employee of an agency of the state of Minnesota identified through the process provided in this paragraph who is eligible to retire prior to age 65. The commissioner and the exclusive representative of state employees shall enter into agreements under section 179A.22 to identify employees whose positions are in programs that are being permanently eliminated or reduced due to federal or state policies or practices. Failure to reach agreement identifying these employees is not subject to impasse procedures provided in chapter 179A. The commissioner must prepare a plan identifying eligible employees not covered by a collective bargaining agreement in accordance with the process outlined in section 43A.18, subdivisions 2 and 3. For purposes of this paragraph, a person retires when the person terminates active employment in state service and applies for a retirement annuity. Eligibility ends as provided in the agreement or plan, but must cease at the end of the month in which the retired employee chooses not to receive an annuity, or the employee is eligible for employer-paid health insurance from a new employer. The retired employees shall be eligible for coverages to which they were entitled at the time of retirement, subject to any changes in coverage through collective bargaining or plans established under section 43A.18 for employees in positions equivalent to that from which they retired, provided that the retired employees shall not be eligible for state-paid life insurance;

(j) employees of the state board of public defense, with eligibility determined by the state board of public defense in consultation with the commissioner of employee relations; and

(k) employees of the health data institute under section 62J.451, subdivision 12, as paid for by the health data institute; and

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(l) employees of supporting organizations of Minnesota Technology, Inc., established after July 1, 2003, under section 1160.05, subdivision 4, as paid for by the supporting organization.

Sec. 3. Minnesota Statutes 2002, section 1160.03, subdivision 2, is amended to read:

Subd. 2. **BOARD OF DIRECTORS.** The corporation is governed by a board of 15 directors. The selection, membership terms, compensation, removal, and filling of vacancies of public members of the board are as provided in section 15.0575 the corporation's bylaws. Membership of the board consists of the following:

- (1) ~~a person from the private sector, appointed by the governor, who shall act as chair and serve as chief science advisor to the governor and the legislature;~~
- (2) ~~the dean of the institute of technology of the University of Minnesota;~~
- (3) ~~the dean of the graduate school of the University of Minnesota;~~
- (4) ~~the commissioner of the department of trade and economic development;~~
- (5) ~~the commissioner of administration;~~
- (6) ~~six members appointed by the governor, at least one of whom must be a person from a public post-secondary system other than the University of Minnesota; and~~
- (7) ~~one member who is not a member of the legislature appointed by each of the following: the speaker of the house of representatives, the house of representatives minority leader, the senate majority leader, and the senate minority leader.~~

~~At least 50 percent of the members described in clauses (6) and (7) must live outside the metropolitan area as defined in section 473.121, subdivision 2, and must have experience in manufacturing, the technology industry, or research and development.~~

Sec. 4. Minnesota Statutes 2002, section 1160.091, subdivision 7, is amended to read:

Subd. 7. **ADVISORY COMMITTEES.** An advisory committee is created to assist in selecting vendors and evaluating the corporation's project outreach activities. The advisory committee shall include the president of the University of Minnesota or the president's designee, the commissioner of trade and economic development or the commissioner's designee, the chair of the Minnesota Technology, Inc., board of directors or the chair's designee, a member of the state senate appointed by the subcommittee on committees of the senate rules and administration committee, a member of the house of representatives appointed by the speaker, and at least five users of project outreach services appointed by the named members. The advisory committee expires June 30, 2004.

Sec. 5. Minnesota Statutes 2002, section 1160.12, is amended to read:

1160.12 MINNESOTA TECHNOLOGY ACCOUNT.

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(a) The Minnesota technology account is in the special revenue fund. Money in the account not needed for the immediate purposes of the corporation may be invested by the state board of investment in any way authorized by section 11A.24. Money in the account is appropriated to the corporation to be used as provided in this chapter.

(b) The account consists of:

(1) ~~money appropriated and transferred from other state funds;~~

(2) ~~fees and charges collected by the corporation;~~

(3) ~~income from investments and purchases;~~

(4) ~~revenue from loans, rentals, royalties, dividends, and other proceeds collected in connection with lawful corporate purposes;~~

(5) ~~gifts, donations, and bequests made to the corporation; and~~

(6) ~~other income credited to the account by law.~~

Sec. 6. Minnesota Statutes 2002, section 624.20, subdivision 1, is amended to read:

Subdivision 1. (a) As used in sections 624.20 to 624.25, the term "fireworks" means any substance or combination of substances or article prepared for the purpose of producing a visible or an audible effect by combustion, explosion, deflagration, or detonation, and includes blank cartridges, toy cannons, and toy canes in which explosives are used, the type of balloons which require fire underneath to propel them, firecrackers, torpedoes, skyrockets, Roman candles, daygo bombs, sparklers other than those specified in paragraph (c), or other fireworks of like construction, and any fireworks containing any explosive or inflammable compound, or any tablets or other device containing any explosive substance and commonly used as fireworks.

(b) The term "fireworks" shall not include toy pistols, toy guns, in which paper caps containing 25/100 grains or less of explosive compound are used and toy pistol caps which contain less than 20/100 grains of explosive mixture.

(c) The term also does not include wire or wood sparklers of not more than 100 grams of mixture per item, other sparkling items which are nonexplosive and nonaerial and contain 75 grams or less of chemical mixture per tube or a total of 200 grams or less for multiple tubes, snakes and glow worms, smoke devices, or trick noisemakers which include paper streamers, party poppers, string poppers, snappers, and drop pops, each consisting of not more than twenty-five hundredths grains of explosive mixture. The use of items listed in this paragraph is not permitted on public property. This paragraph does not authorize the purchase of items listed in it by persons younger than 18 years of age. The age of a purchaser of items listed in this paragraph must be verified by photographic identification.

(d) A local unit of government may impose an annual license fee for the retail sale of items authorized under paragraph (c). The annual license fee of each retail seller that is in the business of selling only the items authorized under paragraph (c) may not

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exceed \$350, and the annual license of each other retail seller may not exceed \$100. A local unit of government may not:

(1) impose any fee or charge, other than the fee authorized by this paragraph, on the retail sale of items authorized under paragraph (c);

(2) prohibit or restrict the display of items for permanent or temporary retail sale authorized under paragraph (c) that comply with National Fire Protection Association Standard 1124 (2003 edition); or

(3) impose on a retail seller any financial guarantee requirements, including bonding or insurance provisions, containing restrictions or conditions not imposed on the same basis on all other business licensees.

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

Sec. 7. TRANSFER OF RESPONSIBILITIES FOR INDIAN BUSINESS LOAN PROGRAM.

The responsibilities of the Indian Affairs Council in administering the Indian Business Loan program under Minnesota Statutes, section 116J.64, are transferred to the department of trade and economic development, which may enter into an agreement with the governing body of a federally recognized Indian tribe in Minnesota to administer the program or a portion of the program.

Sec. 8. SEASONAL AGRICULTURAL OPERATIONS; MANUFACTURED HOME PARK EXCLUSIONS.

Notwithstanding Minnesota Statutes, section 327.14, subdivision 3, and section 327.23, subdivision 2, the term "manufactured home park" shall not be construed to include up to four manufactured homes maintained by an individual or a company on premises associated with a seasonal agricultural operation and used exclusively to house labor or other personnel occupied in such operation if:

(1) these manufactured homes are equipped with indoor plumbing facilities and meet the standards established in Minnesota Rules, parts 4630.0600, subpart 1, 4630.0700, 4630.1200, 4630.3500, and 4715.0310;

(2) these manufactured homes provide at least 80 square feet of indoor living space per inhabitant of each home;

(3) these manufactured homes are installed in compliance with the state building code under Minnesota Rules, chapter 1350;

(4) these manufactured homes are in compliance with Minnesota Statutes, section 326.243;

(5) the individual or company maintaining these manufactured homes, with the assistance and approval of the city or town where the homes are located, develops a plan to be posted in conspicuous locations near the homes for the sheltering, or the safe evacuation to a safe place of shelter, of the residents of the homes in time of severe weather conditions, such as tornadoes, high winds, and floods; and

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(6) the individual or company maintains the homes in a clean, orderly, and sanitary condition.

EFFECTIVE DATE. This section is effective the day following final enactment and expires two years after the effective date.

Sec. 9. WORKING GROUP ON SUPPORTIVE HOUSING FOR LONG-TERM HOMELESSNESS.

The commissioners of the department of human services, trade and economic development, the Minnesota housing finance agency, and the department of corrections shall convene a working group to develop and implement strategies to foster the development of supportive housing options in order to:

(1) reduce the number of Minnesota individuals and families that experience long-term homelessness;

(2) reduce the inappropriate use of emergency health care, shelter, chemical dependency, corrections, and similar services; and

(3) increase the employability, self-sufficiency, and other social outcomes for individuals and families experiencing long-term homelessness.

The working group must include metropolitan area and greater Minnesota representatives of:

(1) counties;

(2) housing authorities;

(3) nonprofit organizations knowledgeable about supportive housing;

(4) nonprofit organizations experienced in the provision of services to the homeless;

(5) developers and other business interests;

(6) philanthropic organizations; and

(7) other representatives identified as necessary to the development of the plan, including other government agencies.

The working group shall:

(1) determine the key characteristics of individuals and families experiencing long-term homelessness for whom affordable housing with links to support services is needed;

(2) identify a variety of supportive housing models that address the different needs of individuals and families experiencing long-term homelessness;

(3) determine the existing resources that may fund these models for families and individuals who are experiencing long-term homelessness;

(4) identify the gaps in capital, operating, and service funding that affect the ability to develop supportive housing models;

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(5) propose a formal, interagency decision-making process and a plan to fund supportive housing proposals based on the agreed upon criteria, with the goal of maximizing access to funding for the capital, operating, and services costs of supportive housing proposals either scattered site or project based;

(6) identify and recommend models to coordinate mainstream resources and services, i.e., resources and services available to the general population, or more specifically, low-income populations, that can be utilized to assist individuals and families experiencing homelessness, so that housing and homelessness supports can be maximized; and

(7) identify and recommend remediation actions to remove barriers individuals and families experiencing homelessness face when attempting to access mainstream resources and services.

The plan must include an estimate of the statewide need for supportive housing, an estimate of necessary resources to implement the plan, and alternative timetables for implementation of the plan and propose changes in laws and regulations that impede the effective delivery and coordination of services for the targeted population in affordable housing.

The commissioners must report on the status of efforts by the working group to improve the effectiveness of the delivery and coordination of services and access to housing for individuals and families experiencing long-term homelessness and recommend next steps to the appropriate committees of the legislature by February 15, 2004.

Presented to the governor May 24, 2003

Signed by the governor May 28, 2003, 4:04 p.m.

CHAPTER 129—H.F.No. 302

An act relating to education; repealing and replacing the profile of learning; providing for rulemaking; amending Minnesota Statutes 2002, sections 120B.02; 120B.30, subdivision 1, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 120B; repealing Minnesota Statutes 2002, section 120B.031; Minnesota Rules, parts 3501.0300; 3501.0310; 3501.0320; 3501.0330; 3501.0340; 3501.0350; 3501.0370; 3501.0380; 3501.0390; 3501.0400; 3501.0410; 3501.0420; 3501.0440; 3501.0441; 3501.0442; 3501.0443; 3501.0444; 3501.0445; 3501.0446; 3501.0447; 3501.0448; 3501.0449; 3501.0450; 3501.0460; 3501.0461; 3501.0462; 3501.0463; 3501.0464; 3501.0465; 3501.0466; 3501.0467; 3501.0468; 3501.0469.

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

New language is indicated by underline, deletions by strikeout.