

**FIRST SPECIAL SESSION LAWS
OF THE
STATE OF MINNESOTA**

**Enacted by the Eighty-Fourth Legislature
at the First Special Session in 2005,
from May 24 to July 13**

PROCLAMATION FOR SPECIAL SESSION 2005

- WHEREAS: The Eighty-Fourth Legislature will adjourn from its 2005 session without enacting legislation essential to the health, well-being and safety of the citizens of Minnesota; and
- WHEREAS: The unfinished matters of the Legislature include essential laws regarding agriculture, economic development, education, environment, health, human services, transportation, taxes, and the orderly functioning of state government; and
- WHEREAS: After the time permitted by law for passage of such legislation during the 2005 regular session expires, an extraordinary occasion as envisioned by Article IV, Section 12 of the Minnesota Constitution is thereby created; and
- WHEREAS: The people of Minnesota are best served by avoidance of a government shutdown and a prompt conclusion of legislative business.

NOW THEREFORE, I, TIM PAWLENTY, Governor of Minnesota, do hereby summon you, members of the Legislature, to convene in Special Session one minute after the last house of the Legislature adjourns its regular session on Monday, May 23, 2005, pursuant to Article IV, Section 12, at the State Capitol in St. Paul, Minnesota.



IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of Minnesota to be affixed at the State Capitol this twenty-third day of May in the year of our Lord two thousand and five, and of the State the one hundred forty-seventh.

TIM PAWLENTY
GOVERNOR

MARY KIFFMEYER
SECRETARY OF STATE

SESSION LAWS
of the
STATE OF MINNESOTA

ENACTED BY THE EIGHTY-FOURTH LEGISLATURE
AT THE FIRST SPECIAL SESSION IN 2005,
FROM MAY 24 TO JULY 13

CHAPTER 1—S.F.No. 69

An act relating to state government; appropriating money for agricultural, environmental, natural resources, and economic development purposes; establishing and modifying certain programs; providing for regulation of certain activities and practices; providing for accounts, assessments, and fees; amending Minnesota Statutes 2004, sections 3.303, by adding a subdivision; 16A.125, subdivision 5; 17.03, subdivision 13; 17.117, subdivision 11, by adding a subdivision; 17.452, by adding a subdivision; 17.982, subdivision 1; 17.983, subdivisions 1, 3; 17B.03, subdivision 1; 18B.05, subdivision 1; 18B.08, subdivision 4; 18B.26, subdivision 3; 18B.31, subdivision 5; 18B.315, subdivision 6; 18B.32, subdivision 6; 18B.33, subdivision 7; 18B.34, subdivision 5; 18C.141, subdivisions 1, 3, 5; 18C.425, subdivision 6; 18E.03, subdivision 2; 18G.03, subdivision 1; 18G.10, subdivisions 5, 7; 18G.16, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 14; 18H.02, subdivisions 21, 22, 23, 32, 34, by adding a subdivision; 18H.05; 18H.06; 18H.07, subdivisions 1, 2, 3; 18H.09; 18H.13, subdivision 1; 18H.15; 18H.18, subdivision 1; 19.64, subdivision 1; 25.341, subdivision 2; 25.39, subdivisions 1, 4; 31.94; 35.02, subdivision 1; 35.03; 35.05; 35.155; 38.01; 38.16; 41A.09, subdivisions 2a, 3a, by adding subdivisions; 41B.046, subdivision 5; 41B.049, subdivisions 2, 4; 60A.14, subdivision 1; 60K.55, subdivision 2; 72A.20, by adding a subdivision; 72B.04, subdivision 10; 82B.05, subdivisions 1, 5; 82B.09, subdivision 1; 84.027, subdivisions 12, 15; 84.0274, by adding subdivisions; 84.0911, subdivision 2; 84.631; 84.775, subdivision 1; 84.780; 84.788, subdivision 3, by adding a subdivision; 84.789, by adding a subdivision; 84.791, subdivisions 1, 2; 84.798, subdivision 1, by adding a subdivision; 84.82, subdivision 2, by adding a subdivision; 84.8205, subdivisions 1, 3, 4, 6; 84.83, subdivisions 3, 4; 84.86, subdivision 1; 84.922, subdivision 2, by adding a subdivision; 84.925, subdivision 1, by adding a subdivision; 84.9256, subdivision 1, as amended; 84.9257; 84.926; 84.928, subdivisions 1, 2; 84D.03, subdivision 4; 85.015, subdivision 5; 85.053, subdivisions 1, 2; 85.054, subdivision 1, by adding a subdivision; 85.055, subdivision 2, by adding a subdivision; 85.42; 85.43; 86B.415, subdivisions 1, 2, 3, 4, 5, 6, by adding a subdivision; 88.17, subdivision 1, by adding

subdivisions; 88.6435, subdivision 4; 89.039, subdivision 1; 89.19, subdivision 2; 89.36, subdivision 2; 89.37, subdivision 4; 90.195; 92.03, subdivision 4; 94.342, subdivisions 1, 3, 4, 5; 94.343, subdivisions 1, 3, 7, 8, 10, by adding subdivisions; 94.344, subdivisions 1, 3, 5, 8, 10, by adding a subdivision; 97A.055, subdivision 4b; 97A.061, subdivision 1; 97A.075, subdivision 3; 97A.135, subdivision 2a; 97A.4742, subdivision 4; 97A.475, subdivision 3; 97A.482; 97A.485, subdivisions 6, 7; 97A.551, by adding a subdivision; 97B.005, subdivision 1, as amended; 97B.015, subdivision 7; 97B.020; 97B.025, as amended; 97B.601, subdivision 3; 97B.605; 97B.625, as amended; 97B.641; 97B.655, subdivision 1; 97C.085; 103B.101, subdivision 9; 103E.081, by adding subdivisions; 103F.535, subdivision 1; 103G.271, subdivision 6; 103G.301, subdivision 2; 103G.615, subdivision 2; 103I.681, subdivision 11; 115.06, subdivision 4; 115.55, subdivision 5; 115.551; 115A.072, subdivision 1; 115A.12; 115A.554; 115A.929; 115A.9565; 115B.48, subdivision 8; 115C.07, subdivision 3; 115C.09, subdivisions 3h, 3j; 115C.13; 115D.04, subdivisions 3; 116.07, subdivision 7a; 116C.779, subdivision 2; 116J.551, subdivision 1; 116J.571; 116J.572; 116J.574; 116J.575, as amended; 116J.63, subdivision 2; 116J.8731, subdivision 5; 116J.8747, subdivision 2; 116J.994, subdivisions 7, 9; 116L.03, subdivision 2; 116L.05, by adding a subdivision; 116L.20, subdivisions 1, 2; 116L.666, subdivision 4; 116O.09, subdivision 1a; 116P.05, subdivision 2; 120A.40; 129D.02, subdivision 3; 160.232; 161.1419, subdivision 2, by adding a subdivision; 168.1296, subdivision 1; 168.27, by adding a subdivision; 169.733; 169.824, subdivision 2; 169.85, subdivisions 1, 6; 169.87, subdivision 4; 169A.63, subdivision 6; 174.52, subdivision 5; 176.136, subdivision 1a; 183.41, by adding a subdivision; 183.411, subdivisions 2a, 3; 183.42; 183.44, subdivision 1; 183.51, subdivision 2, by adding a subdivision; 183.545; 183.57; 216B.2424, subdivision 1a, as added; 216C.41, subdivisions 2, 5, 5a; 223.17, subdivisions 3, 6; 231.16; 232.22, subdivision 3; 236.02, subdivision 4; 237.11; 237.295, subdivisions 1, 2; 237.701, subdivision 1; 239.011, subdivision 2; 239.05, subdivision 10b, by adding a subdivision; 239.09; 239.101, subdivision 3; 239.75, subdivisions 1, 5; 239.761; 239.77, by adding a subdivision; 239.79, subdivision 4; 239.791, subdivisions 1, 7, 8, 15; 239.792; 268.19, subdivision 1; 282.04, subdivision 1; 282.08, as amended; 282.38, subdivision 1; 296A.01, subdivisions 2, 7, 8, 14, 19, 20, 22, 23, 24, 25, 26, 28; 296A.18, subdivision 2; 297H.13, subdivision 2; 298.22, by adding a subdivision; 298.28, subdivisions 9b, 10; 298.2961, by adding a subdivision; 325E.311, subdivision 6; 326.975, subdivision 1; 327.23, subdivision 2; 345.47, subdivisions 3, 3a; 353.657, subdivision 1; 357.021, subdivisions 1a, 2; 373.40, subdivisions 1, 3; 394.25, subdivision 3c; 462.355, subdivision 4, as amended; 462.357, subdivision 1e, by adding a subdivision; 462A.05, subdivision 3a; 462A.33, subdivision 2; 469.050, subdivision 5; 469.1082, subdivision 1; 469.310, subdivision 11; 469.319, subdivision 1, by adding a subdivision; 469.320, subdivision 3; 469.330, subdivision 11; 469.340, subdivision 1; 471.999; 473.197, subdivision 4; 517.08, subdivisions 1b, 1c; 609.849, as added; Laws 1998, chapter 389, article 16, section 31, subdivision 4, as amended; Laws 1999, chapter 224, section 7, as amended; Laws 2003, chapter 128, article 1, section 9, subdivision 6; Laws 2003, chapter 128, article 1, section 156; Laws 2003, chapter 128, article 1, section 167, subdivision 1; Laws 2003, chapter 128, article 1, section 172; Laws 2005, chapter 97, article 13, section 1, subdivision 3; Laws 2005, chapter 97, article 13, section 2, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 16C; 25; 35; 41B; 45; 59B; 84; 86B; 92; 93; 97C; 103F; 116L; 116P; 156; 169; 181; 237; 290; 325F; 354B; 473; repealing Minnesota Statutes 2004, sections 17.451; 17.452, subdivisions 6, 6a, 7, 10, 11, 12, 13, 13a, 14, 15, 16; 17.983, subdivision 2; 18B.065, subdivision 5; 18H.02, subdivisions 15, 19; 19.64, subdivision 4a; 35.0661, subdivision 4; 41B.046, subdivision 3; 45.0295; 84.901; 94.343, subdivision 6; 94.344, subdivision 6; 94.348; 94.349; 115A.03, subdivisions 8a, 22a; 115A.055, subdivision 1; 115D.03, subdivision 4; 116J.573; 116J.58, subdivision 3; 116L.05, subdivision 4; 178.12; 239.05,

subdivisions 6a, 6b; 462C.15; 473.156; 473.197, subdivisions 1, 2, 3, 5; 473.801, subdivision 6; Laws 1999, chapter 125, section 4, as amended.

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

ARTICLE 1

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 specified in this act, to be available for the fiscal years indicated for each purpose. The figures "2006" and "2007," where used in this act, mean that the appropriation or appropriations listed under them are available for the fiscal year ending June 30, 2006, or June 30, 2007, respectively. The term "the first year" means the year ending June 30, 2006, and the term "the second year" means the year ending June 30, 2007.

SUMMARY BY FUND

	2006	2007	TOTAL
General	\$ 44,648,000	\$ 41,804,000	\$ 86,452,000
Remediation	388,000	388,000	776,000
TOTAL	\$ 45,036,000	\$ 42,192,000	\$ 87,228,000

APPROPRIATIONS

Available for the Year
Ending June 30

2006 2007

Sec. 2. DEPARTMENT OF AGRICULTURE

Subdivision 1. Total Appropriation	40,177,000	37,331,000
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Summary by Fund

General	39,789,000	36,943,000
Remediation	388,000	388,000

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

Subd. 2. Protection Services

10,665,000	10,666,000
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Summary by Fund

General	10,277,000	10,278,000
Remediation	388,000	388,000

\$388,000 the first year and \$388,000 the second year are from the remediation fund for administrative funding for the voluntary cleanup program.

The balance in the waste pesticide account in the agricultural fund is canceled to the pesticide regulatory account in the agricultural fund and the waste pesticide account is abolished.

\$150,000 the first year and \$150,000 the second year are from the agricultural fund and must be spent for increased monitoring of pesticides in groundwater and surface waters throughout the state. This amount must be used primarily for sample collection and laboratory analytical costs and is in addition to other appropriations and funding for the water monitoring program.

Subd. 3. Agricultural Marketing and Development

4,085,000

3,865,000

\$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, 2007, for Minnesota grown grants in this subdivision are available until June 30, 2009.

\$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, 2007, for sustainable agriculture grants in this subdivision are available until June 30, 2009.

\$100,000 the first year and \$100,000 the second year are to provide training and technical assistance to county and town officials relating to livestock siting issues and local zoning and land use planning including a checklist template that would clarify the federal, state, and local government requirements for consideration of an animal agriculture modernization or expansion project. In developing the training and technical assistance program, the commissioner may seek assistance from the local planning assistance center of the Department of Administration and shall seek guidance, advice, and support of livestock producer organizations, general agricultural organizations, local government associations, academic institutions, other government agencies, and others with expertise in land use and agriculture.

\$220,000 the first year is to contract with the University of Minnesota for further research and development of livestock odor and air quality management. This is a onetime appropriation.

The commissioner of agriculture, in consultation with the commissioner of transportation, shall conduct an economic impact study of a rail container load-out facility located in the west-central area of Minnesota. The study must include benefits of a facility to the region and to the state transportation system. By January 15, 2006, the commissioner shall report to the

governor and the agriculture policy committees of the senate and house on the findings of the study.

Subd. 4. Value-Added Agricultural Products

18,745,000 15,268,000

\$18,145,000 the first year and \$15,168,000 the second year are for ethanol producer payments under Minnesota Statutes, section 41A.09. Payments for eligible ethanol production in fiscal years 2006 and 2007 shall be disbursed at the 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.

\$500,000 in the first year is for grants to gasoline service station owners who, after the effective date of this section, install pumps in this state for dispensing E85 gasoline. The commissioner may reimburse owners of gasoline service stations for up to 50 percent of the total cost of installing an E85 pump, including the tank and any related components, up to a maximum of \$15,000 per E85 pump. The commissioner shall grant priority for E85 pumps installed in areas of the state where gasoline service stations with E85 pumps are not reasonably available to the general public. This appro-

priation is available until spent.

\$100,000 the first year and \$100,000 the second year are for ethanol combustion efficiency grants under Minnesota Statutes, section 41A.09, subdivision 9.

Subd. 5. Administration and Financial Assistance

6,682,000	7,532,000
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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 and to administer a dairy investment tax credit program. 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 that 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 \$2,000 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 2006 or 2007.

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.

\$65,000 the first year and \$65,000 the second year are for annual grants to the Northern Minnesota Forage-Turf Seed Advisory Committee for basic and applied research on the improved production of forage and turf seed related to new and improved varieties. The grant recipient may subcontract with a qualified third party for some or all of the basic and applied research.

\$150,000 is for a grant to Second Harvest Heartland on behalf of Minnesota's six Second Harvest food banks for the purchase of milk for distribution to Minnesota's food shelves and other charitable organizations that are eligible to receive food from the food banks. Milk purchased under the grants must be acquired from Minnesota milk processors and based on low-cost bids. The milk must be allocated to each Second Harvest food bank serving Minnesota according to the formula used in the distribution of United States Department of Agriculture commodities under The Emergency Food Assistance Program (TEFAP). Second Harvest Heartland must submit quarterly reports to the commissioner on forms prescribed by the commissioner. The reports must include, but are not limited to, information on the expenditure of funds,

the amount of milk purchased, and the organizations to which the milk was distributed. Second Harvest Heartland may enter into contracts or agreements with food banks for shared funding or reimbursement of the direct purchase of milk. Each food bank receiving money from this appropriation may use up to two percent of the grant for administrative expenses. This is a onetime appropriation.

\$100,000 the first year and \$100,000 the second year are for transfer to the Board of Trustees of the Minnesota State Colleges and Universities for mental health counseling support to farm families and business operators through farm business management programs at Central Lakes College and Ridgewater College.

\$17,000 the first year and \$18,000 the second year are for grants to the Minnesota Horticultural Society.

Sec. 3. BOARD OF ANIMAL HEALTH	3,259,000	3,261,000
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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.

\$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.

\$300,000 the first year and \$300,000 the second year are for grants to the Veterinary Diagnostic Laboratory at the University of Minnesota to expand animal disease surveillance and to protect animal agriculture and public health. This appropriation is available until June 30, 2007. This is a onetime appropriation.

Sec. 4. AGRICULTURAL UTILIZATION
RESEARCH INSTITUTE

1,600,000

1,600,000

Sec. 5. FUND TRANSFER

By June 30, 2007, the commissioner of the Pollution Control Agency shall transfer \$600,000 from the unreserved balance of the environmental fund to the commissioner of finance for cancellation to the general fund.

Sec. 6. [16C.137] MINIMIZING ENERGY USE; RENEWABLE FUELS.

Subdivision 1. GOALS AND ACTIONS. (a) Using 2005 as a baseline, the state of Minnesota shall reduce the use of gasoline by on-road vehicles owned by state departments by 25 percent by 2010 and by 50 percent by 2015, and the use of petroleum-based diesel fuel in diesel-fueled vehicles by ten percent by 2010 and 25 percent by 2015.

(b) To meet the goals established in paragraph (a), each state department must, whenever legally, technically, and economically feasible, subject to the specific needs of the department and responsible management of agency finances:

(1) ensure that all new on-road vehicles purchased, excluding emergency and law enforcement vehicles:

(i) use "cleaner fuels" as that term is defined in section 16C.135, subdivision 1, clauses (1), (3), and (4); or

(ii) have fuel efficiency ratings that exceed 30 miles per gallon for city usage or 35 miles per gallon for highway usage, including but not limited to hybrid electric cars and hydrogen-powered vehicles;

(2) increase its use of renewable transportation fuels, including ethanol, biodiesel, and hydrogen from agricultural products; and

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

(3) increase its use of Web-based Internet applications and other electronic information technologies to enhance the access to and delivery of government information and services to the public, and reduce the reliance on the department's fleet for the delivery of such information and services.

Subd. 2. SMARTFLEET COMMITTEE. (a) The commissioner of administration, or the commissioner's designee, shall chair a SmartFleet Committee consisting of representatives designated by the commissioners of the Pollution Control Agency, the Departments of Agriculture and Commerce, and other state departments that wish to participate. To ensure effective and efficient state participation, the SmartFleet Committee must assist state departments in implementing the requirements of this section, including providing information, guidance, sample policies and procedures, and technical and planning assistance.

(b) The SmartFleet Committee must evaluate the goals and directives established in this section by December 2006 and periodically thereafter. The committee may make recommendations to the governor and appropriate committees of the legislature for new or adjusted goals and directives, in light of the progress the state has made implementing this section, and of the availability of new or improved technologies.

(c) For the systematic and efficient monitoring of progress in implementing this section by the SmartFleet Committee, the Department of Administration shall implement a fleet reporting and information management system. Each department will use this management system to demonstrate its progress in complying with this section.

Subd. 3. EXCLUSION. Petroleum-based diesel fuel used in a vehicle which a department has retrofit to use ultra low sulfur diesel fuel and to add additional emissions control technologies is excluded when evaluating progress toward the reduction goals established in subdivision 1. This exclusion applies only to vehicles purchased before the model year in which the federal Environmental Protection Agency's new clean diesel emission reduction rules take effect.

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

Sec. 7. Minnesota Statutes 2004, section 17.03, subdivision 13, is amended to read:

Subd. 13. SEMIANNUAL REPORTS. (a) By October 15 and April 15 of each year, The commissioner shall submit to the legislative committees having jurisdiction over appropriations from the agricultural fund in section 16A.531 a report reports on the amount of revenue raised in each fee account within the fund, the expenditures from each account, and the purposes for which the expenditures were made. The reports must be issued in February and November each year, to coincide with the forecasts of revenue and expenditures prepared under section 16A.103.

(b) The report delivered on October 15 in February of each year must include the commissioner's recommendations, if any, for changes in statutes relating to the fee accounts of the agricultural fund.

New language is indicated by underline, deletions by strikeout.

Sec. 8. Minnesota Statutes 2004, section 17.117, is amended by adding a subdivision to read:

Subd. 5b. APPLICATION FEE. The commissioner may impose a nonrefundable application fee of \$50 for each loan issued under the program. The fees must be credited to the agricultural best management practices administration account, which is hereby established in the agricultural fund. Interest earned in the account accrues to the account. Money in the account and interest earned in the accounts established in the agricultural fund under subdivision 5a are appropriated to the commissioner for administrative expenses of the program.

Sec. 9. Minnesota Statutes 2004, section 17.117, subdivision 11, is amended to read:

Subd. 11. LOANS ISSUED TO BORROWER. (a) Local lenders may issue loans only for projects that are approved and certified by the local government unit as meeting priority needs identified in a comprehensive water management plan or other local planning documents, are in compliance with accepted practices, standards, specifications, or criteria, and are eligible for financing under Environmental Protection Agency or other applicable guidelines.

(b) The local lender may use any additional criteria considered necessary to determine the eligibility of borrowers for loans.

(c) Local lenders shall set the terms and conditions of loans to borrowers, except that:

(1) no loan to a borrower may exceed \$50,000;

(2) no loan for a project may exceed \$50,000; and

(3) no borrower shall, at any time, have multiple loans from this program with a total outstanding loan balance of more than \$50,000.

(d) The maximum term length for conservation tillage ~~and individual sewage treatment system~~ projects is five years. The maximum term length for other projects in this paragraph is ten years.

(e) Notwithstanding paragraph (c), a local lender may issue a loan of up to \$100,000 for a community sewage treatment system serving two or more households.

(f) Fees charged at the time of closing must:

(1) be in compliance with normal and customary practices of the local lender;

(2) be in accordance with published fee schedules issued by the local lender;

(3) not be based on participation program; and

(4) be consistent with fees charged other similar types of loans offered by the local lender.

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

(f) (g) The interest rate assessed to an outstanding loan balance by the local lender must not exceed three percent per year.

Sec. 10. Minnesota Statutes 2004, section 17.452, is amended by adding a subdivision to read:

Subd. 5a. OTHER APPLICABLE DEFINITIONS. The definitions in section 35.153 apply to this section.

Sec. 11. Minnesota Statutes 2004, section 17.982, subdivision 1, is amended to read:

Subdivision 1. **CRIMINAL PENALTIES.** A person who violates a provision of chapter 28A, 29, 31, 31A, 31B, or 34 for which a penalty has not been prescribed is guilty of a misdemeanor.

Sec. 12. Minnesota Statutes 2004, section 17.983, subdivision 1, is amended to read:

Subdivision 1. **ADMINISTRATIVE PENALTIES; CITATION.** If a person has violated a provision of chapter 28A, 29, 31, 31A, 31B, 32, or 34, the commissioner may issue a written citation to the person by personal service or by certified mail. The citation ~~shall~~ must describe the nature of the violation and the statute or rule alleged to have been violated; state the time for correction, if applicable; and the amount of any proposed fine. The citation must advise the person to notify the commissioner in writing within 30 days if the person wishes to appeal the citation. If the person fails to appeal the citation, the citation is the final order and not subject to further review.

Sec. 13. Minnesota Statutes 2004, section 17.983, subdivision 3, is amended to read:

Subd. 3. **CONTESTED CASE.** If a person appeals a citation or a penalty assessment within the time limits in subdivisions subdivision 1 and 2, the commissioner, within 40 days after receiving the appeal, shall initiate a contested proceeding under chapter 14. The report of the administrative law judge is the final decision of the commissioner of agriculture.

Sec. 14. Minnesota Statutes 2004, section 17B.03, subdivision 1, is amended to read:

Subdivision 1. **COMMISSIONER'S POWERS.** The commissioner of agriculture shall exercise general supervision over the inspection, grading, weighing, sampling, and analysis of grain subject to the provisions of the United States Grain Standards Act of 1976 and the rules promulgated thereunder by the United States Department of Agriculture. This activity may take place within or outside the state of Minnesota. Scale testing must be performed at export locations or, upon request from and with the consent of the delegated authority, at domestic locations. Fees for the testing of scales and weighing equipment shall be fixed by the commissioner and must be uniform with those charged by the Division of Weights and Measures of the Department of Commerce.

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

Sec. 15. Minnesota Statutes 2004, section 18B.05, subdivision 1, is amended to read:

Subdivision 1. **ESTABLISHMENT.** A pesticide regulatory account is established in the agricultural fund. Fees, assessments, and penalties collected under this chapter must be deposited in the agricultural fund and credited to the pesticide regulatory account. Money in the account, including interest, is appropriated to the commissioner for the administration and enforcement of this chapter.

Sec. 16. Minnesota Statutes 2004, section 18B.08, subdivision 4, is amended to read:

Subd. 4. **APPLICATION FEE.** A person initially applying for a chemigation permit must pay a nonrefundable application fee of \$50 \$250. A person who holds a fertilizer chemigation permit under section 18C.205, is exempt from the fee in this subdivision.

Sec. 17. Minnesota Statutes 2004, 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~~ 0.4 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 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. 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

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

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.

(d) A registrant who is required to pay more than the minimum fee for any pesticide under paragraph (a) must pay a late fee penalty of \$100 for each pesticide application fee paid after March 1 in the year for which the license is to be issued.

Sec. 18. Minnesota Statutes 2004, section 18B.31, subdivision 5, is amended to read:

Subd. 5. **APPLICATION FEE.** (a) An application for a pesticide dealer license must be accompanied by a nonrefundable application fee of \$50 \$150.

(b) If an application for renewal of a pesticide dealer license is not filed before January 1 of the year for which the license is to be issued, an additional fee of \$20 must be paid by the applicant before the license is issued.

Sec. 19. Minnesota Statutes 2004, section 18B.315, subdivision 6, is amended to read:

Subd. 6. **FEES.** (a) An applicant for an aquatic pest control license for a business must pay a nonrefundable application fee of ~~\$100~~ \$200. An employee of a licensed business must pay a nonrefundable application fee of ~~\$50~~ for an individual aquatic pest control license.

(b) An application received after expiration of the aquatic pest control license is subject to a penalty of 50 percent of the application fee.

(c) An applicant that meets renewal requirements by reexamination instead of attending workshops must pay the equivalent workshop fee for the reexamination as determined by the commissioner.

Sec. 20. Minnesota Statutes 2004, section 18B.32, subdivision 6, is amended to read:

Subd. 6. **FEES.** (a) An applicant for a structural pest control license for a business must pay a nonrefundable application fee of ~~\$100~~ \$200. An employee of a licensed business must pay a nonrefundable application fee of \$50 for an individual structural pest control license.

(b) An application received after expiration of the structural pest control license is subject to a penalty fee of 50 percent of the application fee.

(c) An applicant that meets renewal requirements by reexamination instead of attending workshops must pay the equivalent workshop fee for the reexamination as determined by the commissioner.

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Sec. 21. Minnesota Statutes 2004, section 18B.33, subdivision 7, is amended to read:

Subd. 7. **APPLICATION FEES.** (a) A person initially applying for or renewing a commercial applicator license must pay a nonrefundable application fee of \$50.

(b) If A license renewal application is not filed before received after March 1 of in the year for which the license is to be issued, an additional is subject to a penalty fee of \$10 must be paid before the commercial applicator 50 percent of the application fee. The penalty fee must be paid before the renewal license may be issued.

(c) An application for a duplicate commercial applicator license must be accompanied by a nonrefundable application fee of \$10.

Sec. 22. Minnesota Statutes 2004, section 18B.34, subdivision 5, is amended to read:

Subd. 5. **FEES.** (a) A person initially applying for or renewing a noncommercial applicator license must pay a nonrefundable application fee of \$50, except an applicant who is a government or Minnesota Conservation Corps employee who uses pesticides in the course of performing official duties must pay a nonrefundable application fee of \$10.

(b) If an A license renewal application for renewal of a noncommercial license is not filed before received after March 1 in the year for which the license is to be issued, an additional is subject to a penalty fee of \$10 must be paid before the 50 percent of the application fee. The penalty fee must be paid before the renewal license may be issued.

(c) An application for a duplicate noncommercial applicator license must be accompanied by a nonrefundable application fee of \$10.

Sec. 23. Minnesota Statutes 2004, section 18C.141, subdivision 1, is amended to read:

Subdivision 1. **PROGRAM ESTABLISHMENT.** The commissioner shall establish a ~~program~~ voluntary programs to certify the accuracy of analyses from soil and manure testing laboratories and promote standardization of soil and manure testing procedures and analytical results.

Sec. 24. Minnesota Statutes 2004, section 18C.141, subdivision 3, is amended to read:

Subd. 3. **ANALYSES REPORTING STANDARDS.** (a) The results obtained from soil, manure, or plant analysis must be reported in accordance with standard reporting units established by the commissioner by rule. The standard reporting units must conform as far as practical to uniform standards that are adopted on a regional or national basis.

(b) If a certified laboratory offers a recommendation for use in Minnesota, the University of Minnesota recommendation or that of another land grant college in a

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contiguous state must be offered in addition to other recommendations, and the source of the recommendation must be identified on the recommendation form. If relative levels such as low, medium, or high are presented to classify the analytical results, the corresponding relative levels based on the analysis as designated by the University of Minnesota or the land grant college in a contiguous state must also be presented.

Sec. 25. Minnesota Statutes 2004, section 18C.141, subdivision 5, is amended to read:

Subd. 5. **CERTIFICATION FEES.** (a) The commissioner may charge the actual costs for check sample preparation and shipping.

(b) A laboratory applying for certification shall pay an application fee of \$100 and a certification fee of \$100 before the certification is issued may be charged a nonrefundable certification fee to cover the actual costs for administration of the program.

(b) (c) Certification is valid for one year and the renewal fee is \$100. The commissioner shall charge an additional application fee of \$100 if a certified laboratory allows certification to lapse before applying for renewed certification renewable on an annual basis.

(e) The commissioner shall notify a certified lab that its certification lapses within 30 to 60 days of the date when the certification lapses.

(d) The commissioner may accept donations to support the development and operation of soil and manure programs.

(e) Revenues under this section are deposited in the fertilizer account of the agricultural fund.

Sec. 26. Minnesota Statutes 2004, section 18C.425, subdivision 6, is amended to read:

Subd. 6. **INSPECTION FEES.** The person responsible for payment of the inspection fees for fertilizers, soil amendments, or plant amendments sold and used in this state must pay an inspection fee of ~~15~~ 30 cents per ton of fertilizer, soil amendment, and plant amendment sold or distributed in this state, with a minimum of \$10 on all tonnage reports. Products sold or distributed to manufacturers or exchanged between them are exempt from the inspection fee imposed by this subdivision if the products are used exclusively for manufacturing purposes.

Sec. 27. Minnesota Statutes 2004, section 18E.03, subdivision 2, is amended to read:

Subd. 2. **EXPENDITURES.** (a) Money in the agricultural chemical response and reimbursement account may only be used:

(1) to pay for the commissioner's responses to incidents under chapters 18B, 18C, and 18D that are not eligible for payment under section 115B.20, subdivision 2;

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(2) to pay for emergency responses that are otherwise unable to be funded;
(3) to reimburse and pay corrective action costs under section 18B.04; and
(4) by the board to reimburse the commissioner for board staff and other administrative costs up to \$175,000 ~~\$225,000~~ per fiscal year.

(b) Money in the agricultural chemical response and reimbursement account is appropriated to the commissioner to make payments as provided in this subdivision.
Sec. 28. Minnesota Statutes 2004, section 18G.03, subdivision 1, is amended to read:

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 harmful 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 potential significant damage or harm.

(d) The commissioner may collect fees required by this chapter.
(e) The commissioner may issue and enforce a written or printed "stop-sale" order orders, compliance agreements, and other directives and requests to the owner or custodian of any plants or articles infested or infected with dangerously injurious a harmful plant pest.

Sec. 29. Minnesota Statutes 2004, section 18G.10, subdivision 5, is amended to read:

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. If laboratory analysis or other technical analysis is

required to issue a certificate, the commissioner must set and collect the fee to recover this additional cost.

(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.

(g) For services provided for in subdivision 7 that are goods and services provided for the direct and primary use of a private individual, business, or other entity, the commissioner must set and collect the fees to cover the cost of the services provided.

Sec. 30. Minnesota Statutes 2004, section 18G.10, subdivision 7, is amended to read:

Subd. 7. **PLANT PROTECTION INSPECTIONS, SUPPLEMENTAL, ADDITIONAL, OR OTHER CERTIFICATES, AND PERMITS, AND FEES.** (a) ~~The commissioner may provide inspection, sampling, or certification services to ensure that Minnesota plant products or commodities meet 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 plant health 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. 31. Minnesota Statutes 2004, section 18G.16, subdivision 1, is amended to read:

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.

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(d) "Shade tree disease pest" means Dutch elm disease, oak wilt, or any disorder pests or pathogens 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 or pest-infested shade trees, including collection, transportation, processing, or storage of wood and assisting in the recovery of materials or energy from wood.

(f) "Approved disease pest control program" means a municipal plan approved by the commissioner to control or eradicate a shade tree disease pest.

(g) "Disease Pest control area" means an area approved by the commissioner within which a municipality will conduct an approved disease pest control program.

(h) "Sanitation" means the identification, inspection, disruption of a common root system, girdling, trimming, removal, and disposal of dead, pest-infested 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.

(j) "Shade tree" means a woody perennial grown primarily for aesthetic or environmental purposes.

Sec. 32. Minnesota Statutes 2004, section 18G.16, subdivision 2, is amended to read:

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 pest-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

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(8) any other matters determined necessary by the commissioner to prevent the spread of shade tree pests or disease and enforce this section.

Sec. 33. Minnesota Statutes 2004, section 18G.16, subdivision 3, is amended to read:

Subd. 3. **DIAGNOSTIC LABORATORY.** The commissioner shall operate a diagnostic laboratory for culturing diseased or infested pest-infested trees for positive identification of diseased or infested pest-infested shade trees.

Sec. 34. Minnesota Statutes 2004, section 18G.16, subdivision 4, is amended to read:

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 or pest-infested shade trees, develop and evaluate control measures, and develop means for disposing of and using diseased or pest-infested shade trees.

Sec. 35. Minnesota Statutes 2004, section 18G.16, subdivision 5, is amended to read:

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 pest control and energy conservation.

Sec. 36. Minnesota Statutes 2004, section 18G.16, subdivision 6, is amended to read:

Subd. 6. **REMOVAL OF DISEASED OR ~~INFESTED~~ PEST-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 or pest-infested shade trees located on

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street terraces or boulevards to the abutting properties and the assessment becomes a lien on the property.

Sec. 37. Minnesota Statutes 2004, section 18G.16, subdivision 7, is amended to read:

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 pest control area.

Sec. 38. Minnesota Statutes 2004, section 18G.16, subdivision 8, is amended to read:

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 pest control program for the partial funding of municipal sanitation and reforestation programs to replace trees lost to pest, 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;
- (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

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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 pest 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 pest 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 appropriated for those purposes to the municipalities located within the metropolitan area, as defined in subdivision 1.

Sec. 39. Minnesota Statutes 2004, section 18G.16, subdivision 9, is amended to read:

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 or pest-infested 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 or pest-infested shade trees or shade trees that will contribute to the spread of shade tree diseases or pest infestations. Under the contract, the municipality must pay for the removal or approved treatment under terms and conditions determined by its governing body.

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Sec. 40. Minnesota Statutes 2004, section 18G.16, subdivision 14, is amended to read:

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 pest 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 pest 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.

Sec. 41. Minnesota Statutes 2004, section 18H.02, is amended by adding a subdivision to read:

Subd. 12a. INDIVIDUAL. "Individual" means a human being.

Sec. 42. Minnesota Statutes 2004, section 18H.02, subdivision 21, is amended to read:

Subd. 21. **NURSERY STOCK BROKER.** "Nursery stock broker" means a nursery stock dealer engaged in the business of selling or reselling certified nursery stock as a business transaction without taking ownership or handling the nursery stock.

Sec. 43. Minnesota Statutes 2004, section 18H.02, subdivision 22, is amended to read:

Subd. 22. **NURSERY STOCK DEALER.** "Nursery stock dealer" means a person involved in the acquisition and further distribution of certified nursery stock; the utilization of certified nursery stock for landscaping or purchase of certified nursery stock for other persons; or the distribution of certified 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 certified 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.

Sec. 44. Minnesota Statutes 2004, section 18H.02, subdivision 23, is amended to read:

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 certified 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.

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Sec. 45. Minnesota Statutes 2004, section 18H.02, subdivision 32, is amended to read:

Subd. 32. **SALES LOCATION.** "Sales location" means a fixed location from which certified nursery stock is displayed or distributed.

Sec. 46. Minnesota Statutes 2004, section 18H.02, subdivision 34, is amended to read:

Subd. 34. **TREE SPADE OPERATOR.** "Tree spade operator" means a ~~nursery stock dealer~~ person who uses a tree spade to dig nursery stock and sells, sell, offers offer for sale, distributes distribute, and transports or transport certified nursery stock.

Sec. 47. Minnesota Statutes 2004, section 18H.05, is amended to read:

18H.05 NURSERY CERTIFICATE REQUIREMENTS.

(a) No person may offer for sale or distribute certified nursery stock as a nursery stock grower or dealer without first obtaining the appropriate nursery stock certificate from the commissioner. The commissioner may not issue a certificate to a person who does not sell certified nursery stock. 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; and

(4) source or sources of purchased nursery stock.

(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; or

(3) sell or distribute certified nursery stock to an uncertified nursery stock dealer who is required to be certified or nursery stock grower.

(e) Each application for a certificate must be accompanied by the appropriate certificate fee under section 18H.07.

(f) Certificates issued by the commissioner must be prominently displayed to the public in the place of business where certified nursery stock is sold or distributed.

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(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. 48. Minnesota Statutes 2004, section 18H.06, is amended to read:

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~~ ten 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 OCCASIONAL 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~~ individual 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; and

(4) conducts sales or distributions of nursery stock on ten or fewer days in a calendar year.

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(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.

Sec. 49. Minnesota Statutes 2004, section 18H.07, subdivision 1, is amended to read:

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~~ 2006, the fees are as described in this section.

Sec. 50. Minnesota Statutes 2004, section 18H.07, subdivision 2, is amended to read:

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, or portion thereof, that the fee is delinquent up to a maximum of 30 percent for any application for renewal not received by January 1 of the year following expiration of a certificate.

Sec. 51. Minnesota Statutes 2004, section 18H.07, subdivision 3, is amended to read:

Subd. 3. **NURSERY STOCK DEALER CERTIFICATE.** (a) A nursery stock dealer must pay an annual fee based on the dealer's gross sales of certified nursery

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stock per location during the ~~preceeding~~ most recent 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~~ \$5,000, \$150;
- (2) gross sales over ~~\$20,000~~ \$5,000 up to ~~\$100,000~~ \$20,000, \$175;
- (3) gross sales over ~~\$100,000~~ \$20,000 up to ~~\$250,000~~ \$50,000, \$300;
- (4) gross sales over ~~\$250,000~~ \$50,000 up to ~~\$500,000~~ \$75,000, \$425;
- (5) gross sales over ~~\$500,000~~ \$75,000 up to ~~\$1,000,000~~ \$100,000, \$550;
- (6) gross sales over ~~\$1,000,000~~ \$100,000 up to ~~\$2,000,000~~ \$200,000, \$675; and
- (7) gross sales over ~~\$2,000,000~~ \$200,000; \$800.

(b) In addition to the fees in paragraph (a), a penalty of ten percent of the fee due must be charged for each month, or portion thereof, that the fee is delinquent up to a maximum of 30 percent for any application for renewal not received by January 1 of the year following expiration of a certificate.

Sec. 52. Minnesota Statutes 2004, section 18H.09, is amended to read:

18H.09 NURSERY INSPECTIONS REQUIRED STOCK CERTIFICATION REQUIREMENTS.

(a) All nursery stock growing at sites in Minnesota must have had an identified by nursery stock growers and submitted for inspection must be inspected by the commissioner during within the previous 12 months prior to sale and found apparently free from quarantine and regulated nonquarantine pests as well as significantly dangerous or potentially damaging plant pests. The commissioner may waive a site inspection under the following conditions:

- (1) the nursery stock is not going to be sold within 12 months;
- (2) the nursery stock will not be moved out of Minnesota; and
- (3) the nursery site or stock is not subject to certification requirements associated with a state or federally regulated or quarantined plant pest.

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.

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(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 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. 53. Minnesota Statutes 2004, section 18H.13, subdivision 1, is amended to read:

Subdivision 1. ~~LABELING IDENTIFICATION OF ORIGIN. 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 and origin of all nursery stock 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.~~

Sec. 54. Minnesota Statutes 2004, section 18H.15, is amended to read:

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.

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(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;

(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; or

(16) sell nursery stock to an uncertified nursery stock dealer who is required to be certified.

Sec. 55. Minnesota Statutes 2004, section 18H.18, subdivision 1, is amended to read:

Subdivision 1. **RESTRICTIONS ON COLLECTING.** No person shall distribute the state flower (*Cypripedium reginae*), or any species of lady slipper (*Cypripedieae*) orchids (*Orchidaceae*), any member of the orchid family, any gentian (*Gentiana*), arbutus (*Epigaea repens*), lilies (*Lilium species*), coneflowers (*Echinacea*

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species, bloodroot (*Sanguinaria canadensis*), mayapple (*Podophyllum peltatum*), any species of trillium (*Trillium* species), 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.

Sec. 56. Minnesota Statutes 2004, section 19.64, subdivision 1, is amended to read:

Subdivision 1. **REGISTRATION.** Every person who owns, leases, or possesses colonies of bees ~~or who intends to bring bees into the state under an entry permit~~ shall register the bees with the commissioner on or before ~~April 15~~ June 1 of each year ~~or within 15 days of entry into Minnesota or taking possession of hives, whichever comes first.~~ The registration application shall include the name and address of the applicant, a description of the exact location of each of the applicant's apiaries by county, township, range and quarter section, and other information required by the commissioner. The fee for registration under this subdivision is \$10 ~~\$25 for beekeepers with fewer than 50 colonies and \$50 for beekeepers with 50 or more colonies maintained in the state. The commissioner shall provide registered beekeepers with the Minnesota pest report.~~ The registration required by this section is not transferable. At least one colony in each location must be plainly and legibly marked with the owner's name and telephone number and address, and other information required by the commissioner. The department shall provide information on colony locations as reported on the registrations on an Internet Web site or through other appropriate measures.

Sec. 57. Minnesota Statutes 2004, section 25.341, subdivision 2, is amended to read:

Subd. 2. **APPLICATION; FEE; TERM.** A person who is required to have a commercial feed license shall submit an application on a form provided or approved by the commissioner accompanied by a license fee of \$25 paid to the commissioner for each ~~facility~~ location. A license is not transferable from one person to another, from one ownership to another, or from one location to another. The license year is the calendar year. A license expires on December 31 of the year for which it is issued, except that a license is valid through January 31 of the next year or until the issuance of the renewal license, whichever comes first, if the licensee has filed a renewal application with the commissioner on or before December 31 of the year for which the current license was issued. ~~A new applicant who~~ Any person who is required to have, but fails to obtain a license within 15 working days of notification of the requirement to obtain a license, or a licensee who fails to comply with license renewal requirements, shall pay a \$50 late fee in addition to the license fee. The commissioner may issue a withdrawal from distribution order on any commercial feed that an unlicensed person produces or distributes in the state until a license is issued.

Sec. 58. **[25.342] CERTIFICATES, FREE SALE.**

A nonrefundable application fee of \$25 must accompany all free sale certificate requests to facilitate the movement of Minnesota processed and manufactured feeds

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destined for export from the state. Each label submitted for review must be accompanied by a nonrefundable \$50 application fee.

Sec. 59. Minnesota Statutes 2004, section 25.39, subdivision 1, is amended to read:

Subdivision 1. **AMOUNT OF FEE.** (a) An inspection fee at the rate of 16 cents per ton must be paid to the commissioner on commercial feeds distributed in this state by the person who first distributes the commercial feed, except that:

(1) ~~no fee needs to need~~ be paid on:

(1) (i) a commercial feed if the payment has been made by a previous distributor;
or

(2) (ii) customer formula feeds if the inspection fee is paid on the commercial feeds which are used as ingredients; or

~~(3) commercial feeds used as ingredients for the manufacture of commercial feeds if the fee has been paid by a previous distributor. If the fee has already been paid, credit must be given for that payment.~~ (2) a Minnesota feed distributor who distributes can substantiate that greater than 50 percent of the distribution of commercial feed is to purchasers outside the state may purchase commercial feeds, without payment by any person of the inspection fee required on those purchases, under a tonnage fee exemption permit issued by the commissioner. Such location specific permits shall only be issued on a calendar year basis to commercial feed distributors who submit a \$100 nonrefundable application fee and comply with rules adopted by the commissioner relative to record keeping, tonnage of commercial feed distributed in Minnesota, total of all commercial feed tonnage distributed, and all other information which the commissioner may require so as to ensure that proper inspection fee payment has been made.

(b) In the case of pet food distributed in the state only in packages of ten pounds or less, a listing of each product and a current label for each product must be submitted annually on forms provided by the commissioner and accompanied by an annual fee of \$50 for each product in lieu of the inspection fee. This annual fee is due by July 1. The inspection fee required by paragraph (a) applies to pet food distributed in packages exceeding ten pounds.

(c) In the case of specialty pet food distributed in the state only in packages of ten pounds or less, a listing of each product and a current label for each product must be submitted annually on forms provided by the commissioner and accompanied by an annual fee of \$25 for each product in lieu of the inspection fee. This annual fee is due by July 1. The inspection fee required by paragraph (a) applies to specialty pet food distributed in packages exceeding ten pounds.

(d) The minimum inspection fee is \$10 per annual reporting period.

Sec. 60. Minnesota Statutes 2004, section 25.39, subdivision 4, is amended to read:

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Subd. 4. **COMMERCIAL FEED INSPECTION ACCOUNT.** A commercial feed inspection account is established in the agricultural fund. Fees and penalties collected under ~~sections 25.35 to 25.43~~ this chapter and interest attributable to money in the account must be deposited in the agricultural fund and credited to the commercial feed inspection account. Money in the account, including interest earned, is appropriated to the commissioner for the administration and enforcement of ~~sections 25.341 to 25.43~~ this chapter.

Sec. 61. Minnesota Statutes 2004, section 31.94, is amended to read:

31.94 COMMISSIONER DUTIES.

(a) In order to promote opportunities for organic agriculture in Minnesota, the commissioner shall:

(1) survey producers and support services and organizations to determine information and research needs in the area of organic agriculture practices;

(2) work with the University of Minnesota to demonstrate the on-farm applicability of organic agriculture practices to conditions in this state;

(3) direct the programs of the department so as to work toward the promotion of organic agriculture in this state;

(4) inform agencies of how state or federal programs could utilize and support organic agriculture practices; and

(5) work closely with producers, the University of Minnesota, the Minnesota Trade Office, and other appropriate organizations to identify opportunities and needs as well as ensure coordination and avoid duplication of state agency efforts regarding research, teaching, marketing, and extension work relating to organic agriculture.

(b) By November 15 of each even-numbered year the commissioner, in conjunction with the task force created in paragraph (c), shall report on the status of organic agriculture in Minnesota to the legislative policy and finance committees and divisions with jurisdiction over agriculture. The report must include:

(1) a description of current state or federal programs directed toward organic agriculture, including significant results and experiences of those programs;

(2) a description of specific actions the department of agriculture is taking in the area of organic agriculture, including the proportion of the department's budget spent on organic agriculture;

(3) a description of current and future research needs at all levels in the area of organic agriculture;

(4) suggestions for changes in existing programs or policies or enactment of new programs or policies that will affect organic agriculture;

(5) a description of market trends and potential for organic products;

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(6) available information, using currently reliable data, on the price received, yield, and profitability of organic farms, and a comparison with data on conventional farms; and

(7) available information, using currently reliable data, on the positive and negative impacts of organic production on the environment and human health.

(c) The commissioner shall appoint a Minnesota Organic Advisory Task Force to advise the commissioner on policies and practices to improve organic agriculture in Minnesota. The task force must consist of the following residents of the state:

- (1) three farmers using organic agriculture methods;
- (2) two organic food wholesalers, retailers, or distributors;
- (3) one representative of organic food certification agencies;
- (4) two organic food processors;
- (5) one representative from the Minnesota Extension Service;
- (6) one representative from a Minnesota postsecondary research institution;
- (7) one representative from a nonprofit organization representing producers;
- (8) one at-large member;
- (9) one representative from the United States Department of Agriculture; and
- (10) one organic consumer representative.

Terms, compensation, and removal of members are governed by section 15.059, subdivision 6. The task force must meet at least twice each year and expires on June 30, ~~2005~~ 2009.

(d) For the purposes of expanding, improving, and developing production and marketing of the organic products of Minnesota agriculture, the commissioner may receive funds from state and federal sources and spend them, including through grants or contracts, to assist producers and processors to achieve certification, to conduct education or marketing activities, to enter into research and development partnerships, or to address production or marketing obstacles to the growth and well-being of the industry.

(e) The commissioner may facilitate the registration of state organic production and handling operations including those exempt from organic certification according to Code of Federal Regulations, title 7, section 205.101, and certification agents operating within the state.

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

Sec. 62. Minnesota Statutes 2004, section 35.02, subdivision 1, is amended to read:

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Subdivision 1. **MEMBERS; OFFICERS.** The board has five members appointed by the governor with the advice and consent of the senate, three of whom are producers of livestock in the state, and two of whom are practicing veterinarians licensed in Minnesota. The dean of the College of Veterinary Medicine and the director of the Veterinary Diagnostic Laboratory of the University of Minnesota may serve as ~~consultant~~ consultants to the board without vote. Appointments to fill unexpired terms must be made from the classes to which the retiring members belong. The board shall elect a president and a vice-president from among its members and a veterinarian licensed in Minnesota who is not a member to be its executive director for a term of one year and until a successor qualifies. The board shall set the duties of the director.

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

Sec. 63. Minnesota Statutes 2004, section 35.03, is amended to read:

35.03 POWERS, DUTIES, AND REPORTS.

The board shall protect the health of Minnesota domestic animals and carry out the provisions of this chapter. The board shall make rules necessary to protect the health of domestic animals. The board shall meet at least quarterly. Officers must be elected each April. On or before November 1 of each year the board shall publish an annual report. The University of Minnesota Veterinary Diagnostic Laboratory is the official laboratory for the board. At least quarterly, the director of the Veterinary Diagnostic Laboratory must report on the laboratory's activities.

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

Sec. 64. Minnesota Statutes 2004, section 35.05, is amended to read:

35.05 AUTHORITY OF STATE BOARD.

(a) The state board may quarantine or kill any domestic animal infected with, or which has been exposed to, a contagious or infectious dangerous disease if it is necessary to protect the health of the domestic animals of the state.

(b) The board may regulate or prohibit the arrival in and departure from the state of infected or exposed animals and, in case of violation of any rule or prohibition, may detain any animal at its owner's expense. The board may regulate or prohibit the importation of domestic animals which, in its opinion, may injure the health of Minnesota livestock.

(c) When the governor declares an emergency under section 35.0661, the board, through its executive director, may implement the United States Voluntary Johne's Disease Herd Status Program for Cattle assume control of such resources within the University of Minnesota's Veterinary Diagnostic Laboratory as necessary to effectively address the disease outbreak. The director of the laboratory and other laboratory personnel must cooperate fully in performing necessary functions related to the outbreak or threatened outbreak.

(d) Rules adopted by the board under authority of this chapter must be published in the State Register.

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

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Sec. 65. [35.153] DEFINITIONS.

Subdivision 1. APPLICABILITY. The definitions in this section apply to section 17.452, this section, and section 35.155.

Subd. 2. 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. 3. FARMED CERVIDAE. "Farmed cervidae" means cervidae that are:

- (1) raised for any purpose; and
- (2) registered in a manner approved by the Board of Animal Health.

Subd. 4. OWNER. "Owner" means a person who owns or is responsible for the raising of farmed cervidae.

Subd. 5. HERD. "Herd" means all cervidae:

- (1) maintained on common ground for any purpose; or
- (2) 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.

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

Sec. 66. Minnesota Statutes 2004, section 35.155, is amended to read:

35.155 FARMED CERVIDAE.

Subdivision 1. RUNNING AT LARGE PROHIBITED. (a) An owner may not allow farmed cervidae to run at large. The owner must make all reasonable efforts to return escaped farmed cervidae to their enclosures as soon as possible. The owner must notify the commissioner of natural resources of the escape of farmed cervidae if the farmed cervidae are not returned or captured by the owner within 24 hours of their escape.

(b) An owner is liable for expenses of another person in capturing, caring for, and returning farmed cervidae that have left their enclosures if the person capturing the farmed cervidae contacts the owner as soon as possible.

(c) If an owner is unwilling or unable to capture escaped farmed cervidae, the commissioner of natural resources may destroy the escaped farmed cervidae. The commissioner of natural resources must allow the owner to attempt to capture the escaped farmed cervidae prior to destroying the farmed cervidae. Farmed cervidae that are not captured by 24 hours after escape may be destroyed.

Subd. 2. WILD CERVIDAE INSIDE CONFINEMENT AREA. An owner or an employee or agent under the direction of the owner must destroy wild cervidae

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found within the owner's farmed cervidae confinement area. The owner, employee, or agent must report the wild cervidae destroyed to a conservation officer or an employee of the Department of Natural Resources, Division of Wildlife, within 24 hours. The wild cervidae must be disposed of as prescribed by the commissioner of natural resources.

Subd. 3. FARMING IN NATIVE ELK AREA. A person may not raise farmed red deer in the native elk area without written approval of the commissioner of natural resources. The native elk area is the area north of U.S. Highway 2 and west of U.S. Highway 71 and trunk highway 72. The commissioner of natural resources shall review the proposed farming operation and approve with any condition or deny approval based on risks to the native elk population.

Subd. 4. FENCING. Farmed cervidae must be confined in a manner designed to prevent escape. 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.

Subd. 5. DISEASE CONTROL PROGRAMS. Farmed cervidae are subject to this chapter and the rules of the Board of Animal Health in the same manner as other livestock and domestic animals, including provisions related to importation and transportation.

Subd. 6. IDENTIFICATION. (a) Farmed cervidae must be identified by means approved by the Board of Animal Health. The identification must be visible to the naked eye during daylight under normal conditions at a distance of 50 yards. Newborn animals must be identified before December 31 of the year in which the animal is born or before movement from the premises, whichever occurs first.

(b) The Board of Animal Health shall register farmed cervidae. 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.

Subd. 7. 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 in writing at the time of the inspection of the reason for the inspection and 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.

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Subd. 8. CERVIDAE INSPECTION ACCOUNT. A cervidae inspection account is established in the state treasury. The fees collected under this section 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.

Subd. 9. CONTESTED CASE HEARING. A person raising farmed cervidae that is aggrieved with any decision regarding the farmed cervidae may request a contested case hearing under chapter 14.

Subd. 10. 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.

Subd. 11. 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 the 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.

Subd. 12. IMPORTATION. 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.

Subd. 13. RULES. The Board of Animal Health shall adopt rules as necessary to implement this section and to otherwise provide for the control of cervidae diseases.

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

Sec. 67. Minnesota Statutes 2004, section 38.01, is amended to read:

38.01 COUNTY AGRICULTURAL SOCIETIES; FORMATION, POWERS.

(a) An agricultural society or association may be incorporated by citizens of any county, or two or more counties jointly, but only one agricultural society shall be organized in any county. An agricultural society may sue and be sued in its corporate name; may adopt bylaws, rules, and regulations, alter and amend the same; may

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purchase and hold, lease and control any real or personal property deemed to promote the objects of the society, and may rent, lease, sell, and convey the same. Any income from the rental or lease of such the property may be used for any or all of the following purposes: (1) Acquisition of additional real property; (2) Construction of additional buildings; or (3) Maintenance and care of the society's property. This section shall not be construed to preclude the continuance of any agricultural society now existing or the granting of aid thereto to the society.

(b) An agricultural society shall have jurisdiction and control of the grounds upon which its fairs are held and of the streets and grounds adjacent thereto ~~grounds~~ during such the fair, so far as may be necessary for such purpose ~~fair~~ purposes, and are exempt from local zoning ordinances throughout the year as provided in section 38.16. At or before the time of holding any fair, the agricultural society may appoint, in writing, as many persons to act as special constables as necessary, for and during the time of holding the same and for a reasonable time prior and subsequent thereto. These constables, before entering upon their duties, shall take and subscribe the usual oath of office, endorsed upon their appointment, and have and exercise upon the grounds of the society, and within one-half mile thereof, all the power and authority of constables at common law and, in addition thereto, may, within these limits, without warrant, arrest any person found violating any laws of the state, or any rule, regulation, or bylaw of the society, and summarily remove the persons and property of such offenders from the grounds and take them before any court of competent jurisdiction to be dealt with according to law. Each such peace officer shall wear an appropriate badge of office while acting as such.

(c) As an alternative to the appointment of special constables, The society may contract with the sheriff or, local municipality, or security guard as defined in section 626.88 to provide the society with the same police service it may secure by appointing special constables. A person providing police service pursuant to such a contract is not, by reason of the contract, classified as an employee of the agricultural society for any purpose other than the discharge of powers and duties under the contract.

(d) Any person who shall willfully violate any rule or regulation made by such agricultural societies during the days of a fair shall be guilty of a misdemeanor.

The provisions of this section supersede all special laws on the same subject.

Sec. 68. Minnesota Statutes 2004, section 38.16, is amended to read:

38.16 EXEMPTION FROM ZONING ORDINANCES.

When lands lying within the corporate limits of towns or cities are owned by a county or agricultural society and used for agricultural fair purposes, the lands and the buildings now or hereafter erected are exempt from the zoning, building, and other ordinances of the town or city; provided, that no license or permit need be obtained from, nor fee paid to, the town or city in connection with the use of the lands. For the purposes of this section, "agricultural fair purposes" includes the management of property as provided in section 38.01, paragraph (a).

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Sec. 69. Minnesota Statutes 2004, 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 D4806-01; and
- (2) is denatured as specified in Code of Federal Regulations, title 27, parts 20 and 21.

(b) "Ethanol plant" means a plant at which ethanol is produced.

(c) "Commissioner" means the commissioner of agriculture.

(d) "Rural economic infrastructure" means the development of activities that will enhance the value of agricultural crop or livestock commodities or by-products or waste from farming operations through new and improved value-added conversion processes and technologies, the development of more timely and efficient infrastructure delivery systems, and the enhancement of marketing opportunities. "Rural economic infrastructure" also means land, buildings, structures, fixtures, and improvements located or to be located in Minnesota and used or operated primarily for the processing or the support of production of marketable products from agricultural commodities or wind energy produced in Minnesota.

Sec. 70. Minnesota Statutes 2004, section 41A.09, subdivision 3a, is amended to read:

Subd. 3a. **ETHANOL PRODUCER PAYMENTS.** (a) The commissioner shall make cash payments to producers of ethanol located in the state that have begun production at a specific location 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, except as provided in paragraph (c), is 20 cents per gallon for each gallon of ethanol produced at a specific location on or before June 30, 2000, or ten years after the start of production, whichever is later. Annually, within 90 days of the end of its fiscal year, an ethanol producer receiving payments under this subdivision must file a disclosure statement on a form provided by the commissioner. The initial disclosure statement must include a summary description of the organization of the business structure of the claimant, a listing of the percentages of ownership by any person or other entity with an ownership interest of five percent or greater, and a copy of its annual audited financial statements, including the auditor's report and footnotes. The disclosure statement must include information demonstrating what percentage of the entity

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receiving payments under this section is owned by farmers or other entities eligible to farm or own agricultural land in Minnesota under the provisions of section 500.24. Subsequent annual reports must reflect noncumulative changes in ownership of ten percent or more of the entity. The report need not disclose the identity of the persons or entities eligible to farm or own agricultural land with ownership interests, individuals residing within 30 miles of the plant, or of any other entity with less than ten percent ownership interest, but the claimant must retain information within its files confirming the accuracy of the data provided. This data must be made available to the commissioner upon request. Not later than the 15th day of February in each year the commissioner shall deliver to the chairs of the standing committees of the senate and the house of representatives that deal with agricultural policy and agricultural finance issues an annual report summarizing aggregated data from plants receiving payments under this section during the preceding calendar year. Audited financial statements and notes and disclosure statements submitted to the commissioner are nonpublic data under section 13.02, subdivision 9. Notwithstanding the provisions of chapter 13 relating to nonpublic data, summaries of the submitted audited financial reports and notes and disclosure statements will be contained in the report to the committee chairs and will be public data.

(b) No payments shall be made for ethanol production that occurs after June 30, 2010. A producer of ethanol shall not transfer the producer's eligibility for payments under this section to an ethanol plant at a different location.

(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) 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.

(d) Total payments under paragraphs (a) and (c) to a producer in a fiscal year may not exceed \$3,000,000.

(e) By the last day of October, January, April, and July, each producer shall file a claim for payment for ethanol production during the preceding three calendar months. A producer that files a claim under this subdivision shall include a statement of the producer's total ethanol production in Minnesota during the quarter covered by the claim. For each claim and statement of total ethanol production filed under this subdivision, the volume of ethanol production 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 (g), the total quarterly payment to a producer under this paragraph may not exceed \$750,000.

(g) Notwithstanding the quarterly payment limits of paragraph (f), the commissioner shall make an additional payment in the fourth quarter of each fiscal year to

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ethanol producers for the lesser of: (1) 20 cents per gallon of production in the fourth quarter of the year that is greater than 3,750,000 gallons; or (2) the total amount of payments lost during the first three quarters of the fiscal year due to plant outages, repair, or major maintenance. Total payments to an ethanol producer in a fiscal 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.

(h) The commissioner shall reimburse ethanol producers for any deficiency in payments during earlier quarters if the deficiency occurred because of unallotment or 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.

(i) The commissioner may make direct payments to producers of rural economic infrastructure with any amount of the annual appropriation for ethanol producer payments and rural economic infrastructure that is in excess of the amount required to make scheduled ethanol producer payments and deficiency payments under paragraphs (a) to (h).

Sec. 71. Minnesota Statutes 2004, section 41A.09, is amended by adding a subdivision to read:

Subd. 9. MOTOR VEHICLES; ETHANOL COMBUSTION EFFICIENCY GRANTS. From within the appropriation for each fiscal year to the ethanol development program under this section, or from other appropriated money, the commissioner shall make up to two grants, each in an amount not exceeding \$50,000, to qualified applicants proposing to do research on, but not limited to, ethanol's effect on fuel system materials compatibility and ways to improve the energy efficiency of ethanol fuel blends in motor vehicles while meeting all requirements for control of tailpipe emissions. A grant recipient may receive funding for no more than two consecutive years. A research project must be matched by \$2 of nonstate money for each \$3 of state grant money.

Sec. 72. Minnesota Statutes 2004, section 41A.09, is amended by adding a subdivision to read:

Subd. 10. GUIDELINES. The commissioner shall establish guidelines not subject to chapter 14 for the submission and review of applications and the awarding of grants under subdivision 9.

Sec. 73. Minnesota Statutes 2004, section 41B.046, subdivision 5, is amended to read:

Subd. 5. LOANS. (a) The authority may participate in a stock loan with an eligible lender to a farmer who is eligible under subdivision 4. Participation is limited

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to 45 percent of the principal amount of the loan or \$40,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may differ from the interest rates and repayment terms of the lender's retained portion of the loan, but the authority's interest rate must not exceed 50 percent of the lender's interest rate.

(b) No more than 95 percent of the purchase price of the stock may be financed under this program.

(c) Security for stock loans must be the stock purchased, a personal note executed by the borrower, and whatever other security is required by the eligible lender or the authority.

(d) The authority may impose a reasonable nonrefundable application fee for each application for a stock loan. The authority may review the fee annually and make adjustments as necessary. The application fee is initially \$50. Application fees received by the authority must be deposited in the value-added agricultural product revolving fund revolving loan account established in section 41B.06.

(e) Stock loans under this program will be made using money in the value-added agricultural product revolving fund loan account established under subdivision 3 in section 41B.06.

(f) The authority may not grant stock loans in a cumulative amount exceeding \$2,000,000 for the financing of stock purchases in any one cooperative.

(g) Repayments of financial assistance under this section, including principal and interest, must be deposited into the revolving loan account established in section 41B.06.

Sec. 74. Minnesota Statutes 2004, section 41B.049, subdivision 2, is amended to read:

Subd. 2. **REVOLVING FUND DEPOSIT OF REPAYMENTS.** ~~There is established in the state treasury a revolving fund, which is eligible to receive appropriations and the transfer of funds from other services. All repayments of financial assistance granted under subdivision 1, including principal and interest, must be deposited into this fund. Interest earned on money in the fund accrues to the fund, and money in the fund is appropriated to the commissioner of agriculture for purposes of the manure digester loan program, including costs incurred by the authority to establish and administer the program~~ the revolving loan account established in section 41B.06.

Sec. 75. Minnesota Statutes 2004, section 41B.049, subdivision 4, is amended to read:

Subd. 4. **LOANS.** (a) The authority may make a direct loan or participate in a loan with an eligible lender to a farmer who is eligible under subdivision 3. ~~The interest rates and Repayment terms of the authority's participation interest may differ from the interest rates and repayment terms of the lender's retained portion of the loan. The authority's interest rate for a direct loan or a loan participation must not exceed four~~

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~~percent.~~ Loans made under this section ~~before July 1, 2003,~~ must be no-interest loans.

(b) Application for a direct loan or a loan participation must be made on forms prescribed by the authority.

(c) Standards for loan amortization shall be set by the Rural Finance Authority not to exceed ten years.

(d) Security for the loans must be a personal note executed by the borrower and whatever other security is required by the eligible lender or the authority.

(e) No loan proceeds may be used to refinance a debt existing prior to application.

(f) The authority may impose a reasonable nonrefundable application fee for each application for a direct loan or a loan participation. The authority may review the application fees annually and make adjustments as necessary. The application fee is initially set at \$100 for a loan under subdivision 1. The fees received by the authority must be deposited in the revolving fund ~~created in subdivision 2~~ loan account established in section 41B.06.

EFFECTIVE DATE. This section is effective retroactively for any loan made on or after July 1, 2003.

Sec. 76. [41B.055] LIVESTOCK EQUIPMENT PILOT LOAN PROGRAM.

Subdivision 1. ESTABLISHMENT. The authority must establish and implement a livestock equipment pilot loan program to help finance the first purchase of livestock-related equipment and make livestock facilities improvements.

Subd. 2. ELIGIBILITY. Notwithstanding section 41B.03, to be eligible for this program a borrower must:

(1) be a resident of Minnesota or general partnership or a family farm corporation, authorized farm corporation, family farm partnership, or authorized farm partnership as defined in section 500.24, subdivision 2;

(2) be the principal operator of a livestock farm;

(3) have a total net worth, including assets and liabilities of the borrower's spouse and dependents, no greater than the amount stipulated in section 41B.03, subdivision 3;

(4) demonstrate an ability to repay the loan; and

(5) hold an appropriate feedlot registration or be using the loan under this program to meet registration requirements. In addition to the requirements in clauses (1) to (5), preference must be given to applicants who have farmed less than ten years as evidenced by their filing of schedule F in their federal tax returns.

Subd. 3. LOANS. (a) The authority may participate in a livestock equipment loan equal to 90 percent of the purchased equipment value with an eligible lender to a farmer who is eligible under subdivision 2. Participation is limited to 45 percent of the

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principal amount of the loan or \$40,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may differ from the interest rates and repayment terms of the lender's retained portion of the loan, but the authority's interest rate must not exceed three percent. The authority may review the interest annually and make adjustments as necessary.

(b) Standards for loan amortization must be set by the rural finance authority and must not exceed seven years.

(c) Security for a livestock equipment loan must be a personal note executed by the borrower and whatever other security is required by the eligible lender or the authority.

(d) Refinancing of existing debt is not an eligible purpose.

(e) The authority may impose a reasonable, nonrefundable application fee for a livestock equipment loan. The authority may review the fee annually and make adjustments as necessary. The initial application fee is \$50. Application fees received by the authority must be deposited in the revolving loan account established in section 41B.06.

(f) Loans under this program must be made using money in the revolving loan account established in section 41B.06.

Subd. 4. ELIGIBLE EXPENDITURES. Money may be used for loans for the acquisition of equipment for animal housing, confinement, animal feeding, milk production, and waste management, including the following, if related to animal husbandry:

- (1) fences;
- (2) watering facilities;
- (3) feed storage and handling equipment;
- (4) milking parlors;
- (5) milking equipment;
- (6) scales;
- (7) milk storage and cooling facilities;
- (8) manure pumping and storage facilities; and
- (9) capital investment in pasture.

Sec. 77. [41B.06] RURAL FINANCE AUTHORITY REVOLVING LOAN ACCOUNT.

There is established in the rural finance administration fund a rural finance authority revolving loan account that is eligible to receive appropriations and the transfer of loan funds from other programs. All repayments of financial assistance

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granted from this account, including principal and interest, must be deposited into this account. Interest earned on money in the account accrues to the account, and the money in the account is appropriated to the commissioner of agriculture for purposes of the rural finance authority livestock equipment, methane digester, and value-added agricultural product loan programs, including costs incurred by the authority to establish and administer the programs.

Sec. 78. Minnesota Statutes 2004, section 116.07, subdivision 7a, is amended to read:

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 less than 20 business days 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 or town permit process. A person must also send a copy of the notice by first class mail to the clerk of the town in which the feedlot is proposed not less than 20 business days before the date on which a permit is issued.

(b) The agency or a county board must verify that notice was provided as required under paragraph (a) prior to issuing a permit.

Sec. 79. Minnesota Statutes 2004, 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 finance or the chair's designee;

(2) two representatives of statewide farm organizations;

(3) two representatives of agribusiness; and

(4) three representatives of the commodity promotion councils.

A member of the board of directors under clauses (2) to (4), including a member serving on July 1, 2003, may serve for a maximum of two three-year terms. The board's compensation is governed by section 15.0575, subdivision 3.

Sec. 80. **[156.075] REQUIREMENT FOR EQUINE TEETH FLOATERS.**

Subdivision 1. DEFINITIONS. For purposes of this section the following terms have the meanings given them.

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(a) "Equine teeth floating" means:

(1) removal of enamel points from teeth with handheld, nonmotorized, non-air-powered files or rasps;

(2) reestablishing normal molar table angles and freeing up lateral excursion and other normal movements of the mandible;

(3) shaping the lingual aspect of the lower arcades and the buccal aspect of the upper arcades to a rounded smooth surface; and

(4) removing points from the buccal aspect of the upper arcade and the lingual aspect of the lower arcade.

(b) "Indirect supervision" means a veterinarian must be available by telephone or other form of immediate communication. The veterinarian must be currently licensed under this chapter.

Subd. 2. EQUINE TEETH FLOATING SERVICES. (a) A person may perform equine teeth floating services after submitting to the board the following:

(1) proof of current certification from the International Association of Equine Dentistry or other professional equine dentistry association as determined by the board; and

(2) a written statement signed by a supervising veterinarian experienced in large animal medicine that the applicant will be under direct or indirect supervision of the veterinarian when floating equine teeth.

(b) The board must waive the requirement in paragraph (a), clause (1), and allow a person to perform equine teeth floating services if the person provides satisfactory evidence of being actively engaged in equine teeth floating for at least ten of the past 15 years and has generated at least \$5,000 annually in personal income from this activity.

Sec. 81. Minnesota Statutes 2004, section 168.27, is amended by adding a subdivision to read:

Subd. 29. FLEXIBLE FUEL VEHICLE NOTICE. At the time a dealer delivers a flexible fuel vehicle, the dealer must provide written notice to the consumer that the vehicle is capable of using alternative fuels, including E85 fuel.

Sec. 82. Minnesota Statutes 2004, section 169.87, subdivision 4, is amended to read:

Subd. 4. VEHICLE TRANSPORTING MILK. Until June 1, 2003 2007, a weight restriction imposed under subdivision 1 by the commissioner of transportation or a local road authority, or imposed by subdivision 2, does not apply to a vehicle transporting milk from the point of production to the point of first processing if, at the time the weight restriction is exceeded, the vehicle is carrying milk loaded at only one point of production. This subdivision does not authorize a vehicle described in this

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subdivision to exceed a weight restriction of five tons per axle by more than two tons per axle.

EFFECTIVE DATE. This section is effective July 1, 2005.

Sec. 83. Minnesota Statutes 2004, section 174.52, subdivision 5, is amended to read:

Subd. 5. **GRANT PROCEDURES AND CRITERIA.** The commissioner shall establish procedures for statutory or home rule charter cities, towns, and counties to apply for grants or loans from the fund and criteria to be used to select projects for funding. The commissioner shall establish these procedures and criteria in consultation with representatives appointed by the Association of Minnesota Counties, League of Minnesota Cities, and ~~Minnesota Township Officers Association~~ Association of Townships, and the appropriate state agency as needed. The criteria for determining project priority and the amount of a grant or loan must be based upon consideration of:

- (1) the availability of other state, federal, and local funds;
- (2) the regional significance of the route;
- (3) effectiveness of the proposed project in eliminating a transportation system deficiency;
- (4) the number of persons who will be positively impacted by the project;
- (5) the project's contribution to other local, regional, or state economic development or redevelopment efforts including livestock and other agricultural operations permitted after the effective date of this section; and
- (6) ability of the local unit of government to adequately provide for the safe operation and maintenance of the facility upon project completion.

Sec. 84. Minnesota Statutes 2004, section 223.17, subdivision 3, is amended to read:

Subd. 3. **GRAIN BUYERS AND STORAGE ACCOUNT; FEES.** The commissioner shall set the fees for inspections under sections 223.15 to 223.22 at levels necessary to pay the expenses of administering and enforcing sections 223.15 to 223.22.

The fee for any license issued or renewed after June 30, ~~2004~~ 2005, shall be set according to the following schedule:

- (a) ~~\$125~~ \$140 plus ~~\$100~~ \$110 for each additional location for grain buyers whose gross annual purchases are less than \$100,000;
- (b) ~~\$250~~ \$275 plus ~~\$100~~ \$110 for each additional location for grain buyers whose gross annual purchases are at least \$100,000, but not more than \$750,000;
- (c) ~~\$375~~ \$415 plus ~~\$200~~ \$220 for each additional location for grain buyers whose gross annual purchases are more than \$750,000 but not more than \$1,500,000;

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(d) ~~\$500~~ \$550 plus ~~\$200~~ \$220 for each additional location for grain buyers whose gross annual purchases are more than \$1,500,000 but not more than \$3,000,000; and

(e) ~~\$625~~ \$700 plus ~~\$200~~ \$220 for each additional location for grain buyers whose gross annual purchases are more than \$3,000,000.

A penalty amount not to exceed ten percent of the fees due may be imposed by the commissioner for each month for which the fees are delinquent.

There is created the grain buyers and storage account in the agricultural fund. Money collected pursuant to sections 223.15 to 223.19 shall be paid into the state treasury and credited to the grain buyers and storage account and is appropriated to the commissioner for the administration and enforcement of sections 223.15 to 223.22.

Sec. 85. Minnesota Statutes 2004, section 223.17, subdivision 6, is amended to read:

Subd. 6. **FINANCIAL STATEMENTS.** For the purpose of fixing or changing the amount of a required bond or for any other proper reason, the commissioner shall require an annual financial statement from a licensee which has been prepared in accordance with generally accepted accounting principles and which meets the following requirements:

(a) The financial statement shall include, but not be limited to the following: (1) a balance sheet; (2) a statement of income (profit and loss); (3) a statement of retained earnings; (4) a statement of changes in financial position; and (5) a statement of the dollar amount of grain purchased in the previous fiscal year of the grain buyer.

(b) The financial statement shall be accompanied by a reviewed financial statement or audit prepared by an independent public accountant or a compilation report prepared by a grain commission firm approved by the commissioner, in accordance with standards established by the American Institute of Certified Public Accountants. Grain buyers purchasing less than 150,000 bushels of grain per calendar year may submit a financial statement prepared by a public accountant who is not an employee or a relative within the third degree of kindred according to civil law.

(c) The financial statement shall be accompanied by a certification by the chief executive officer or the chief executive officer's designee of the licensee, under penalty of perjury, that the financial statement accurately reflects the financial condition of the licensee for the period specified in the statement.

Only one financial statement must be filed for a chain of warehouses owned or operated as a single business entity, unless otherwise required by the commissioner. Any grain buyer having a net worth in excess of \$500,000,000 need not file the financial statement required by this subdivision but must provide the commissioner with a certified net worth statement. All financial statements filed with the commissioner are private or nonpublic data as provided in section 13.02.

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Sec. 86. Minnesota Statutes 2004, section 231.16, is amended to read:

231.16 WAREHOUSE OPERATOR OR HOUSEHOLD GOODS WAREHOUSE OPERATOR TO OBTAIN LICENSE.

A warehouse operator or household goods warehouse operator must be licensed annually by the department. The department shall prescribe the form of the written application. If the department approves the license application and the applicant files with the department the necessary bond, in the case of household goods warehouse operators, or proof of warehouse operators legal liability insurance coverage in an amount of \$50,000 or more, as provided for in this chapter, the department shall issue the license upon payment of the license fee required in this section. A warehouse operator or household goods warehouse operator to whom a license is issued shall pay a fee as follows:

Building square footage used for public storage

(1) 5,000 or less	\$100	\$110
(2) 5,001 to 10,000	\$200	\$220
(3) 10,001 to 20,000	\$300	\$330
(4) 20,001 to 100,000	\$400	\$440
(5) 100,001 to 200,000	\$500	\$550
(6) over 200,000	\$600	\$660

A penalty amount not to exceed ten percent of the fees due may be imposed by the commissioner for each month for which the fees are delinquent.

Fees collected under this chapter must be paid into the grain buyers and storage account established in section 232.22.

The license must be renewed annually on or before July 1, and always upon payment of the full license fee required in this section. No license shall be issued for any portion of a year for less than the full amount of the license fee required in this section. Each license obtained under this chapter must be publicly displayed in the main office of the place of business of the warehouse operator or household goods warehouse operator to whom it is issued. The license authorizes the warehouse operator or household goods warehouse operator to carry on the business of warehousing only in the one city or town named in the application and in the buildings therein described. The department, without requiring an additional bond and license, may issue permits from time to time to any warehouse operator already duly licensed under the provisions of this chapter to operate an additional warehouse in the same city or town for which the original license was issued during the term thereof, upon the filing an application for a permit in the form prescribed by the department.

A license may be refused for good cause shown and revoked by the department for violation of law or of any rule adopted by the department, upon notice and after hearing.

Sec. 87. Minnesota Statutes 2004, section 232.22, subdivision 3, is amended to read:

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Subd. 3. **FEES; GRAIN BUYERS AND STORAGE ACCOUNT.** There is created in the agricultural fund an account known as the grain buyers and storage account. The commissioner shall set the fees for inspections, certifications and licenses under sections 232.20 to 232.25 at levels necessary to pay the costs of administering and enforcing sections 232.20 to 232.25. All money collected pursuant to sections 232.20 to 232.25 and chapters 233 and 236 shall be paid by the commissioner into the state treasury and credited to the grain buyers and storage account and is appropriated to the commissioner for the administration and enforcement of sections 232.20 to 232.25 and chapters 233 and 236. All money collected pursuant to chapter 231 shall be paid by the commissioner into the grain buyers and storage account and is appropriated to the commissioner for the administration and enforcement of chapter 231.

The fees for a license to store grain are as follows:

(a) For a license to store grain, \$110 for each home rule charter or statutory city or town in which a public grain warehouse is operated.

(b) A person with a license to store grain in a public grain warehouse is subject to an examination fee for each licensed location, based on the following schedule for one examination:

<u>Bushel Capacity</u>	<u>Examination Fee</u>
<u>Less than 150,001</u>	<u>\$300</u>
<u>150,001 to 250,000</u>	<u>\$425</u>
<u>250,001 to 500,000</u>	<u>\$545</u>
<u>500,001 to 750,000</u>	<u>\$700</u>
<u>750,001 to 1,000,000</u>	<u>\$865</u>
<u>1,000,001 to 1,200,000</u>	<u>\$1,040</u>
<u>1,200,001 to 1,500,000</u>	<u>\$1,205</u>
<u>1,500,001 to 2,000,000</u>	<u>\$1,380</u>
<u>More than 2,000,000</u>	<u>\$1,555</u>

(c) The fee for the second examination is \$55 per hour per examiner for warehouse operators who choose to have it performed by the commissioner.

(d) A penalty amount not to exceed ten percent of the fees due may be imposed by the commissioner for each month for which the fees are delinquent.

Sec. 88. Minnesota Statutes 2004, section 236.02, subdivision 4, is amended to read:

Subd. 4. **FEES.** The license fee is \$140 for each home rule charter or statutory city or town in which a private grain warehouse is operated and which will be used to operate a grain bank. A penalty amount not to exceed ten percent of the fees due may be imposed by the commissioner for each month for which the fees are delinquent. The license fee must be set by the commissioner in an amount sufficient to cover the costs of administering and enforcing this chapter. Fees collected under this chapter must be paid into the grain buyers and storage account established in section 232.22.

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Sec. 89. Minnesota Statutes 2004, section 327.23, subdivision 2, is amended to read:

Subd. 2. **MANUFACTURED HOME PARK.** (a) The term "manufactured home park" shall not be construed to include:

(1) manufactured homes, buildings, tents or other structures temporarily maintained by any individual or company on premises associated with a work project and used exclusively to house labor or other personnel occupied in such work project; or

(2) two or fewer manufactured homes maintained by an individual or company on premises associated with an agricultural operation in an area zoned agricultural, provided the homes:

(i) are located within 100 yards of an existing residence on those premises;

(ii) are used exclusively to house either family of the individual, at least one of whose members is engaged in agricultural work on the premises, or agricultural labor as defined in section 3121(g) of the Internal Revenue Code; and

(iii) meet the requirements of sections 327.31 to 327.35, and Minnesota Rules, chapter 1350, and parts 4630.0600, subpart 1; 4630.0700; 4630.1200; 4630.3500; and 4715.0310.

(b) The state Department of Health may by rule prescribe such sanitary facilities as it may deem necessary to provide for the sanitation of such structures and the safety of the occupants thereof.

Sec. 90. Minnesota Statutes 2004, section 394.25, subdivision 3c, is amended to read:

Subd. 3c. **FEEDLOT ZONING ORDINANCES.** (a) A county proposing to adopt a new feedlot ordinance or amend an existing feedlot ordinance must notify the Pollution Control Agency and commissioner of agriculture at the beginning of the process, no later than the notice of the first hearing proposing to adopt or amend an ordinance purporting to address feedlots.

(b) Prior to final approval of a feedlot ordinance, a county board may submit a copy of the proposed ordinance to the Pollution Control Agency and to the commissioner of agriculture and request review, comment, and preparation of recommendations on the environmental and agricultural effects from specific provisions in the ordinance.

(c) The agencies' response to the county may include:

(1) any recommendations for improvements in the ordinance; and

(2) the legal, social, economic, or scientific justification for each recommendation under clause (1).

(d) At the request of the county board, the county must prepare a report on the environmental and agricultural economic effects from specific provisions in the

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ordinance. Economic analysis must state whether the ordinance will affect the local economy and describe the kinds of businesses affected and the projected impact the proposal will have on those businesses. To assist the county, the commissioner of agriculture, in cooperation with the Department of Employment and Economic Development, must develop a template for measuring local economic effects and make it available to the county. The report must be submitted to the commissioners of employment and economic development and agriculture along with the proposed ordinance.

(e) The report may include:

- (1) any recommendations for improvements in the ordinance; and
- (2) the legal, social, economic, or scientific justification for each recommendation under clause (1).

(d) (e) A local ordinance that contains a setback for new feedlots from existing residences must also provide for a new residence setback from existing feedlots located in areas zoned agricultural at the same distances and conditions specified in the setback for new feedlots, unless the new residence is built to replace an existing residence. A county may grant a variance from this requirement under section 394.27, subdivision 7.

Sec. 91. Minnesota Statutes 2004, section 462.355, subdivision 4, as amended by Laws 2005, chapter 41, section 17, is amended to read:

Subd. 4. **INTERIM ORDINANCE.** (a) If a municipality is conducting studies or has authorized a study to be conducted or has held or has scheduled a hearing for the purpose of considering adoption or amendment of a comprehensive plan or official controls as defined in section 462.352, subdivision 15, or if new territory for which plans or controls have not been adopted is annexed to a municipality, the governing body of the municipality may adopt an interim ordinance applicable to all or part of its jurisdiction for the purpose of protecting the planning process and the health, safety and welfare of its citizens. The interim ordinance may regulate, restrict, or prohibit any use, development, or subdivision within the jurisdiction or a portion thereof for a period not to exceed one year from the date it is effective.

(b) If a proposed interim ordinance purports to regulate, restrict, or prohibit activities relating to livestock production, a public hearing must be held following a ten-day notice given by publication in a newspaper of general circulation in the municipality before the interim ordinance takes effect.

(c) The period of an interim ordinance applicable to an area that is affected by a city's master plan for a municipal airport may be extended for such additional periods as the municipality may deem appropriate, not exceeding a total additional period of 18 months. In all other cases, no interim ordinance may halt, delay, or impede a subdivision that has been given preliminary approval, nor may any interim ordinance extend the time deadline for agency action set forth in section 15.99 with respect to any application filed prior to the effective date of the interim ordinance. The governing

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body of the municipality may extend the interim ordinance after a public hearing and written findings have been adopted based upon one or more of the conditions in clause (1), (2), or (3). The public hearing must be held at least 15 days but not more than 30 days before the expiration of the interim ordinance, and notice of the hearing must be published at least ten days before the hearing. The interim ordinance may be extended for the following conditions and durations, but, except as provided in clause (3), an interim ordinance may not be extended more than an additional 18 months:

(1) up to an additional 120 days following the receipt of the final approval or review by a federal, state, or metropolitan agency when the approval is required by law and the review or approval has not been completed and received by the municipality at least 30 days before the expiration of the interim ordinance;

(2) up to an additional 120 days following the completion of any other process required by a state statute, federal law, or court order, when the process is not completed at least 30 days before the expiration of the interim ordinance; or

(3) up to an additional one year if the municipality has not adopted a comprehensive plan under this section at the time the interim ordinance is enacted.

Sec. 92. Minnesota Statutes 2004, section 462.357, is amended by adding a subdivision to read:

Subd. 1g. FEEDLOT ZONING CONTROLS. (a) A municipality proposing to adopt a new feedlot zoning control or to amend an existing feedlot zoning control must notify the Pollution Control Agency and commissioner of agriculture at the beginning of the process, no later than the date notice is given of the first hearing proposing to adopt or amend a zoning control purporting to address feedlots.

(b) Prior to final approval of a feedlot zoning control, the governing body of a municipality may submit a copy of the proposed zoning control to the Pollution Control Agency and to the commissioner of agriculture and request review, comment, and recommendations on the environmental and agricultural effects from specific provisions in the ordinance.

(c) The agencies' response to the municipality may include:

(1) any recommendations for improvements in the ordinance; and

(2) the legal, social, economic, or scientific justification for each recommendation under clause (1).

(d) At the request of the municipality's governing body, the municipality must prepare a report on the economic effects from specific provisions in the ordinance. Economic analysis must state whether the ordinance will affect the local economy and describe the kinds of businesses affected and the projected impact the proposal will have on those businesses. To assist the municipality, the commissioner of agriculture, in cooperation with the Department of Employment and Economic Development, must develop a template for measuring local economic effects and make it available to the municipality. The report must be submitted to the commissioners of employment and

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economic development and agriculture along with the proposed ordinance.

(e) A local ordinance that contains a setback for new feedlots from existing residences must also provide for a new residence setback from existing feedlots located in areas zoned agricultural at the same distances and conditions specified in the setback for new feedlots, unless the new residence is built to replace an existing residence. A municipality may grant a variance from this requirement under section 462.358, subdivision 6.

Sec. 93. TRANSFER OF FUNDS; DEPOSIT OF REPAYMENTS.

The remaining balances in the revolving accounts in Minnesota Statutes, sections 41B.046 and 41B.049, that are dedicated to rural finance authority loan programs under those sections, are transferred to the revolving loan account established in Minnesota Statutes, section 41B.06, on the effective date of this section. All future receipts from value-added agricultural product loans and methane digester loans originated under Minnesota Statutes, sections 41B.046 and 41B.049, must be deposited in the revolving loan account established in Minnesota Statutes, section 41B.06.

Sec. 94. AGRICULTURAL NUTRIENT TASK FORCE.

(a) There is created an Agricultural Nutrient Task Force consisting of two members of the senate appointed by the chair of the senate Committee on Agriculture, Veterans and Gaming; two members of the house of representatives appointed by the chair of the house Committee on Agriculture and Rural Development; the commissioner of agriculture or the commissioner's designee; and 15 public members appointed by the commissioner. The public members must be broadly representative of the diverse range of persons interested in and knowledgeable about agricultural soil nutrients and must include representatives of agricultural crop growers, fertilizer retailers, soil nutrient consultants, and agricultural soil and nutrient researchers. Public members of the task force must serve without compensation or reimbursement of personal expenses.

(b) The commissioner of agriculture must convene the first meeting of the task force and must provide office support services to the task force as needed. The task force may determine the date, location, and agenda of additional meetings.

(c) The task force must review and make recommendations on at least the following topics and practices:

(1) the need for research, education, and training in the selection and application of agricultural fertilizer and soil nutrients in the state;

(2) the imposition of a tonnage fee on all agricultural fertilizer applied in Minnesota and the designated uses of the proceeds from the fee;

(3) the desirability of amending statutes and rules that apply to the selection, purchase, storage, and application of agricultural fertilizer and soil nutrients, including the reasonableness of rules for their on-farm storage; and

New language is indicated by underline, deletions by strikeout.

(4) methods of inspection and monitoring for compliance with fertilizer regulations to protect against the theft of anhydrous ammonia for production of methamphetamine.

(d) On behalf of the task force, not later than February 15, 2006, the commissioner of agriculture shall prepare and deliver to the standing agriculture policy committees of the senate and the house of representatives a report and list of recommendations for changes in statutes and rules.

(e) The task force expires June 30, 2006.

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

Sec. 95. STUDY; BIODIESEL FUEL FOR RESIDENTIAL, COMMERCIAL, AND INDUSTRIAL HEATING.

(a) From the money available to the commissioner of commerce for purposes of studies and technical assistance by the reliability administrator under Minnesota Statutes, section 216C.052, and in conformity with the goals and directives of Minnesota Statutes, section 16B.325, the reliability administrator shall perform a comprehensive technical and economic analysis of the benefits to be derived from using biodiesel fuel as defined in Minnesota Statutes, section 239.77, subdivision 1, or biodiesel fuel blends, as a residential, commercial, and industrial heating fuel. The analysis must consider blends ranging from B2 to B100. No more than \$25,000 may be expended for the analysis.

(b) Not later than March 15, 2007, the reliability administrator shall report the results of the study and analysis to the appropriate standing committees of the Minnesota senate and house of representatives.

Sec. 96. CONTINUED SUPPORT FOR SUSTAINABLE AND ORGANIC AGRICULTURE.

The University of Minnesota is requested to continue providing support for sustainable and organic agriculture initiatives including, but not limited to, the alternative swine systems program.

Sec. 97. REVISOR'S INSTRUCTION.

The revisor of statutes shall change cross-references in Minnesota Statutes and Minnesota Rules to reflect the amendments and repealers in this act and Minnesota Statutes, sections 17.452, subdivision 5a; 35.153; and 35.155, as amended in this article.

Sec. 98. REPEALER.

(a) Minnesota Statutes 2004, section 41B.046, subdivision 3, is repealed effective the day following final enactment.

(b) Minnesota Statutes 2004, sections 18B.065, subdivision 5; and 19.64, subdivision 4a, are repealed.

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

(c) Minnesota Statutes 2004, section 18H.02, subdivisions 15 and 19, are repealed.

(d) Minnesota Statutes 2004, section 17.983, subdivision 2, is repealed.

(e) Minnesota Statutes 2004, section 35.0661, subdivision 4, is repealed.

(f) Minnesota Statutes 2004, sections 17.451; and 17.452, subdivisions 6, 6a, 7, 10, 11, 12, 13, 13a, 14, 15, and 16, are repealed.

ARTICLE 2

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 article, to be available for the fiscal years indicated for each purpose. The figures "2006" and "2007," where used in this article, mean that the appropriation or appropriations listed under them are available for the fiscal year ending June 30, 2006, or June 30, 2007, respectively. The term "the first year" means the year ending June 30, 2006, and the term "the second year" means the year ending June 30, 2007.

SUMMARY BY FUND

	2006	2007	TOTAL
General	\$ 113,313,000	\$ 111,865,000	\$ 225,178,000
State Government			
Special Revenue	48,000	48,000	96,000
Environmental	56,031,000	56,338,000	112,369,000
Natural Resources	68,443,000	68,671,000	137,114,000
Game and Fish	86,928,000	87,773,000	174,701,000
Remediation	11,504,000	11,504,000	23,008,000
Permanent School	200,000	200,000	400,000
State Land and Water			
Conservation Account (LAWCON)	1,600,000	-0-	1,600,000
Environment and Natural Resources			
Trust Fund	18,829,000	18,829,000	37,658,000

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

Great Lakes Protection

Account	28,000	-0-	28,000
TOTAL	\$ 356,924,000	\$ 355,228,000	\$ 712,152,000

APPROPRIATIONS

Available for the Year
Ending June 30

2006 2007

Sec. 2. POLLUTION CONTROL
AGENCY

Subdivision 1. Total
Appropriation

\$ 78,836,000 \$ 79,154,000

Summary by Fund

General	11,353,000	11,364,000
State Government		
Special Revenue	48,000	48,000
Environmental	56,031,000	56,338,000
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

25,428,000 25,439,000

Summary by Fund

General	7,506,000	7,517,000
State Government		
Special Revenue	48,000	48,000
Environmental	17,874,000	17,874,000

\$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. This appropriation may be used for grants to local units of government for the purpose of restoring impaired waters listed under section 303(d) of the federal Clean Water Act in accordance with adopted total maximum daily loads (TMDLs), including implementation of approved clean water partnership

diagnostic study work plans that will assist in restoration of such impaired waters.

\$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 grants. Of this amount, \$86,000 each year is for assistance to counties through grants for ISTS program administration. 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 continued 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 Laws 2003, chapter 128, article 1, sections 164 and 165. Of this amount, \$48,000 each year is for administration of individual septic tank fees, as provided in Minnesota Statutes, section 115.551.

\$2,324,000 the first year and \$2,324,000 the second year must be distributed as grants to delegated counties to administer the county feedlot program. Distribution of the funds must be conducted according to the following three-part formula:

(1) Number of feedlots in the county: 60 percent of the total appropriation must be distributed according to the number of feedlots that are required to be registered in the county. Grants awarded under this clause must be matched with a combination

of local cash and in-kind contributions.

(2) Minimum program requirements: 25 percent of the total appropriation must be distributed based on the county (i) conducting an annual number of inspections at feedlots that is equal to or greater than seven percent of the total number of registered feedlots that are required to be registered in the county; and (ii) meeting non-inspection minimum program requirements as identified in the county feedlot workplan form. Counties that do not meet the inspection requirement must not receive 50 percent of the eligible funding under this clause. Counties must receive funding for noninspection requirements under this clause according to a scoring system checklist administered by the department. The commissioner, in consultation with the Minnesota Association of County Feedlot Officers executive team, shall make a final decision regarding any appeal by a county regarding the terms and conditions of this clause.

(3) Performance credits: 15 percent of the total appropriation must be distributed according to work that has been done by the counties during the fiscal year. The amount must be determined by the number of performance credits a county accumulates during the year based on a performance credit matrix jointly agreed upon by the commissioner in consultation with the Minnesota Association of County Feedlot Officers executive team. To receive an award under this clause the county must meet the requirements of clause (2)(i) and achieve 90 percent of the requirements according to clause (2)(ii) of the formula. The rate of reimbursement per performance credit item must not exceed \$200.

Delegated counties are eligible for a mini-

imum grant of \$7,500. To receive the full \$7,500 amount a county must meet the requirements under clause (2) of the formula. Nondelegated counties that apply for delegation shall receive a grant prorated according to the number of full quarters remaining in the program year from the date of commissioner approval of the delegation. Funds for awards to any newly delegated counties must be made out of the appropriation reserved for clause (3) of the formula. The commissioner, in consultation with the Minnesota Association of County Feedlot Officers executive team, may decide to use funds reserved for clause (3) of the formula in an amount not to exceed five percent of the total annual appropriation for initiatives to enhance existing delegated county feedlot programs, information and education, or technical assistance efforts to reduce feedlot-related pollution hazards. Any funds remaining after distribution under clauses (1) and (2) of the formula must be transferred to clause (3) of the formula. Any money remaining after the first year is available for the second year.

Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered under contract on or before June 30, 2007, for clean water partnership, individual sewage treatment systems (ISTS), Minnesota River, total maximum daily loads (TMDLs), and local and basinwide water quality protection grants in this subdivision are available until June 30, 2009.

Subd. 3. Air

9,297,000	9,604,000	
	Summary by Fund	
Environmental	9,297,000	9,604,000

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, 2007.

\$3,616,000 the first year and \$3,616,000 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.

In fiscal years 2006 and 2007, of the money appropriated from the remediation fund under Minnesota Statutes, section 116.155, subdivision 2, at least \$2,000,000 must be used for cleanup at Valentine Clark and Reserve Mining.

Subd. 5. Multimedia

4,305,000 4,305,000

Summary by Fund

General	2,264,000	2,264,000
Environmental	2,041,000	2,041,000

Subd. 6. Environmental Assistance

19,754,000 19,754,000

Summary by Fund

Environmental	19,754,000	19,754,000
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\$12,500,000 each year is from the environmental fund for SCORE block grants to counties.

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 landfill fee in accordance with Minnesota Statutes, section 473.843, and not otherwise appropriated, is appropriated for the purposes of Minnesota Statutes, section 473.844.

\$119,000 the first year and \$119,000 the second year are for environmental assis-

tance 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, 2007, 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, 2009.

Subd. 7. Administrative Support

	1,583,000	1,583,000	
	Summary by Fund		
General	1,583,000		1,583,000

By December 1, 2005, the commissioner shall submit a report to the Environment and Natural Resources Policy and Finance Committees of the house and senate that provides a benchmarking matrix and analysis that compares the environmental review and permitting requirements for forest products and mining industry projects in Minnesota with requirements in other states and countries. The matrix and analysis must include an assessment of whether the requirements in Minnesota and other relevant states and countries that have similar industries are more strict, less strict, or equivalent to requirements of the federal Environmental Protection Agency and requirements under the National Environmental Policy Act.

The commissioner may transfer money from the environmental fund to the remediation fund as necessary for the purposes of the remediation fund under Minnesota Statutes, section 116.155, subdivision 2.

Sec. 3. NATURAL RESOURCES

Subdivision 1. Total

Appropriation	226,157,000	225,980,000
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Summary by Fund

General	75,681,000	74,431,000
Natural Resources	63,248,000	63,476,000
Game and Fish	86,928,000	87,773,000
Remediation	100,000	100,000
Permanent School	200,000	200,000

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

8,903,000	8,675,000
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Summary by Fund

General	5,498,000	5,248,000
Natural Resources	2,222,000	2,222,000
Game and Fish	983,000	1,005,000
Permanent School	200,000	200,000

\$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.

\$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.

\$2,046,000 the first year and \$2,046,000 the second year are from the minerals management account in the natural resources fund for only the purposes specified in new Minnesota Statutes, section

93.2236, paragraph (c). Of this amount, \$1,526,000 the first year and \$1,526,000 the second year are for mineral resource management, \$420,000 the first year and \$420,000 the second year are for projects to enhance future income and promote new opportunities, including value-added iron products, geological mapping, and mercury research, and \$100,000 the first year and \$100,000 the second year are for environmental review and the processing of permits for mining projects that involve state-owned mineral rights. The appropriation is from the revenue deposited in the minerals management account under Minnesota Statutes, section 93.22, subdivision 1, paragraph (b). \$100,000 each year is a onetime appropriation.

\$150,000 the first year and \$150,000 the second year are from the state forest suspense account in the permanent school fund to accelerate land exchanges, land sales, and commercial leasing of school trust lands. This appropriation is to be used toward meeting the provisions of Minnesota Statutes, section 92.121, to exchange school trust lands or put alternatives in effect when management practices have diminished or prohibited revenue generation, and the direction of Minnesota Statutes, section 127A.31, to secure maximum long-term economic return from the school trust lands consistent with fiduciary responsibilities and sound natural resources conservation and management principles.

\$50,000 the first year and \$50,000 the second year are from the state forest suspense account in the permanent school fund to identify, evaluate, and lease construction aggregate located on school trust lands.

\$250,000 the first year is for a grant to the

Board of Regents of the University of Minnesota to drill a 5,000 foot core sampling bore hole at the Tower-Soudan mine complex in support of a National Science Foundation grant. This is a onetime appropriation

Subd. 3. Water Resources Management

11,092,000 11,092,000

Summary by Fund

General	10,812,000	10,812,000
Natural Resources	280,000	280,000

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

\$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

35,526,000 35,126,000

	Summary by Fund	
General	24,961,000	24,561,000
Natural Resources	10,315,000	10,315,000
Game and Fish	250,000	250,000

\$7,217,000 the first year and \$7,217,000 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 Agriculture, Environment and Natural Resources Finance Committee, identifying all firefighting costs incurred and reimbursements received in the prior fiscal year. 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.

\$10,315,000 the first year and \$10,315,000 the second year are from the forest management investment account in the natural resources fund for only the purposes specified in Minnesota Statutes, section 89.039, subdivision 2.

\$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. The amount in the second year is also available in the first year.

\$250,000 the first year and \$250,000 the second year are from the game and fish fund to implement Ecological Classification Systems (ECS) standards on forested landscapes. This appropriation is from revenue deposited in the game and fish fund under Minnesota Statutes, section 297A.94, paragraph (e), clause (1).

\$400,000 the first year is for grants to the Natural Resources Research Institute for silvicultural research to improve the quality and quantity of timber fiber. The appropriation must be matched in the amount of \$400,000, in cash or in-kind contributions, from the forest products industry members of the Minnesota Forest Productivity Research Cooperative. This is a onetime appropriation.

Subd. 5. Parks and Recreation
Management

33,001,000	33,161,000
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Summary by Fund

General	19,279,000	19,279,000
Natural Resources	13,722,000	13,882,000

\$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 water access projects.

\$3,811,000 the first year and \$3,971,000 the second year are from the natural resources fund for state park and recreation area operations. This appropriation is from the revenue deposited in the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (e), clause (2).

Subd. 6. Trails and Waterways
Management

26,971,000 26,660,000

Summary by Fund

General	1,684,000	1,284,000
Natural Resources	23,196,000	23,289,000
Game and Fish	2,091,000	2,087,000

\$7,224,000 the first year and \$7,224,000 the second year are from the snowmobile trails and enforcement account in the natural resources fund for snowmobile grants-in-aid. The additional money under this item may be used for new grant-in-aid trails. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

\$925,000 the first year and \$825,000 the second year are from the natural resources fund for off-highway vehicle grants-in-aid. Of this amount, \$575,000 each year is from the all-terrain vehicle account; \$150,000 each year is from the off-highway motorcycle account; and \$200,000 the first year and \$100,000 the second year are from the off-road vehicle account. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

\$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.

\$742,000 the first year and \$760,000 the second year are from the natural resources fund for state trail operations. This appropriation is from the revenue deposited in the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (e), clause (2).

\$655,000 the first year and \$655,000 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 in the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (e), clause (4).

By June 30, 2007, the department shall establish a boat launch and ramp at Horseshoe Bay in Cook County, and rehabilitate the historic fishing pier on Dower Lake in Todd County.

\$1,600,000 the first year and \$1,900,000 the second year are from the water recreation account in the natural resources fund for the acquisition, development, maintenance, and rehabilitation of existing sites for public access and boating facilities on public waters. This money is from the watercraft license fee increases in this act.

\$100,000 the first year is for a grant to the Duluth Port Authority to determine the cause of freshwater corrosion of harbor sheet piling, provided these state funds are matched on a dollar-for-dollar basis by nonstate funds. This is a onetime appropriation.

\$300,000 is for a grant to the St. Louis and Lake Counties Regional Railroad Authority to complete constructing, furnishing, and equipping Mesabi Station along the 132-mile recreational trail known as Mesabi Trail and located at the intersection of U.S. Highway 53 and marked Trunk Highway 37. This appropriation is dependent upon a matching contribution of \$800,000 from other sources, public or private. This is a onetime appropriation.

\$75,000 the first year is from the all-terrain vehicle account in the natural resources

fund for a study to determine the amount of gasoline used each year by all-terrain vehicle riders in the state, except for riders with vehicles registered for private use. The commissioners of natural resources, revenue, and transportation shall jointly determine the amount of unrefunded gasoline tax attributable to all-terrain vehicle use in the state and shall report to the legislature by March 1, 2006, with an appropriate proposed revision to Minnesota Statutes, section 296A.18.

\$50,000 is appropriated from the all-terrain vehicle account in the natural resources fund to the commissioner of natural resources for fiscal year 2006 for a feasibility study on the use of all-terrain vehicles on the North Shore Trail. All data and information compiled for this study may be used in any future master trail plan revision. The study shall be reported back to the house and senate environment committee chairs by March 1, 2006.

The appropriation in Laws 2003, chapter 128, article 1, section 5, subdivision 6, from the water recreation account in the natural resources fund for a cooperative project with the United States Army Corps of Engineers to develop the Mississippi Whitewater Park is available until June 30, 2007.

By February 15, 2006, the commissioner shall report to the senate Environment, Agriculture and Economic Development Budget Division and the house Environment, Natural Resources, and Agriculture Finance Committees on the management and operational responsibilities for the Mississippi Whitewater Park authorized by Minnesota Statutes, section 85.0156. The report shall identify who the potential operators, owners, and managers of the park will be as well as related issues.

Subd. 7. Fish and Wildlife
Management

62,688,000 62,866,000

Summary by Fund

General	2,166,000	1,966,000
Natural Resources	1,740,000	1,740,000
Game and Fish	58,782,000	59,160,000

\$407,000 the first year and \$412,000 the second year are for resource population surveys in the 1837 treaty area. Of this amount, \$265,000 the first year and \$270,000 the second year are from the game and fish fund.

\$3,013,000 the first year and \$3,013,000 the second year are from the wildlife acquisition surcharge account for only the purposes specified in Minnesota Statutes, section 97A.071, subdivision 2a. This appropriation is available until spent.

\$7,233,000 the first year and \$7,233,000 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).

Notwithstanding Minnesota Statutes, section 84.943, \$13,000 the first year and \$13,000 the second year from the critical habitat private sector matching account may be used 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.

\$1,030,000 the first year and \$880,000 the second year are from the trout and salmon management account for only the purposes

specified in Minnesota Statutes, section 97A.075, subdivision 3.

\$1,411,000 the first year and \$1,411,000 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).

\$397,000 the first year and \$397,000 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).

\$851,000 the first year and \$851,000 the second year are from the waterfowl habitat improvement account for only the purposes specified in Minnesota Statutes, section 97A.075, subdivision 2.

\$890,000 the first year and \$890,000 the second year are from the pheasant habitat improvement account for only the purposes specified in Minnesota Statutes, section 97A.075, subdivision 4.

\$142,000 the first year and \$142,000 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.

\$200,000 the first year is for coordination and implementation of the roadsides for wildlife program, including roadside wildlife management training for road managers and adjacent landowners, development of local partnerships to maximize roadside habitat benefits, identification and cata-

loguing of existing and needed technical resources, and development of a steering group to monitor the progress of the program and identify and resolve issues of concern for wildlife management in roadsides. This is a onetime appropriation.

Notwithstanding Minnesota Statutes, section 297A.94, paragraph (e), clause (1), \$325,000 is from the revenue deposited to the game and fish fund under Minnesota Statutes, section 297A.94, paragraph (e), clause (1), for a grant to "Let's Go Fishing" of Minnesota to promote opportunities for fishing. The grant recipient must report back to the commissioner by February 1, 2006, on the use and results of the appropriation. This is a onetime appropriation. * **(The preceding text beginning "Notwithstanding Minnesota Statutes, section 297A.94" was indicated as vetoed by the governor.)**

Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered under contract on or before June 30, 2007, for aquatic restoration grants and wildlife habitat grants are available until June 30, 2008.

Subd. 8. Ecological Services

	10,196,000	10,235,000	
		Summary by Fund	
General		3,275,000	3,275,000
Natural Resources		3,215,000	3,215,000
Game and Fish		3,706,000	3,745,000

\$1,128,000 the first year and \$1,128,000 the second year are from the nongame wildlife management account in the natural resources fund for the purpose of nongame wildlife management.

Notwithstanding Minnesota Statutes, section 290.431, \$100,000 the first year and

\$100,000 the second year may be used for nongame information, education, and promotion.

\$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.

\$1,588,000 the first year and \$1,588,000 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).

Subd. 9. Enforcement

28,492,000 28,817,000

Summary by Fund

General	3,106,000	3,106,000
Natural Resources	6,963,000	6,938,000
Game and Fish	18,323,000	18,673,000
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.

The unexpended balance of money from Laws 1999, chapter 231, section 5, subdi-

vision 6, must be credited to the snowmobile trails and enforcement account and the appropriation for the repair of public trails damaged by snowmobiles shall be canceled.

\$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).

Overtime must 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.

\$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.

\$15,000 the first year is from the off-highway motorcycle account in the natural resources fund to produce an interactive CD-ROM training tool for the off-highway

motorcycle education and training program under Minnesota Statutes, section 84.791.

\$15,000 the first year and \$5,000 the second year are from the off-road vehicle account in the natural resources fund to establish the off-road vehicle environment and safety education and training program under Minnesota Statutes, section 84.8015.

Subd. 10. Operations Support

9,288,000	9,348,000
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Summary by Fund

General	4,900,000	4,900,000
Natural Resources	1,595,000	1,595,000
Game and Fish	2,793,000	2,853,000

\$270,000 the first year and \$270,000 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 fund under Minnesota Statutes, section 297A.94, paragraph (e), clause (5).

Sec. 4. MINNESOTA CONSERVATION CORPS

	840,000	840,000
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Summary by Fund

General	350,000	350,000
Natural Resources	490,000	490,000

The Minnesota Conservation Corps may receive money appropriated from the natural resources fund under this section only as provided in an agreement with the commissioner of natural resources.

Sec. 5. BOARD OF WATER AND SOIL RESOURCES

	15,440,000	15,231,000
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\$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. For base grant allocations made prior to January 1, 2007, up to 100 percent of this appropriation may be used for technical assistance. 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 balance in the board's cost share program that remains from the fiscal year 2005 appropriation is available in an amount of up to \$15,000 for a grant to the Mower County Soil and Water Conservation District to create a small pond demon-

stration project in the Cedar River Watershed for purposes of water retention and flood control. The Mower County Soil and Water Conservation District must seek other sources of funding, including federal and private sources, to ensure that the demonstration project is educational and complete.

\$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.

\$105,000 the first year and \$105,000 the second year are for a grant to Area II, Minnesota River Basin Projects, Inc., for floodplain management, including administration of programs. If the appropriation in either year is insufficient, the appropriation in the other year is available for it.

\$109,000 the first year is for an implementation assessment of public drainage system buffers and their use, maintenance, and benefits. The assessment must be done in consultation with farm groups, watershed districts, soil and water conservation districts, counties, and conservation organizations, as well as federal agencies implementing voluntary buffer programs. The board shall report the results to the senate and house of representatives committees with jurisdiction over drainage systems by January 15, 2006. This is a onetime appropriation.

\$100,000 the first year is for beaver damage control grants under new Minnesota Statutes, section 103F.950. This is a onetime appropriation.

The appropriations for grants in this section are available until expended. If an appropriation for grants in either year is insufficient, the appropriation in the other year is available for it.

Sec. 6. ZOOLOGICAL BOARD		6,574,000	6,574,000
	Summary by Fund		
General	6,439,000	6,439,000	
Natural Resources	135,000	135,000	

\$135,000 the first year and \$135,000 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. 7. SCIENCE MUSEUM OF MINNESOTA		750,000	750,000
Sec. 8. METROPOLITAN COUNCIL		7,870,000	7,870,000
	Summary by Fund		
General	3,300,000	3,300,000	
Natural Resources	4,570,000	4,570,000	

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

\$4,570,000 the first year and \$4,570,000 the second year are from the natural resources fund for metropolitan area regional parks and trails maintenance and operations. This appropriation is from the revenue deposited in the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (e), clause (3).

Sec. 9. FUND TRANSFER

By June 30, 2007, the commissioner of the Pollution Control Agency shall transfer \$1,459,000 from the environmental fund to the commissioner of finance for cancellation to the general fund.

Sec. 10. MINNESOTA FUTURE
RESOURCES FUND

By June 30, 2006, and by June 30, 2007, the commissioner of finance shall transfer any remaining unappropriated balance from the Minnesota future resources fund to the general fund.

Sec. 11. MINNESOTA RESOURCES

Subdivision 1. Total Appropriation		20,457,000	18,829,000
	Summary by Fund		
State Land and Water Conservation Account (LAWCON)	1,600,000	-0-	
Environment and Natural Resources Trust Fund	18,829,000	18,829,000	
Great Lakes Protection Account	28,000	-0-	

Appropriations from the LAWCON account 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, 2007, 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 referred to in Minnesota Statutes, section 116P.14.

(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.

Subd. 3. Administration	524,000	525,000
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Summary by Fund

Trust Fund	524,000	525,000
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(a) Legislative Commission on Minnesota Resources

\$449,000 the first year and \$450,000 the second year are from the trust fund for administration as provided in Minnesota Statutes, section 116P.09, subdivision 5.*
(The text "and \$450,000 the second year" was indicated as vetoed by the governor.)

(b) Contract Administration

\$75,000 the first year and \$75,000 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, 2008.

Subd. 4. Citizen Advisory Committee	10,000	10,000
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Summary by Fund

Trust Fund	10,000	10,000
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\$10,000 the first year and \$10,000 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. Notwithstanding Minnesota Statutes, section 16A.281, the availability of \$15,000 of the appropriation from Laws 2003, chapter 128, article 1,

section 9, subdivision 4, advisory committee, is extended to June 30, 2007.

Subd. 5. Fish and Wildlife Habitat	5,038,000	5,038,000
Summary by Fund		
Trust Fund	5,038,000	5,038,000
(a) Restoring Minnesota's Fish and Wildlife Habitat Corridors-Phase III		

\$2,031,000 the first year and \$2,031,000 the second year are from the trust fund to the commissioner of natural resources for the third biennium for acceleration of agency programs and cooperative agreements with Pheasants Forever, Minnesota Deer Hunters Association, Ducks Unlimited, Inc., National Wild Turkey Federation, the Nature Conservancy, Minnesota Land Trust, the Trust for Public Land, Minnesota Valley National Wildlife Refuge Trust, Inc., U.S. Fish and Wildlife Service, Red Lake Band of Chippewa, Leech Lake Band of Chippewa, Fond du Lac Band of Chippewa, USDA-Natural Resources Conservation 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. 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 similarly designate any lands acquired in less than fee title. This appropriation is available until June 30, 2008, 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-Phase II

\$1,765,000 the first year and \$1,765,000 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 the Trust for Public Land, Ducks Unlimited, Inc., Friends of the Mississippi River, Great River Greening, Minnesota Land Trust, Minnesota Valley National Wildlife Refuge Trust, Inc., Pheasants Forever, Inc., and Friends of the Minnesota Valley 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, and portions of the surrounding counties, through grants, contracted services, conservation easements, and fee acquisition. Land acquired with this appropriation must be sufficiently improved to meet at least minimum management standards as determined by the commissioner of natural resources. 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 similarly designate any lands acquired in less than fee title. This appropriation is available until June 30, 2008, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

(c) Development of Scientific and Natural Areas

\$67,000 the first year and \$67,000 the second year are from the trust fund to the commissioner of natural resources to develop and enhance lands designated as scientific and natural areas. This appropriation is available until June 30, 2008, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

(d) Prairie Stewardship of Private Lands

\$50,000 the first year and \$50,000 the second year are from the trust fund to the commissioner of natural resources to develop stewardship plans and implement prairie management on private prairie lands on a cost-share basis with private or federal funds. This appropriation is available until June 30, 2008, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

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

\$250,000 the first year and \$250,000 the second year are from the trust fund to the commissioner of natural resources to provide matching grants of up to \$20,000 to local government and private organizations for enhancement, restoration, research, and education associated with natural habitat and environmental service projects. Subdivision 16 applies to grants awarded in the approved work program. This appropriation is available until June 30, 2008, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

(f) Minnesota ReLeaf Community Forest Development and Protection

\$250,000 the first year and \$250,000 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 \$390,000 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, 2008, at which time the project must be completed and final projects delivered, unless an earlier date is specified in the work program.

(g) Integrated and Pheromonal Control of Common Carp

\$275,000 the first year and \$275,000 the second year are from the trust fund to the University of Minnesota for the second biennium to research new options for controlling common carp. This appropriation is

available until June 30, 2009, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

(h) Biological Control of European Buckthorn and Garlic Mustard

\$100,000 the first year and \$100,000 the second year are from the trust fund to the commissioner of natural resources to research potential insects for biological control of invasive European buckthorn species for the second biennium and to introduce and evaluate insects for biological control of garlic mustard. This appropriation is available until June 30, 2008, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

(i) Land Exchange Revolving Fund for Aitkin, Cass, and Crow Wing Counties

\$250,000 the first year and \$250,000 the second year are from the trust fund to the commissioner of natural resources for an agreement with Aitkin County for a six-year revolving loan fund to improve public and private land ownership patterns, increase management efficiency, and protect critical habitat in Aitkin, Cass, and Crow Wing Counties. By June 30, 2011, Aitkin County shall repay the \$500,000 to the commissioner of finance for deposit in the environment and natural resources trust fund.* (The preceding text beginning "(i) Land Exchange Revolving Fund" was indicated as vetoed by the governor.)

Subd. 6. Recreation		7,160,000	5,559,000
	Summary by Fund		
Trust Fund	5,560,000	5,559,000	

State Land and Water
Conservation Account

(LAWCON) 1,600,000 -0-

(a) State Park and Recreation Area Land
Acquisition

\$1,000,000 the first year and \$1,000,000 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, 2008, 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

\$1,600,000 is from the State Land and Water Conservation Account (LAWCON) in the natural resources fund to the commissioner of natural resources for priorities established by the commissioner 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. Subdivision 16 applies to grants awarded in the approved work program. This appropriation is contingent upon receipt of the federal obligation and remains available until June 30, 2008, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

(c) State Park and Recreation Area
Revenue-Enhancing Development

\$100,000 the first year and \$100,000 the second year are from the trust fund to the commissioner of natural resources to enhance revenue generation in the state's park and recreation system. * **(The preceding text beginning "(c) State Park and Recreation Area" was indicated as vetoed by the governor.)**

(d) Best Management Practices for Parks and Outdoor Recreation

\$100,000 the first year and \$100,000 the second year are from the trust fund to the commissioner of natural resources for an agreement with the Minnesota Recreation and Park Association to develop and evaluate opportunities to more efficiently manage Minnesota's parks and outdoor recreation areas.

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

\$1,000,000 the first year and \$1,000,000 the second year are from the trust fund to 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, may be used to reimburse implementing agencies for acquisition as expressly approved in the work program, and must be matched by at least 40 percent of nonstate money. Subdivision 16 applies to grants awarded in the approved work program. This appropriation is available until June 30, 2008, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program. If a

project financed under this program receives a federal grant award, 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

\$250,000 the first year and \$250,000 the second year are from the trust fund to the commissioner of natural resources, in cooperation with the Gitchi-Gami Trail Association, for the fourth biennium, to design and construct approximately two miles of Gitchi-Gami State Trail segments. This appropriation is available until June 30, 2008, at which time the project must be completed and final products delivered. If this project receives a federal grant award, the availability of the financing from this paragraph for the project is extended to equal the period of the federal grant.

(g) Casey Jones State Trail

\$600,000 the first year and \$600,000 the second year are from the trust fund to the commissioner of natural resources in cooperation with the Friends of the Casey Jones Trail Association for land acquisition and development of the Casey Jones State Trail in southwest Minnesota. This appropriation is available until June 30, 2008, at which time the project must be completed and final products delivered. If this project receives a federal grant award, the availability of the financing from this paragraph for the project is extended to equal the period of the federal grant.

(h) Paul Bunyan State Trail Connection

\$200,000 the first year and \$200,000 the second year are from the trust fund to the commissioner of natural resources to ac-

quire land to connect the Paul Bunyan State Trail within the city of Bemidji.

(i) Minnesota River Trail Planning

\$100,000 the first year and \$100,000 the second year are from the trust fund to the commissioner of natural resources for an agreement with the University of Minnesota to provide trail planning assistance to three communities along the Minnesota River State Trail.

(j) Local Initiative Grants-Parks and Natural Areas

\$600,000 the first year and \$600,000 the second year are from the trust fund to the commissioner of natural resources to provide 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. \$500,000 of this appropriation is for land acquisition for a proposed county regional park on Kraemer Lake in Stearns County. 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. Subdivision 16 applies.

to grants awarded in the approved work program. This appropriation is available until June 30, 2008, at which time the project must be completed and final products delivered.

(k) Regional Park Planning for
Nonmetropolitan Urban Areas

\$43,000 the first year and \$43,000 the second year are from the trust fund to the commissioner of natural resources for an agreement with the University of Minnesota to develop a plan for a system of regional recreation areas for major outstate urban complexes in Minnesota.

(l) Local and Regional Trail Grant Initiative Program

\$350,000 the first year and \$350,000 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. Subdivision 16 applies to grants awarded in the approved work program. This appropriation is available until June 30, 2008, 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 award, the availability of the financing from this paragraph for that project is extended to equal the period of the federal grant.

(m) Mesabi Trail

\$500,000 the first year and \$500,000 the second year are from the trust fund to the commissioner of natural resources for an agreement with St. Louis and Lake Coun-

ties Regional Rail Authority for the seventh biennium to acquire and develop segments for the Mesabi Trail. This appropriation is available until June 30, 2008, at which time the project must be completed and final products delivered. If this project receives a federal grant award, the availability of the financing from this paragraph for the project is extended to equal the period of the federal grant.

(n) Cannon Valley Trail Belle Creek
Bridge Replacement

\$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 the Cannon Valley Trail Joint Powers Board for bridge replacement of the Belle Creek Bridge on the Cannon Valley Trail. This appropriation must be matched by at least \$44,000 of nonstate money.

(o) Arrowhead Regional Bike Trail
Connections Plan

\$42,000 the first year and \$41,000 the second year are from the trust fund to the commissioner of natural resources for an agreement with the Arrowhead Regional Development Commission to analyze the Arrowhead's major bike trails and plan new trail connections.

(p) Land Acquisition, Minnesota
Landscape Arboretum

\$325,000 the first year and \$325,000 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 sixth biennium to acquire land from willing sellers. This appropriation must be matched by an equal amount of nonstate money. This

appropriation is available until June 30, 2008, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

(q) Development and Rehabilitation of Minnesota Shooting Ranges

\$150,000 the first year and \$150,000 the second year are from the trust fund to the commissioner of natural resources to provide technical assistance and matching grants to local communities and 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, 2008, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

(r) Birding Maps

\$50,000 the first year and \$50,000 the second year are from the trust fund to the commissioner of natural resources for an agreement with Audubon Minnesota to create a new birding trail guide for the North Shore/Arrowhead region and reprint and distribute guides for three existing birding trails.

Subd. 7. Water Resources		3,027,000	3,000,000
	Summary by Fund		
Trust Fund	2,999,000	3,000,000	
Great Lakes			
Protection Account		28,000	
(a) Local Water Management			
Matching Challenge Grants			

\$500,000 the first year and \$500,000 the second year are from the trust fund to the Board of Water and Soil Resources to accelerate the local water management challenge grant program under Minnesota Statutes, sections 103B.3361 to 103B.3369, through matching grants to implement high priority activities in state-approved comprehensive water management plans. For the purposes of this paragraph, the match must be a nonstate contribution, but may be either cash or qualifying in-kind. The grants may be provided on an advance basis as specified in the work program. This appropriation is available until June 30, 2008, 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

\$300,000 the first year and \$300,000 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, and the University of Minnesota to accelerate monitoring efforts through assessments, citizen training, and implementation grants. This appropriation is available until June 30, 2008, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

(c) Effects of Land Retirements on the
Minnesota River

\$150,000 the first year and \$150,000 the second year are from the trust fund to the

Board of Water and Soil Resources for a cooperative agreement with the U.S. Geological Survey to evaluate effects of retired or set-aside agricultural lands on the water quality and aquatic habitat of streams in the Minnesota River Basin in order to enhance prioritization of future land retirements. This appropriation must be matched by an equal amount of nonstate money. This appropriation is available until June 30, 2008, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

(d) Recycling Treated Municipal Wastewater for Industrial Water Use

\$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 the Metropolitan Council to determine the feasibility of recycling treated municipal wastewater for industrial use, characterize industrial water demand and quality, and determine the costs to treat municipal wastewater to meet specific industrial needs.

(e) Unwanted Hormone Therapy:
Protecting Water and
Public Health

\$150,000 the first year and \$150,000 the second year are from the trust fund to the University of Minnesota to determine where behavior-altering estrogenic compounds come from and how they are distributed in wastewater treatment plants. This appropriation is available until June 30, 2008, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

(f) Climate Change Impacts on
Minnesota's Aquatic Resources

\$125,000 the first year and \$125,000 the second year are from the trust fund to the University of Minnesota, Natural Resources Research Institute, to quantify climate, hydrologic, and ecological variability and trends; and identify indicators of future climate change effects on aquatic systems. This appropriation is available until June 30, 2008, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program. * (The preceding text beginning "(f) Climate Change Impacts on Minnesota's" was indicated as vetoed by the governor.)

(g) Green Roof Cost Share and
Monitoring

\$175,000 the first year and \$175,000 the second year are from the trust fund to the commissioner of natural resources for an agreement with Ramsey Conservation District to install green, vegetated roofs on four commercial or industrial buildings in Roseville and Falcon Heights and to monitor their effectiveness for stormwater management, flood reduction, water quality, and energy efficiency. The cost of the installations must be matched by at least 50 percent nonstate money. * (The preceding text beginning "(g) Green Roof Cost Share" was indicated as vetoed by the governor.)

(h) Woodchip Biofilter Treatment of
Feedlot Runoff

\$135,000 the first year and \$135,000 the second year are from the trust fund to the commissioner of natural resources for agreements with Stearns County Soil and

Water Conservation District and the University of Minnesota to treat feedlot runoff with woodchip biofilters to remove pollutants and assess improvements to surface water quality. This appropriation is available until June 30, 2008, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

(i) Improving Water Quality on the Central Sands

\$294,000 the first year and \$293,000 the second year are from the trust fund to the commissioner of natural resources for agreements with the University of Minnesota and the Central Lakes College Agricultural Center to reduce nitrate and phosphorus losses to groundwater and surface waters of sandy ecoregions through the development, promotion, and adoption of new farming and land management practices and techniques. This appropriation is available until June 30, 2008, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

(j) Improving Impaired Watersheds:
Conservation Drainage Research

\$150,000 the first year and \$150,000 the second year are from the trust fund to the commissioner of agriculture to analyze conservation drainage systems at University of Minnesota research and outreach centers for opportunities to retrofit drainage infrastructure with water quality improvement technologies. This appropriation is available until June 30, 2008, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

(k) Hydrology, Habitat, and Energy
Potential of Mine Lakes

\$188,000 the first year and \$211,000 the second year are from the trust fund to the commissioner of natural resources for agency work and agreements with Architectural Resources, Inc., and Northeast Technical Services, Inc., for a coordinated effort of the Central Iron Range Initiative to establish ultimate mine water elevations, outflows, and quality; design optimum future mineland configurations for fish habitat and lakeshore development; and evaluate wind-pumped hydropower potential. \$62,000 the first year and \$39,000 the second year are from the trust fund to the Minnesota Geological Survey at the University of Minnesota to assess the geology and mine pit morphometry.

(l) Hennepin County Beach Water Quality Monitoring Project

\$50,000 the first year and \$50,000 the second year are from the trust fund to the commissioner of natural resources for an agreement with Hennepin County to develop a predictive model for on-site determination of beach water quality to prevent outbreaks of waterborne illnesses and provide related water safety outreach to the public.

(m) Southwest Minnesota Floodwater Retention Projects

\$250,000 the first year and \$250,000 the second year are from the trust fund to the commissioner of natural resources for an agreement with Area II MN River Basin Projects, Inc., to acquire easements and construct four floodwater retention projects in the Minnesota River Basin to improve water quality and waterfowl habitat.

(n) Upgrades to Blue Heron Research Vessel

\$28,000 is from the Great Lakes protection account in the first year and \$133,000 the first year and \$134,000 the second year are from the trust fund to the University of Minnesota, Large Lakes Observatory, to upgrade and overhaul the Blue Heron Research Vessel. * (The preceding text beginning "(n) Upgrades to Blue Heron Research Vessel" was indicated as vetoed by the governor.)

(o) Bassett Creek Valley Channel Restoration

\$87,000 the first year and \$88,000 the second year are from the trust fund to the commissioner of natural resources for an agreement with the city of Minneapolis for design and engineering activities for habitat restoration and water quality and channel improvements for Bassett Creek Valley.

(p) Restoration of Indian Lake

\$100,000 the first year and \$100,000 the second year are from the trust fund to the commissioner of natural resources for agreements with Indian Lake Improvement District and Bemidji State University to demonstrate the removal of excess nutrients from Indian Lake in Wright County. This appropriation is available until June 30, 2008, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program, and is contingent on all appropriate permits being obtained.

Subd. 8. Land Use and Natural Resource Information

	1,000,000	1,000,000
Summary by Fund		
Trust Fund	1,000,000	1,000,000

(a) Minnesota County Biological Survey

\$500,000 the first year and \$500,000 the second year are from the trust fund to the commissioner of natural resources for the tenth 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) Soil Survey

\$250,000 the first year and \$250,000 the second year are from the trust fund to the Board of Water and Soil Resources to accelerate digitizing of completed soil surveys for Web-based user application and for agreements with Pine and Crow Wing Counties to begin soil surveys. The new soil surveys must be done on a cost-share basis with local and federal funds. This appropriation is available until June 30, 2008, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

(c) Land Cover Mapping for Natural Resource Protection

\$125,000 the first year and \$125,000 the second year are from the trust fund to the commissioner of natural resources for an agreement with Hennepin County to develop GIS tools for prioritizing natural areas for protection and restoration and to update and complete land cover classification mapping. * (The preceding text beginning "(c) Land Cover Mapping for Natural Resource Protection" was indicated as vetoed by the governor.)

(d) Open Space Planning and Protection

\$125,000 the first year and \$125,000 the second year are from the trust fund to the commissioner of natural resources for an agreement with Anoka Conservation District to protect open space by identifying high priority natural resource corridors through planning, conservation easements, and land dedication as part of development processes.

Subd. 9. Agriculture and Natural
Resource Industries

1,342,000

1,341,000

Summary by Fund

Trust Fund

1,342,000

1,341,000

(a) Completing Third-Party Certification
of DNR Forest Lands

\$125,000 the first year and \$125,000 the second year are from the trust fund to the commissioner of natural resources for third-party assessment and certification of 4,470,000 acres of DNR-administered lands under forest sustainability standards established by two internationally recognized forest certification systems, the Forest Stewardship Council system, and the Sustainable Forestry Initiative system.

(b) Third-Party Certification of Private
Woodlands

\$188,000 the first year and \$188,000 the second year are from the trust fund to the University of Minnesota, Cloquet Forestry Center, to pilot a third-party certification assessment framework for nonindustrial private forest owners.

(c) Sustainable Management of Private
Forest Lands

\$437,000 the first year and \$437,000 the second year are from the trust fund to the commissioner of natural resources to de-

velop stewardship plans for private forested lands, implement stewardship plans on a cost-share basis and for conservation easements matching federal funds. This appropriation is available until June 30, 2008, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

(d) Evaluating Riparian Timber
Harvesting Guidelines: Phase 2

\$167,000 the first year and \$166,000 the second year are from the trust fund to the University of Minnesota for a second biennium to assess the timber harvesting riparian management guidelines for postharvest impacts on terrestrial, aquatic, and wildlife habitat. This appropriation is available until June 30, 2008, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

(e) Third Crops for Water Quality-Phase
2

\$250,000 the first year and \$250,000 the second year are from the trust fund to the commissioner of natural resources for cooperative agreements with Rural Advantage and the University of Minnesota to accelerate adoption of third crops to enhance water quality, diversify cropping systems, supply bioenergy, and provide wildlife habitat through demonstration, research, and education. This appropriation is available until June 30, 2008, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

(f) Bioconversion of Potato Waste into
Marketable Biopolymers

\$175,000 the first year and \$175,000 the second year are from the trust fund to the commissioner of natural resources for an agreement with Bemidji State University to evaluate the bioconversion of potato waste into plant-based plastics. This appropriation is available until June 30, 2008, 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	1,896,000	1,896,000
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Summary by Fund

Trust Fund	1,896,000	1,896,000
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(a) Clean Energy Resource Teams and Community Wind Energy Rebate Program

\$350,000 the first year and \$350,000 the second year are from the trust fund to the commissioner of commerce. \$300,000 of this appropriation is to provide technical assistance to implement cost-effective conservation, energy efficiency, and renewable energy projects. \$400,000 of this appropriation is to assist two Minnesota communities in developing locally owned wind energy projects by offering financial assistance rebates.

(b) Planning for Economic Development via Energy Independence

\$120,000 the first year and \$120,000 the second year are from the trust fund to the commissioner of natural resources for an agreement with the University of Minnesota-Duluth to evaluate the socio-economic benefits of statewide and community renewable energy production and distribution by analyzing system installation, technical capabilities, cost-competitiveness, economic impacts, and

policy incentives. * (The preceding text beginning “(b) Planning for Economic Development” was indicated as vetoed by the governor.)

(c) Manure Methane Digester Compatible
Wastes and Electrical Generation

\$50,000 the first year and \$50,000 the second year are from the trust fund to the commissioner of agriculture to research the potential for a centrally located, multifarm manure digester and the potential use of compatible waste streams with manure digesters.

(d) Dairy Farm Digesters

\$168,000 the first year and \$168,000 the second year are from the trust fund to the commissioner of natural resources for an agreement with the Minnesota Project for a pilot project to evaluate anaerobic digester technology on average size dairy farms of 50 to 300 cows.

(e) Wind to Hydrogen Demonstration

\$400,000 the first year and \$400,000 the second year are from the trust fund to the commissioner of natural resources for an agreement with the University of Minnesota, West Central Research and Outreach Center, to develop a model community-scale wind-to-hydrogen facility.

(f) Natural Gas Production from
Agricultural Biomass

\$50,000 the first year and \$50,000 the second year are from the trust fund to the commissioner of natural resources for an agreement with Sebesta Blomberg and Associates to demonstrate potential natural gas yield using anaerobic digestion of blends of chopped grasses or crop residue

with hog manure and determine optimum operating conditions for conversion to natural gas.

(g) Biomass-Derived Oils for Generating Electricity and Reducing Emissions

\$75,000 the first year and \$75,000 the second year are from the trust fund to the University of Minnesota to evaluate the environmental and performance benefits of using renewable biomass-derived oils, such as soybean oil, for generating electricity.

(h) Phillips Biomass Community Energy System

\$450,000 the first year and \$450,000 the second year are from the trust fund to the commissioner of natural resources for an agreement with Phillips Community Energy Cooperative to assist in the distribution system equipment and construction costs for a biomass district energy system. This appropriation is contingent on all appropriate permits being obtained and a signed commitment of financing for the biomass electrical generating facility being in place. * (The preceding text beginning “(h) Phillips Biomass Community Energy System” was indicated as vetoed by the governor.)

(i) Laurentian Energy Authority Biomass Project

\$233,000 the first year and \$233,000 the second year are from the trust fund to the commissioner of natural resources for an agreement with Virginia Public Utility to lease land and plant approximately 1,000 acres of trees to support a proposed conversion to a biomass power plant. * (The preceding text beginning “(i) Laurentian Energy Authority Biomass Project” was indicated as vetoed by the governor.)

Subd. 11. Environmental Education	360,000	360,000
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Summary by Fund

Trust Fund	360,000	360,000
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(a) Enhancing Civic Understanding of Groundwater

\$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 the Science Museum of Minnesota to create groundwater exhibits and a statewide traveling groundwater classroom program. This appropriation is available until June 30, 2008, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program. * **(The preceding text beginning “(a) Enhancing Civic Understanding of Groundwater” was indicated as vetoed by the governor.)**

(b) Cedar Creek Natural History Area Interpretive Center and Restoration

\$200,000 the first year and \$200,000 the second year are from the trust fund to the commissioner of natural resources for an agreement with the University of Minnesota, Cedar Creek Natural History Area, to restore 400 acres of savanna and prairie; construct a Science Interpretive Center to publicly demonstrate technologies for energy efficiency; and create interpretive trails. This appropriation is available until June 30, 2008, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

(c) Environmental Problem-Solving Model for Twin Cities Schools

\$38,000 the first year and \$37,000 the second year are from the trust fund to the commissioner of natural resources for an agreement with Eco Education to train high school students and teachers on environmental problem solving. * **(The preceding text beginning “(c) Environmental Problem-Solving Model” was indicated as vetoed by the governor.)**

(d) Tamarack Nature Center Exhibits

\$47,000 the first year and \$48,000 the second year are from the trust fund to the commissioner of natural resources for an agreement with Ramsey County Parks and Recreation Department to develop interactive ecological exhibits at Tamarack Nature Center.

Subd. 12. Children’s Environmental Health

	100,000	100,000
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Summary by Fund

Trust Fund	100,000	100,000
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Minnesota Children’s Pesticide Exposure Reduction Initiative

\$100,000 the first year and \$100,000 the second year are appropriated to the commissioner of agriculture to reduce children’s pesticide exposure through parent education on alternative pest control methods and safe pesticide use.

Subd. 13. Data Availability Requirements

(a) During the biennium ending June 30, 2007, 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 that adheres to Office of Technology geographic metadata standards must be submitted to the Land Management Information Center to be made available online 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 and identified as an environment and natural resources trust fund project.

(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 form specified by the department.

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. Bridges that are constructed with appropriations under this section must be made out of metal, concrete, or wood.

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, 2005, 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 unless otherwise provided in this section. Notwithstanding Minnesota Statutes, section 16A.41, expenditures made on or after July 1, 2005, 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 dollar amounts have been expended, except that reasonable amounts may be advanced to projects to accommodate cash flow needs or match federal funds. 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.

Sec. 12. Minnesota Statutes 2004, section 16A.125, subdivision 5, is amended to read:

Subd. 5. **FOREST TRUST LANDS.** (a) The term "state forest trust fund lands" as used in this subdivision, means public land in trust under the Constitution set apart as "forest lands under the authority of the commissioner" of natural resources as defined by section 89.001, subdivision 13.

(b) The commissioner of finance shall credit the revenue from the forest trust fund lands to the forest suspense account. The account must specify the trust funds interested in the lands and the respective receipts of the lands.

(c) After a fiscal year, the commissioner of finance shall certify the total costs incurred for forestry during that year under appropriations for the protection, improvement, administration, and management of state forest trust fund lands and construction and improvement of forest roads to enhance the forest value of the lands. The certificate must specify the trust funds interested in the lands. The commissioner of natural resources shall supply the commissioner of finance with the information needed for the certificate.

(d) After a fiscal year, the commissioner shall distribute the receipts credited to the suspense account during that fiscal year as follows:

(~~a~~) (1) the amount of the certified costs incurred by the state for forest management, forest improvement, and road improvement during the fiscal year shall

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be transferred to the ~~general fund~~; forest management investment account established under section 89.039;

(2) the balance of the certified costs incurred by the state during the fiscal year shall be transferred to the general fund; and

~~(b)~~ (3) the balance of the receipts shall then be returned prorated to the trust funds in proportion to their respective interests in the lands which produced the receipts.

Sec. 13. Minnesota Statutes 2004, section 84.027, subdivision 12, is amended to read:

Subd. 12. **PROPERTY DISPOSAL; GIFT ACKNOWLEDGMENT; ADVERTISING SALES.** (a) The commissioner may give away to members of the public items with a value of less than ~~\$10~~ \$50 that are intended to promote conservation of natural resources or create awareness of the state and its resources or natural resource management programs. The total value of items given to the public under this paragraph may not exceed \$25,000 per year.

(b) The commissioner may recognize the contribution of money or in-kind services on plaques, signs, publications, audio-visual materials, and media advertisements by allowing the organization's contribution to be acknowledged in print of readable size.

(c) The commissioner may accept paid advertising for departmental publications. Advertising revenues received are appropriated to the commissioner to be used to defray costs of publications, media productions, or other informational materials. The commissioner may not accept paid advertising from any elected official or candidate for elective office.

Sec. 14. Minnesota Statutes 2004, section 84.027, subdivision 15, is amended to read:

Subd. 15. **ELECTRONIC TRANSACTIONS.** (a) The commissioner may receive an application for, sell, and issue any license, stamp, permit, pass, sticker, duplicate safety training certification, registration, or transfer under the jurisdiction of the commissioner by electronic means, including by telephone. Notwithstanding section 97A.472, electronic and telephone transactions may be made outside of the state. The commissioner may:

(1) provide for the electronic transfer of funds generated by electronic transactions, including by telephone;

(2) assign a ~~license~~ an identification number to an applicant who purchases a hunting or fishing license or recreational vehicle registration by electronic means, to serve as temporary authorization to engage in the ~~licensed activity requiring a license or registration~~ until the license or registration is received or expires;

(3) charge and permit agents to charge a fee of individuals who make electronic transactions and transactions by telephone or Internet, including ~~the issuing fee under~~

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section 97A.485, subdivision 6, fees and an additional transaction fee not to exceed \$3.50;

(4) collect issuing or filing fees as provided under sections 84.788, subdivision 3, paragraph (e); 84.798, subdivision 3, paragraph (b); 84.82, subdivision 2, paragraph (d); 84.8205, subdivisions 5 and 6; 84.922, subdivision 2, paragraph (e); 85.41, subdivision 5; 86B.415, subdivision 8; and 97A.485, subdivision 6, and collect establish, by written order, an electronic licensing system commission on to be paid by revenues generated from all sales of licenses as provided under sections 85.43, paragraph (b); and 97A.485, subdivision 7 made through the electronic licensing system. The commissioner shall establish the commission in a manner that neither significantly overrecovers nor underrecovers costs involved in providing the electronic licensing system; and

(5) adopt rules to administer the provisions of this subdivision.

(b) Establishment of The transaction fee fees established under paragraph (a), clause (3), and the commission established under paragraph (a), clause (4), is are not subject to the rulemaking procedures of chapter 14 and section 14.386 does not apply.

(c) Money received from fees and commissions collected under this subdivision, including interest earned, is annually appropriated from the game and fish fund and the natural resources fund to the commissioner for the cost of electronic licensing.

EFFECTIVE DATE. This section is effective July 6, 2005.

Sec. 15. Minnesota Statutes 2004, section 84.0274, is amended by adding a subdivision to read:

Subd. 9. EXCEPTION FOR NONPROFIT ORGANIZATIONS AND GOVERNMENTAL ENTITIES. When the commissioner acquires land or interests in land from a nonprofit organization or governmental entity, any or all of the provisions of this section may be waived by mutual agreement of the commissioner and the nonprofit organization or governmental entity.

Sec. 16. Minnesota Statutes 2004, section 84.0274, is amended by adding a subdivision to read:

Subd. 10. RIGHT OF FIRST REFUSAL AGREEMENT. The commissioner may enter into a right of first refusal agreement with a landowner prior to determining the value of the land. No right of first refusal agreement shall be made for a period of greater than two years and payment to the landowner for entry into the agreement shall not exceed \$5,000.

Sec. 17. Minnesota Statutes 2004, section 84.0911, subdivision 2, is amended to read:

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), (3), and (4), and subdivision 3, paragraph (b), except for the electronic licensing

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system commission established by the commissioner under section 84.027, subdivision 15, shall be credited to the wild rice management account.

EFFECTIVE DATE. This section is effective July 6, 2005.

Sec. 18. Minnesota Statutes 2004, section 84.631, is amended to read:

84.631 ROAD EASEMENTS ACROSS STATE LANDS.

(a) Except as provided in section 85.015, subdivision 1b, the commissioner, on behalf of the state, may convey a road easement across state land under the commissioner's jurisdiction other than school trust land, to a private person requesting an easement for access to property owned by the person only if the following requirements are met: (1) there are no reasonable alternatives to obtain access to the property; and (2) the exercise of the easement will not cause significant adverse environmental or natural resource management impacts.

(b) The commissioner shall:

- (1) require the applicant to pay the market value of the easement;
- (2) provide that the easement reverts to the state in the event of nonuse; and
- (3) impose other terms and conditions of use as necessary and appropriate under the circumstances.

(c) An applicant shall submit a fee of up to \$2,000 with each application for a road easement across state land. The commissioner must give the applicant an estimate of the costs of the road easement before the applicant submits the fee. The application fee is nonrefundable, even if the application is withdrawn or denied.

(d) Fees collected under paragraph (c) must be deposited in the land management account in the natural resources fund.

Sec. 19. Minnesota Statutes 2004, section 84.775, subdivision 1, is amended to read:

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:

- (1) an off-highway motorcycle in violation of sections 84.773, subdivision 1 or 2, clause (1); 84.777; 84.788 to 84.795; or 84.90;
- (2) an off-road vehicle in violation of sections 84.773, subdivision 1 or 2, clause (1); 84.777; 84.798 to 84.804; or 84.90; or
- (3) an all-terrain vehicle in violation of sections 84.773, subdivision 1 or 2, clause (1); 84.777; 84.90; or 84.922 to 84.928.

(b) A civil citation under paragraph (a) shall require restitution for public and private property damage and impose a penalty of:

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- (1) \$100 for the first offense;
- (2) \$200 for the second offense; and
- (3) \$500 for third and subsequent offenses.

(c) A conservation officer or other licensed peace officer may issue a civil citation to a person who operates an off-highway motorcycle, off-road vehicle, or all-terrain vehicle in violation of section 84.773, subdivision 2, clause (2) or (3). A civil citation under this paragraph shall require restitution for damage to wetlands and impose a penalty of:

- (1) \$100 for the first offense;
- (2) \$500 for the second offense; and
- (3) \$1,000 for third and subsequent offenses.

(d) 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.

(e) An off-road vehicle or all-terrain vehicle that is equipped with a snorkel device and receives a civil citation under this section is subject to twice the penalty amounts in paragraphs (b) and (c).

Sec. 20. Minnesota Statutes 2004, section 84.780, is amended to read:

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~~ 2008, 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) Determinations of the commissioner under this section may be made by written order and are exempt from the rulemaking provisions of chapter 14. Section 14.386 does not apply.

(c) This section expires July 1, ~~2005~~ 2008.

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Sec. 21. [84.781] USE OF DEPARTMENT RESOURCES.

The commissioner of natural resources may permit Department of Natural Resources personnel and equipment from the Division of Trails and Waterways to be used to assist local units of government in developing and maintaining off-highway vehicle grant-in-aid trails located on property owned by or under the control of the local unit of government.

Sec. 22. Minnesota Statutes 2004, 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 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 shall make application for registration to the dealer at the point of sale. The dealer shall issue a dealer 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 an assigned registration number that or a commissioner or deputy registrar temporary ten-day permit. Once issued, the registration number must be affixed to the motorcycle in a manner prescribed by the commissioner according to paragraph (f). A dealer subject to paragraph (b) shall provide the registration materials and or temporary receipt permit 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) 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 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

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

(f) Unless exempted in paragraph (g), the owner of an off-highway motorcycle must display a registration decal issued by the commissioner. If the motorcycle is licensed as a motor vehicle, a registration decal must be affixed on the upper left corner of the rear license plate. If the motorcycle is not licensed as a motor vehicle, the decal must be attached on the side of the motorcycle and may be attached to the fork tube. The decal must be attached in a manner so that it is visible while a rider is on the motorcycle. The issued decals must be of a size to work within the constraints of the electronic licensing system, not to exceed three inches high and three inches wide.

(g) Display of a registration decal is not required for an off-highway motorcycle:

(1) while being operated on private property; or

(2) while competing in a closed-course competition event.

Sec. 23. Minnesota Statutes 2004, section 84.788, is amended by adding a subdivision to read:

Subd. 11. **REFUNDS.** The commissioner may issue a refund on a registration, not including any issuing fees paid under subdivision 3, paragraph (e), or section 84.027, subdivision 15, paragraph (a), clause (3), if the refund request is received within 12 months of the original registration and:

(1) the off-highway motorcycle was registered incorrectly by the commissioner or the deputy registrar; or

(2) the off-highway motorcycle was registered twice, once by the dealer and once by the customer.

Sec. 24. Minnesota Statutes 2004, section 84.789, is amended by adding a subdivision to read:

Subd. 3. **SOUND EMISSIONS.** (a) On and after July 1, 2006, off-highway motorcycles, when operating on public lands, shall at all times be equipped with a silencer or other device that limits sound emissions according to this subdivision.

(b) Sound emissions of competition off-highway motorcycles manufactured on or after January 1, 1998, are limited to not more than 96 dbA and, if manufactured prior to January 1, 1998, to not more than 99 dbA, when measured from a distance of 20 inches using test procedures established by the Society of Automotive Engineers under Standard J-1287, as applicable.

(c) Sound emissions of all other off-highway motorcycles are limited to not more than 96 dbA if manufactured on or after January 1, 1986, and not more than 99 dbA if manufactured prior to January 1, 1986, when measured from a distance of 20 inches using test procedures established by the Society of Automotive Engineers under Standard J-1287, as applicable.

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(d) Off-highway motorcycles operating in closed course competition events are excluded from the requirements of this subdivision.

Sec. 25. Minnesota Statutes 2004, section 84.791, subdivision 1, is amended to read:

Subdivision 1. **PROGRAM ESTABLISHED; WHEN REQUIRED.** (a) The commissioner shall establish a comprehensive off-highway motorcycle environment and safety education and training program, including the preparation and dissemination of vehicle information and safety advice to the public, the training of off-highway motorcycle operators, and the issuance of off-highway motorcycle safety certificates to operators under the age of 16 years who successfully complete the off-highway motorcycle environment and safety education and training courses.

(b) An individual who is convicted of violating a law related to the operation of an off-highway motorcycle must successfully complete the environment and safety education and training program established under paragraph (a) before continuing operation of an off-highway motorcycle.

Sec. 26. Minnesota Statutes 2004, section 84.791, subdivision 2, is amended to read:

Subd. 2. **FEES.** For the purposes of administering the program and to defray a portion of the expenses of training and certifying vehicle operators, the commissioner shall collect a fee not to exceed \$5 from each person who receives the training. The commissioner shall collect a fee for issuing a duplicate off-highway motorcycle safety certificate. The commissioner shall establish the fee for a duplicate off-highway motorcycle safety certificate, to include a \$1 issuing fee for licensing agents, that neither significantly overrecovers nor underrecovers costs, including overhead costs, involved in providing the service. The fees must, except for the issuing fee for licensing agents under this subdivision, shall be deposited in the state treasury and credited to the off-highway motorcycle account in the natural resources fund.

Sec. 27. Minnesota Statutes 2004, section 84.798, subdivision 1, is amended to read:

Subdivision 1. **GENERAL REQUIREMENTS.** (a) Unless exempted under paragraph (b) or subdivision 2, after January 1, 1995, a person may not operate and an owner may not give permission for another to operate a ~~vehicle~~ off-road, nor may a person have an off-road vehicle not registered under chapter 168 in possession at an off-road vehicle staging area, or designated trail on off-road vehicle-designated trails or area areas on land administered by the commissioner, or on off-road vehicle grant-in-aid trails and areas funded under section 84.803, unless the vehicle has been registered under this section.

(b) Annually on the third Saturday of May, nonregistered off-road vehicles may be operated at the Iron Range Off-Highway Vehicle Recreation Area.

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

Sec. 28. [84.8015] EDUCATION AND TRAINING.

Subdivision 1. PROGRAM ESTABLISHED WHEN REQUIRED. (a) The commissioner shall establish a comprehensive off-road vehicle environment and safety education and training program, including the preparation and dissemination of vehicle information and safety advice to the public, the training of off-road vehicle operators, and the issuance of off-road vehicle safety certificates to operators 16 to 18 years of age who successfully complete the off-road vehicle environment and safety education and training courses.

(b) Beginning July 1, 2006, an individual who is convicted of violating a law related to the operation of an off-road vehicle must successfully complete the environment and safety education and training program established under paragraph (a) before continuing operation of an off-road vehicle.

Subd. 2. FEES. For the purposes of administering the program and to defray a portion of the expenses of training and certifying vehicle operators, the commissioner shall collect a fee not to exceed \$15 from each person who receives the training. The commissioner shall collect a fee for issuing a duplicate off-road vehicle safety certificate. The commissioner shall establish the fee for a duplicate off-road vehicle safety certificate that neither significantly overrecovers nor underrecovers costs, including overhead costs, involved in providing the service. The fees must be deposited in the state treasury and credited to the off-road vehicle account.

Subd. 3. COOPERATION AND CONSULTATION. The commissioner shall cooperate with private organizations and associations, private and public corporations, and local governmental units in furtherance of the program established under this section. The commissioner shall consult with the commissioner of public safety in regard to training program subject matter and performance testing that leads to the certification of off-road vehicle operators.

Subd. 4. RECIPROCITY WITH OTHER STATES. The commissioner may enter into reciprocity agreements or otherwise certify off-road vehicle environment and safety education and training courses from other states that are substantially similar to in-state courses. Proof of completion of a course subject to a reciprocity agreement or certified as substantially similar is adequate to meet the safety certificate requirements of this section.

Sec. 29. Minnesota Statutes 2004, section 84.798, is amended by adding a subdivision to read:

Subd. 10. REFUNDS. The commissioner may issue a refund on a registration, not including any issuing fees paid under subdivision 3, paragraph (b), or section 84.027, subdivision 15, paragraph (a), clause (3), if the refund request is received within 12 months of the original registration and the vehicle was registered incorrectly by the commissioner or the deputy registrar.

Sec. 30. Minnesota Statutes 2004, section 84.82, subdivision 2, is amended to read:

Subd. 2. APPLICATION, ISSUANCE, REPORTS, ADDITIONAL FEE. (a) Application for registration or reregistration shall be made to the commissioner or an

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authorized deputy registrar of motor vehicles in a format prescribed by the commissioner and shall state the legal name and address of every owner of the snowmobile.

(b) A person who purchases a snowmobile from a retail dealer shall make application for registration to the dealer at the point of sale. The dealer shall issue a dealer temporary ten-day registration permit to each purchaser who applies to the dealer for registration. The temporary registration is valid for 60 days from the date of issue. Each retail dealer shall submit completed registration and fees to the deputy registrar at least once a 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 as hereinafter provided, ~~such snowmobile shall be registered and a~~ the commissioner or deputy registrar shall issue to the applicant, or provide to the dealer, an assigned registration number assigned which shall or a commissioner or deputy registrar temporary ten-day permit. Once issued, the registration number must be affixed to the snowmobile in a clearly visible and permanent manner for enforcement purposes as the commissioner of natural resources shall prescribe. A dealer subject to paragraph (b) shall provide the registration materials or temporary permit to the purchaser within the temporary ten-day permit period. The registration is not valid unless signed by at least one owner.

(e) ~~(d)~~ Each deputy registrar of motor vehicles acting pursuant to section 168.33, shall also be a deputy registrar of snowmobiles. The commissioner of natural resources in 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 these accounting and procedural requirements.

(d) ~~(e)~~ A fee of \$2 in addition to that otherwise prescribed by law shall be charged for:

(1) each snowmobile registered by the registrar or a deputy registrar and the additional fee shall be disposed of in the manner provided in section 168.33, subdivision 2; or

(2) each snowmobile registered by the commissioner and the additional fee shall be deposited in the state treasury and credited to the snowmobile trails and enforcement account in the natural resources fund.

Sec. 31. Minnesota Statutes 2004, section 84.82, is amended by adding a subdivision to read:

Subd. 11. REFUNDS. The commissioner may issue a refund on a registration, not including any issuing fees paid under subdivision 2, paragraph (e), or section 84.027, subdivision 15, paragraph (a), clause (3), if the refund request is received within 12 months of the original registration and:

(1) the snowmobile was registered incorrectly by the commissioner or the deputy registrar; or

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(2) the snowmobile was registered twice, once by the dealer and once by the customer.

Sec. 32. Minnesota Statutes 2004, section 84.8205, subdivision 1, is amended to read:

Subdivision 1. **STICKER REQUIRED; FEE.** A person may not operate a snowmobile that is not registered in this state on a state or grant-in-aid snowmobile trail unless a snowmobile state trail sticker is affixed to the snowmobile. The commissioner of natural resources shall issue a sticker upon application and payment of a \$15 fee. The fee for a three-year snowmobile state trail sticker that is purchased at the time of snowmobile registration is \$30. In addition to other penalties prescribed by law, a person in violation of this subdivision must purchase an annual state trail sticker for a fee of \$30. The sticker is valid from November 1 through April 30. Fees collected under this section, except for the issuing fee for licensing agents under this section and for the electronic licensing system commission established by the commissioner under section 84.027, subdivision 15, shall be deposited in the state treasury and credited to the snowmobile trails and enforcement account in the natural resources fund and must be used for grants-in-aid, trail maintenance, grooming, and easement acquisition.

EFFECTIVE DATE. This section is effective July 6, 2005.

Sec. 33. Minnesota Statutes 2004, section 84.8205, subdivision 3, is amended to read:

Subd. 3. **LICENSE AGENTS.** County auditors are appointed agents of the commissioner for the sale of snowmobile state trail stickers. The commissioner may appoint other state agencies as agents for the sale of the to issue and sell state trail stickers. A county auditor may appoint subagents within the county or within adjacent counties to sell stickers. Upon appointment of a subagent, the auditor shall notify the commissioner of the name and address of the subagent. The auditor may revoke the appointment of a subagent, and The commissioner may revoke the appointment of a state agency an agent at any time. The commissioner may require an auditor to revoke a subagent's appointment. The auditor shall furnish stickers on consignment to any subagent who furnishes a surety bond in favor of the county in an amount at least equal to the value of the stickers to be consigned to that subagent. A surety bond is not required for a state agency appointed by the commissioner. The county auditor shall be responsible for all stickers issued to and user fees received by agents except in a county where the county auditor does not retain fees paid for license purposes. In these counties, the responsibilities imposed by this section upon the county auditor are imposed upon the county. The commissioner may promulgate adopt additional rules governing the accounting and procedures for handling state trail stickers as provided in section 97A.485, subdivision 11.

Any resident desiring to sell snowmobile state trail stickers may either purchase for cash or obtain on consignment stickers from a county auditor in groups of not less

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than ten individual stickers. In selling stickers, the resident shall be deemed a subagent of the county auditor and the commissioner, and An agent shall observe all rules promulgated adopted by the commissioner for accounting and handling of licenses and stickers pursuant to section 97A.485, subdivision 11.

The county auditor An agent shall promptly deposit and remit all money received from the sale of the stickers with the county treasurer and shall promptly transmit any reports required by the commissioner, plus 96 percent of the price paid by each stickerholder, exclusive of the issuing fee, for each sticker sold or consigned by the auditor and subsequently sold to a stickerholder during the accounting period. The county auditor shall retain as a commission four percent of all sticker fees, excluding the issuing fee for stickers consigned to subagents and the issuing fee on stickers sold by the auditor to stickerholders to the commissioner.

Unsold stickers in the hands of any subagent shall be redeemed by the commissioner if presented for redemption within the time prescribed by the commissioner. Any stickers not presented for redemption within the period prescribed shall be conclusively presumed to have been sold, and the subagent possessing the same or to whom they are charged shall be accountable.

EFFECTIVE DATE. This section is effective July 6, 2005.

Sec. 34. Minnesota Statutes 2004, section 84.8205, subdivision 4, is amended to read:

Subd. 4. **DISTRIBUTION ISSUANCE OF STICKERS.** The commissioner and agents shall provide issue and sell snowmobile state trail stickers to all agents authorized to issue stickers by the commissioner.

EFFECTIVE DATE. This section is effective July 6, 2005.

Sec. 35. Minnesota Statutes 2004, section 84.8205, subdivision 6, is amended to read:

Subd. 6. **DUPLICATE STATE TRAIL STICKERS.** The commissioner and agents shall issue a duplicate sticker to persons whose sticker is lost or destroyed using the process established under section 97A.405, subdivision 3, and rules promulgated thereunder. The fee for a duplicate state trail sticker is \$2, with an issuing fee of 50 cents.

EFFECTIVE DATE. This section is effective July 6, 2005.

Sec. 36. Minnesota Statutes 2004, section 84.83, subdivision 3, is amended to read:

Subd. 3. **PURPOSES FOR THE ACCOUNT.** The money deposited in the account and interest earned on that money may be expended only as appropriated by law for the following purposes:

(1) for a grant-in-aid program to counties and municipalities for construction and maintenance of snowmobile trails, including maintenance of trails on lands and waters

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of Voyageurs National Park, on Lake of the Woods, on Rainy Lake, and on the following lakes in St. Louis County: Burntside, Crane, Little Long, Mud, Pelican, Shagawa, and Vermilion;

(2) for acquisition, development, and maintenance of state recreational snowmobile trails;

(3) for snowmobile safety programs; and

(4) for the administration and enforcement of sections 84.81 to 84.91 and appropriated grants to local law enforcement agencies.

Sec. 37. Minnesota Statutes 2004, section 84.83, subdivision 4, is amended to read:

Subd. 4. **PROVISIONS APPLICABLE TO FUNDING RECIPIENTS.** (a) Recipients of Minnesota trail assistance program funds must be afforded the same protection and be held to the same standard of liability as a political subdivision under chapter 466 for activities associated with the administration, design, construction, maintenance, and grooming of snowmobile trails.

(b) Recipients of Minnesota trail assistance program funds who maintain ice trails on public waters listed under subdivision 3, clause (1), or on waters of Voyageurs National Park are expressly immune from liability under section 466.03, subdivision 6e.

Sec. 38. Minnesota Statutes 2004, section 84.86, subdivision 1, is amended to read:

Subdivision 1. **REQUIRED RULES.** With a view of achieving maximum use of snowmobiles consistent with protection of the environment the commissioner of natural resources shall adopt rules in the manner provided by chapter 14, for the following purposes:

(1) Registration of snowmobiles and display of registration numbers.

(2) Use of snowmobiles insofar as game and fish resources are affected.

(3) Use of snowmobiles on public lands and waters, or on grant-in-aid trails.

(4) Uniform signs to be used by the state, counties, and cities, which are necessary or desirable to control, direct, or regulate the operation and use of snowmobiles.

(5) Specifications relating to snowmobile mufflers.

(6) A comprehensive snowmobile information and safety education and training program, including but not limited to the preparation and dissemination of snowmobile information and safety advice to the public, the training of snowmobile operators, and the issuance of snowmobile safety certificates to snowmobile operators who successfully complete the snowmobile safety education and training course. For the purpose of administering such program and to defray expenses of training and certifying snowmobile operators, the commissioner shall collect a fee from each person who

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receives the youth or adult training. The commissioner shall collect a fee, to include a \$1 issuing fee for licensing agents, for issuing a duplicate snowmobile safety certificate. The commissioner shall establish both fees in a manner that neither significantly overrecovers nor underrecovers costs, including overhead costs, involved in providing the services. The fees are not subject to the rulemaking provisions of chapter 14 and section 14.386 does not apply. The fees may be established by the commissioner notwithstanding section 16A.1283. The fees ~~must, except for the issuing fee for licensing agents under this subdivision, shall~~ be deposited in the snowmobile trails and enforcement account in the natural resources fund and the amount thereof, except for the electronic licensing system commission established by the commissioner under section 84.027, subdivision 15, and issuing fees collected by the commissioner, is appropriated annually to the Enforcement Division of the Department of Natural Resources for the administration of such programs. In addition to the fee established by the commissioner, instructors may charge each person up to the established fee amount for class materials and expenses. The commissioner shall cooperate with private organizations and associations, private and public corporations, and local governmental units in furtherance of the program established under this clause. School districts may cooperate with the commissioner and volunteer instructors to provide space for the classroom portion of the training. The commissioner shall consult with the commissioner of public safety in regard to training program subject matter and performance testing that leads to the certification of snowmobile operators.

(7) The operator of any snowmobile involved in an accident resulting in injury requiring medical attention or hospitalization to or death of any person or total damage to an extent of \$500 or more, shall forward a written report of the accident to the commissioner on such form as the commissioner shall prescribe. If the operator is killed or is unable to file a report due to incapacitation, any peace officer investigating the accident shall file the accident report within ten business days.

EFFECTIVE DATE. This section is effective July 6, 2005.

Sec. 39. Minnesota Statutes 2004, 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 dealer 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~~

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temporary receipt and shall assign a an assigned registration number that or a commissioner or deputy registrar temporary ten-day permit. Once issued, the registration number 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 or temporary receipt permit 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 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) In addition to other fees prescribed by law, 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 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. 40. Minnesota Statutes 2004, section 84.922, is amended by adding a subdivision to read:

Subd. 12. REFUNDS. The commissioner may issue a refund on a registration, not including any issuing fees paid under subdivision 2, paragraph (e), or section 84.027, subdivision 15, paragraph (a), clause (3), if the refund request is received within 12 months of the original registration and:

(1) the vehicle was registered incorrectly by the commissioner or the deputy registrar; or

(2) the vehicle was registered twice, once by the dealer and once by the customer.

Sec. 41. Minnesota Statutes 2004, section 84.925, subdivision 1, is amended to read:

Subdivision 1. **PROGRAM ESTABLISHED.** (a) The commissioner shall establish a comprehensive all-terrain vehicle environmental and safety education and training program, including the preparation and dissemination of vehicle information and safety advice to the public, the training of all-terrain vehicle operators, and the issuance of all-terrain vehicle safety certificates to vehicle operators over the age of 12 years who successfully complete the all-terrain vehicle environmental and safety education and training course.

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(b) For the purpose of administering the program and to defray a portion of the expenses of training and certifying vehicle operators, the commissioner shall collect a fee of \$15 from each person who receives the training. The commissioner shall collect a fee, to include a \$1 issuing fee for licensing agents, for issuing a duplicate all-terrain vehicle safety certificate. The commissioner shall establish the fee for a duplicate all-terrain vehicle safety certificate that neither significantly overrecovers nor underrecovers costs, including overhead costs, involved in providing the service. Fee proceeds, except for the issuing fee for licensing agents under this subdivision, shall be deposited in the all-terrain vehicle account in the natural resources fund. In addition to the fee established by the commissioner, instructors may charge each person the cost of class material and expenses.

(c) The commissioner shall cooperate with private organizations and associations, private and public corporations, and local governmental units in furtherance of the program established under this section. School districts may cooperate with the commissioner and volunteer instructors to provide space for the classroom portion of the training. The commissioner shall consult with the commissioner of public safety in regard to training program subject matter and performance testing that leads to the certification of vehicle operators. By June 30, 2003, the commissioner shall incorporate a riding component in the safety education and training program.

EFFECTIVE DATE. This section, except for the the last sentence in paragraph (b), is effective July 6, 2005.

Sec. 42. Minnesota Statutes 2004, section 84.925, is amended by adding a subdivision to read:

Subd. 5. **TRAINING REQUIREMENTS.** (a) An individual who was born after July 1, 1987, and who is 16 years of age or older, must successfully complete the independent study course component of all-terrain vehicle safety training before operating an all-terrain vehicle on public lands.

(b) An individual who is convicted of violating a law related to the operation of an all-terrain vehicle must successfully complete the independent study course component of all-terrain vehicle safety training before continuing operation of an all-terrain vehicle.

(c) An individual who is convicted for a second or subsequent excess speed, trespass, or wetland violation in an all-terrain vehicle season, or any conviction for careless or reckless operation of an all-terrain vehicle, must successfully complete the independent study and the testing and operating course components of all-terrain vehicle safety training before continuing operation of an all-terrain vehicle.

(d) An individual who receives three or more citations and convictions for violating a law related to the operation of an all-terrain vehicle in a two-year period must successfully complete the independent study and the testing and operating course components of all-terrain vehicle safety training before continuing operation of an all-terrain vehicle.

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(e) An individual must present evidence of compliance with this subdivision before an all-terrain vehicle registration is issued or renewed.

EFFECTIVE DATE. This section is effective January 1, 2006.

Sec. 43. Minnesota Statutes 2004, section 84.9256, subdivision 1, as amended by Laws 2005, chapter 146, section 5, is amended to read:

Subdivision 1. **PROHIBITIONS ON YOUTHFUL OPERATORS.** (a) Except for operation on public road rights-of-way that is permitted under section 84.928, a driver's license issued by the state or another state is required to operate an all-terrain vehicle along or on a public road right-of-way.

(b) A person under 12 years of age shall not:

(1) make a direct crossing of a public road right-of-way;

(2) operate an all-terrain vehicle on a public road right-of-way in the state; or

(3) operate an all-terrain vehicle on public lands or waters, except as provided in paragraph (e).

(c) Except for public road rights-of-way of interstate highways, a person 12 years of age but less than 16 years may make a direct crossing of a public road right-of-way of a trunk, county state-aid, or county highway or operate on public lands and waters, only if that person possesses a valid all-terrain vehicle safety certificate issued by the commissioner and is accompanied on another all-terrain vehicle by a person 18 years of age or older who holds a valid driver's license.

(d) To be issued an all-terrain vehicle safety certificates issued by the commissioner to persons certificate, a person at least 12 years old, but less than 16 years old, are not valid for machines in excess of 90cc engine capacity unless must:

(1) ~~the person successfully completed~~ complete the safety education and training program under section 84.925, subdivision 1, including a riding component; and

(2) ~~the person is~~ be able to properly reach and control the handle bars and reach the foot pegs while sitting upright on the seat of the all-terrain vehicle.

(e) A person at least ten years of age but under 12 years of age may operate an all-terrain vehicle with an engine capacity up to 90cc on public lands or waters if accompanied by a parent or legal guardian.

Sec. 44. Minnesota Statutes 2004, section 84.9257, is amended to read:

84.9257 PASSENGERS.

(a) A parent or guardian may operate an all-terrain vehicle carrying one passenger who is under 16 years of age and who wears a safety helmet approved by the commissioner of public safety.

(b) For the purpose of this section, "guardian" means a legal guardian of a person under age 16, or a person 18 or older who has been authorized by the parent or legal

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guardian to supervise the person under age 16.

(c) A person 18 years of age or older may operate an all-terrain vehicle carrying one passenger who is 16 or 17 years of age and wears a safety helmet approved by the commissioner of public safety.

(d) A person 18 years of age or older may operate an all-terrain vehicle carrying one passenger who is 18 years of age or older.

Sec. 45. Minnesota Statutes 2004, section 84.926, is amended to read:

84.926 VEHICLE USE ALLOWED ON PUBLIC LANDS BY THE COMMISSIONER; EXCEPTIONS.

Subdivision 1. EXCEPTION BY PERMIT. Notwithstanding ~~section~~ sections 84.773, subdivision 1, and 84.777, on a case by case basis, the commissioner may 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.

Subd. 2. ALL-TERRAIN VEHICLES; MANAGED OR LIMITED FORESTS; OFF TRAIL. Notwithstanding section 84.777, but subject to the commissioner's authority under subdivision 5, on state forest lands classified as managed or limited, other than the Richard J. Dorer Memorial Hardwood Forest, a person may use an all-terrain vehicle off forest trails or forest roads when:

(1) hunting big game or transporting or installing hunting stands during October, November, and December, when in possession of a valid big game hunting license;

(2) retrieving big game in September, when in possession of a valid big game hunting license;

(3) tending traps during an open trapping season for protected furbearers, when in possession of a valid trapping license; or

(4) trapping minnows, when in possession of a valid minnow dealer, private fish hatchery, or aquatic farm license.

Subd. 3. ALL-TERRAIN VEHICLES; CLOSED FORESTS; HUNTING. Notwithstanding section 84.777, the commissioner may determine whether all-terrain vehicles are allowed on specific forest roads, on state forest lands classified as closed, for the purpose of hunting big game during an open big game season. The determination shall be by written order as published in the State Register and is exempt from chapter 14. Section 14.386 does not apply.

Subd. 4. OFF-ROAD AND ALL-TERRAIN VEHICLES; LIMITED OR MANAGED FORESTS; TRAILS. Notwithstanding section 84.777, but subject to the commissioner's authority under subdivision 5, on state forest lands classified as limited or managed, other than the Richard J. Dorer Memorial Hardwood Forest, a person may use vehicles registered under chapter 168 or section 84.798 or 84.922 on forest trails that are not designated for a specific use when:

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(1) hunting big game or transporting or installing hunting stands during October, November, and December, when in possession of a valid big game hunting license;

(2) retrieving big game in September, when in possession of a valid big game hunting license;

(3) tending traps during an open trapping season for protected furbearers, when in possession of a valid trapping license; or

(4) trapping minnows, when in possession of a valid minnow dealer, private fish hatchery, or aquatic farm license.

Subd. 5. LIMITATIONS ON OFF-TRAIL AND UNDESIGNATED TRAIL USE. The commissioner may designate areas on state forest lands that are not subject to the exceptions provided in subdivisions 2 and 4. Such designations are not subject to the rulemaking provisions of chapter 14 and section 14.386 does not apply. Before designating such areas, the commissioner shall hold a public meeting in the county where the largest portion of the forest lands are located to provide information to and receive comment from the public regarding the proposed designation. Sixty days before the public meeting, notice of the proposed designation shall be published in the legal newspapers that serve the counties in which the lands are located, in a statewide Department of Natural Resources news release, and in the State Register.

Sec. 46. Minnesota Statutes 2004, 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 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 restrictions in paragraphs (a), (b), (g), (h), and (i) do not apply to the operation of an all-terrain vehicle on the shoulder, inside bank or slope, ditch, or outside bank or slope of a trunk, interstate, county state-aid, or county highway when the all-terrain vehicle is:

(1) owned by or operated under contract with a publicly or privately owned utility or pipeline company; and

(2) used for work on utilities or pipelines.

(d) 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;

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- (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~~) (e) 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.

(~~e~~) (f) 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.

(~~f~~) (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 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~~) (h) 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~~) (i) 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. 47. Minnesota Statutes 2004, section 84.928, subdivision 2, is amended to read:

Subd. 2. **OPERATION GENERALLY.** A person may not drive or operate an all-terrain vehicle:

- (1) at a rate of speed greater than reasonable or proper under the surrounding circumstances;
- (2) in a careless, reckless, or negligent manner so as to endanger or to cause injury or damage to the person or property of another;
- (3) without headlight and taillight lighted at all times if the vehicle is equipped with headlight and taillight;
- (4) without a functioning stoplight if so equipped;
- (5) in a tree nursery or planting in a manner that damages or destroys growing stock;

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(6) without a brake operational by either hand or foot;

(7) with more persons than one person on the vehicle than it was designed for, except as allowed under section 84.9257;

(8) at a speed exceeding ten miles per hour on the frozen surface of public waters within 100 feet of a person not on an all-terrain vehicle or within 100 feet of a fishing shelter; or

(9) with a snorkel device that has a raised air intake six inches or more above the vehicle manufacturer's original air intake, except within the Iron Range Off-Highway Vehicle Recreation Area as described in section 85.013, subdivision 12a, or other public off-highway vehicle recreation areas; or

(10) in a manner that violates operation rules adopted by the commissioner.

Sec. 48. Minnesota Statutes 2004, section 84D.03, subdivision 4, is amended to read:

Subd. 4. COMMERCIAL FISHING AND TURTLE, FROG, AND CRAYFISH HARVESTING RESTRICTIONS IN INFESTED AND NONINFESTED WATERS.

(a) All nets, traps, buoys, anchors, stakes, and lines used for commercial fishing or turtle, frog, or crayfish harvesting in an infested waters, water that is designated because the waters contain it contains invasive fish or invertebrates, may not be used in ~~noninfested~~ any other waters. If a commercial licensee operates in both ~~noninfested waters and an infested waters water~~ designated because the waters contain it contains invasive fish or invertebrates and other waters, all nets, traps, buoys, anchors, stakes, and lines used for commercial fishing or turtle, frog, or crayfish harvesting in ~~noninfested waters not designated as infested with invasive fish or invertebrates~~ must be tagged with tags provided by the commissioner, as specified in the commercial licensee's license or permit, and may not be used in infested waters designated because the waters contain invasive fish or invertebrates.

(b) In infested waters designated solely because the waters contain Eurasian water milfoil, All nets, traps, buoys, anchors, stakes, and lines used for commercial fishing or turtle, frog, or crayfish harvesting in an infested water that is designated solely because it contains Eurasian water milfoil must be dried for a minimum of ten days or frozen for a minimum of two days before they are used in noninfested any other waters, except as provided in this paragraph. Commercial operators licensees must notify the department's regional or area fisheries office or a conservation officer when before removing nets or equipment from an infested waters water designated solely because it contains Eurasian water milfoil and before resetting those nets or equipment in noninfested any other waters. All aquatic macrophytes Upon notification, the commissioner may authorize a commercial licensee to move nets or equipment to another water without freezing or drying, if that water is designated as infested solely because it contains Eurasian water milfoil.

(c) A commercial licensee must be removed remove all aquatic macrophytes from nets and other equipment when the nets and equipment are removed from infested waters of the state.

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(d) The commissioner shall provide a commercial licensee with a current listing of designated infested waters at the time that a license or permit is issued.

Sec. 49. Minnesota Statutes 2004, section 85.015, subdivision 5, is amended to read:

Subd. 5. **GLACIAL LAKES TRAIL, KANDIYOHI, POPE, AND DOUGLAS COUNTIES.** (a) The trail shall originate at Kandiyohi County Park on the north shore of Green Lake in Kandiyohi County and thence extend northwesterly to Sibley State Park, thence northwesterly to Glacial Lakes State Park in Pope County, thence northeasterly to Lake Carlos State Park in Douglas County, and there terminate.

(b) Trails may be established that extend the Glacial Lakes Trail system from New London to Cold Spring.

(c) The trail shall be developed primarily for riding and hiking.

Sec. 50. Minnesota Statutes 2004, 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 January 1 of 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 purchased 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.

Sec. 51. Minnesota Statutes 2004, section 85.053, subdivision 2, is amended to read:

Subd. 2. **REQUIREMENT.** Except as provided in section 85.054, a motor vehicle may not enter a state park, state recreation area, or state wayside over 50 acres in area, without a state park permit issued under this section. Except for vehicles permitted under subdivision 7, paragraph (a), clause (2), the state park permit must be affixed to the lower right corner windshield of the motor vehicle and must be

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completely affixed by its own adhesive to the windshield, or the commissioner may, by written order, provide an alternative means to display and validate annual permits.

Sec. 52. Minnesota Statutes 2004, section 85.054, subdivision 1, is amended to read:

Subdivision 1. **STATE PARK OPEN HOUSE DAY.** (a) A state park permit is not required for a motor vehicle to enter a state park, state monument, state recreation area, or state wayside, on one day each calendar year at each park, which the commissioner may designate as State Park Open House Day. The commissioner may designate two consecutive days as State Park Open House Day, if the open house is held in conjunction with a special pageant described in section 85.052, subdivision 2.

(b) The commissioner shall announce the date of each state park open house day at least 30 days in advance of the date it occurs.

(c) The state park open house day is to acquaint the public with state parks, recreation areas, and waysides.

Sec. 53. Minnesota Statutes 2004, section 85.054, is amended by adding a subdivision to read:

Subd. 11. **BIG BOG STATE RECREATION AREA.** A state park permit is not required and a fee may not be charged for motor vehicle entry or parking at the parking area located north of Tamarac River in the southern unit of Big Bog State Recreation Area, Beltrami County.

Sec. 54. Minnesota Statutes 2004, section 85.055, is amended by adding a subdivision to read:

Subd. 1b. **DISCOUNTS.** Except as otherwise specified in law, and notwithstanding section 16A.1285, subdivision 2, the commissioner may by written order authorize waiver or reduction of state park entrance fees.

Sec. 55. Minnesota Statutes 2004, section 85.055, subdivision 2, is amended to read:

Subd. 2. **FEE DEPOSIT AND APPROPRIATION.** The fees collected under this section shall be deposited in the natural resources fund and credited to a the state parks account. Money in the account, except for the electronic licensing system commission established by the commissioner under section 84.027, subdivision 15, is available for appropriation to the commissioner to operate and maintain the state park system.

EFFECTIVE DATE. This section is effective July 6, 2005.

Sec. 56. Minnesota Statutes 2004, section 85.42, is amended to read:

85.42 USER FEE; VALIDITY.

(a) The fee for an annual cross-country ski pass is \$9 \$14 for an individual age 16 and over. The fee for a three-year pass is \$24 \$39 for an individual age 16 and over.

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This fee shall be collected at the time the pass is purchased. Three-year passes are valid for three years beginning the previous July 1. Annual passes are valid for one year beginning the previous July 1.

(b) The cost for a daily cross-country skier pass is \$2 ~~\$4~~ for an individual age 16 and over. This fee shall be collected at the time the pass is purchased. The daily pass is valid only for the date designated on the pass form.

(c) A pass must be signed by the skier across the front of the pass to be valid and becomes nontransferable on signing.

Sec. 57. Minnesota Statutes 2004, section 85.43, is amended to read:

85.43 DISPOSITION OF RECEIPTS; PURPOSE.

(a) Fees from cross-country ski passes shall be deposited in the state treasury and credited to a cross-country ski account in the natural resources fund and, ~~except as provided in paragraph (b) for the electronic licensing system commission established by the commissioner under section 84.027, subdivision 15, are appropriated to the commissioner of natural resources for:~~

(1) grants-in-aid for cross-country ski trails sponsored by local units of government and special park districts as provided in section 85.44; and

(2) ~~maintenance, winter grooming, and associated administrative costs for cross-country ski trails under the jurisdiction of the commissioner.~~

(b) ~~The commissioner shall retain for the operation of the electronic licensing system a commission of 4.7 percent of all cross-country ski pass fees collected.~~

EFFECTIVE DATE. This section is effective July 6, 2005.

Sec. 58. Minnesota Statutes 2004, section 86B.415, subdivision 1, is amended to read:

Subdivision 1. **WATERCRAFT 19 FEET OR LESS.** The fee for a watercraft license for watercraft 19 feet or less in length is \$18 ~~\$27~~ except:

(1) for watercraft, other than personal watercraft, 19 feet in length or less that is offered for rent or lease, the fee is \$6 ~~\$9~~;

(2) for a canoe, kayak, sailboat, sailboard, paddle boat, or rowing shell 19 feet in length or less, the fee is \$7 ~~\$10.50~~;

(3) for a watercraft 19 feet in length or less used by a nonprofit corporation for teaching boat and water safety, the fee is as provided in subdivision 4;

(4) for a watercraft owned by a dealer under a dealer's license, the fee is as provided in subdivision 5;

(5) for a personal watercraft, the fee is \$25 ~~\$37.50~~; and

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(6) for a watercraft less than 17 feet in length, other than a watercraft listed in clauses (1) to (5), the fee is ~~\$12~~ \$18.

Sec. 59. Minnesota Statutes 2004, section 86B.415, subdivision 2, is amended to read:

Subd. 2. **WATERCRAFT OVER 19 FEET.** Except as provided in subdivisions 3, 4, and 5, the watercraft license fee:

(1) for a watercraft more than 19 feet but less than 26 feet in length is ~~\$30~~ \$45;

(2) for a watercraft 26 feet but less than 40 feet in length is ~~\$45~~ \$67.50; and

(3) for a watercraft 40 feet in length or longer is ~~\$60~~ \$90.

Sec. 60. Minnesota Statutes 2004, section 86B.415, subdivision 3, is amended to read:

Subd. 3. **WATERCRAFT OVER 19 FEET FOR HIRE.** The license fee for a watercraft more than 19 feet in length for hire with an operator is ~~\$50~~ \$75 each.

Sec. 61. Minnesota Statutes 2004, section 86B.415, subdivision 4, is amended to read:

Subd. 4. **WATERCRAFT USED BY NONPROFIT CORPORATION FOR TEACHING.** The watercraft license fee for a watercraft used by a nonprofit organization for teaching boat and water safety is ~~\$3~~ \$4.50 each.

Sec. 62. Minnesota Statutes 2004, section 86B.415, subdivision 5, is amended to read:

Subd. 5. **DEALER'S LICENSE.** There is no separate fee for watercraft owned by a dealer under a dealer's license. The fee for a dealer's license is ~~\$45~~ \$67.50.

Sec. 63. Minnesota Statutes 2004, section 86B.415, subdivision 6, is amended to read:

Subd. 6. **TRANSFER OR DUPLICATE LICENSE.** The fee to transfer a watercraft license or be issued a duplicate license is ~~\$3~~ \$4.50.

Sec. 64. Minnesota Statutes 2004, section 86B.415, is amended by adding a subdivision to read:

Subd. 11. **REFUNDS.** The commissioner may issue a refund on a license or title, not including any issuing fees paid under subdivision 8 or section 84.027, subdivision 15, paragraph (a), clause (3), or 86B.870, subdivision 1, paragraph (b), if the refund request is received within 12 months of the original license or title and:

(1) the watercraft was licensed or titled incorrectly by the commissioner or the deputy registrar;

(2) the customer was incorrectly charged a title fee; or

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(3) the watercraft was licensed or titled twice, once by the dealer and once by the customer.

Sec. 65. [86B.706] WATER RECREATION ACCOUNT; RECEIPTS AND PURPOSE.

Subdivision 1. CREATION. The water recreation account is created in the state treasury in the natural resources fund.

Subd. 2. MONEY DEPOSITED IN ACCOUNT. The following shall be deposited in the state treasury and credited to the water recreation account:

- (1) fees and surcharges from titling and licensing of watercraft under this chapter;
- (2) fines, installment payments, and forfeited bail according to section 86B.705, subdivision 2;
- (3) civil penalties according to section 84D.13;
- (4) mooring fees and receipts from the sale of marine gas at state-operated or state-assisted small craft harbors and mooring facilities according to section 86A.21;
- (5) the unrefunded gasoline tax attributable to watercraft use under section 296A.18; and
- (6) fees for permits issued to control or harvest aquatic plants other than wild rice under section 103G.615, subdivision 2.

Subd. 3. PURPOSES. The money in the account may be expended only as appropriated by law for the following purposes:

- (1) as directed under section 296A.18, subdivision 2, for acquisition, development, maintenance, and rehabilitation of public water access and boating facilities on public waters; lake and river improvements; and boat and water safety;
- (2) from the fees collected at state-operated or state-assisted small craft harbors and mooring facilities from daily and seasonal moorings and the sale of marine gas, for maintenance, operation, replacement, and expansion of these facilities and for the debt service on state bonds sold to finance these facilities;
- (3) for administration and enforcement of this chapter as it pertains to titling and licensing of watercraft and use and safe operation of watercraft; grants for county-sponsored and administered boat and water safety programs; and state boat and water safety efforts;
- (4) for management of aquatic invasive species and the implementation of chapter 84D as it pertains to aquatic invasive species, including control, public awareness, law enforcement, assessment and monitoring, management planning, and research; and
- (5) for management of aquatic plants and the implementation of section 103G.615 as it pertains to aquatic plants, including plant removal permitting, control, public

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awareness, law enforcement, assessment and monitoring, management planning, and research.

Sec. 66. Minnesota Statutes 2004, section 88.17, subdivision 1, is amended to read:

Subdivision 1. **PERMIT REQUIRED.** (a) A permit to start a fire to burn vegetative materials and other materials allowed by Minnesota Statutes or official state rules and regulations may be given by the commissioner or the commissioner's agent. This permission shall be in the form of:

(1) a written permit signed issued by a forest officer, fire warden, authorized Minnesota pollution control agent, or other person authorized by the forest officer, or town fire warden, and commissioner; or

(2) an electronic permit issued by the commissioner, an agent authorized by the commissioner, or an Internet site authorized by the commissioner.

(b) Burning permits shall set the time and conditions by which the fire may be started and burned. The permit shall also specifically list the materials that may be burned. The permittee must have the permit on their person and shall produce the permit for inspection when requested to do so by a forest officer, town fire warden, conservation officer, or other peace officer. The permittee shall remain with the fire at all times and before leaving the site shall completely extinguish the fire. A person shall not start or cause a fire to be started on any land that is not owned or under their legal control without the written permission of the owner, lessee, or an agent of the owner or lessee of the land. Violating or exceeding the permit conditions shall constitute a misdemeanor and shall be cause for the permit to be revoked.

Sec. 67. Minnesota Statutes 2004, section 88.17, is amended by adding a subdivision to read:

Subd. 4. ACCOUNT CREATED. There is created in the state treasury a burning permit account within the natural resources fund where all fees collected under this section shall be deposited.

Sec. 68. Minnesota Statutes 2004, section 88.17, is amended by adding a subdivision to read:

Subd. 5. PERMIT FEES. (a) The annual fees for an electronic burning permit are:

(1) \$5 for a noncommercial burning permit; and

(2) for commercial enterprises that obtain multiple permits, \$5 per permit for each burning site, up to a maximum of \$50 per individual business enterprise per year.

(b) Except for the issuing fee under paragraph (c), and for the electronic licensing system commission established by the commissioner under section 84.027, subdivision 15, money received from permits issued under this section shall be deposited in the state treasury and credited to the burning permit account and is annually appropriated

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to the commissioner of natural resources for the costs of operating the burning permit system.

(c) Of the fee amount collected under paragraph (a), \$1 shall be retained by the permit agent as a commission for issuing electronic permits.

(d) Fire wardens who issue written permits may charge a fee of up to \$1 for each permit issued, to be retained by the fire warden as a commission for issuing the permit. This paragraph does not limit a local government unit from charging an administrative fee for issuing open burning permits within its jurisdiction.

Sec. 69, Minnesota Statutes 2004, section 88.6435, subdivision 4, is amended to read:

Subd. 4. FOREST BOUGH ACCOUNT; DISPOSITION OF PERMIT FEES AND PENALTIES. (a) The forest bough account is established in the state treasury within the natural resources fund.

(b) Fees for permits issued under this section shall be deposited in the state treasury and credited to the special revenue fund forest bough account and, except for the electronic licensing system commission established by the commissioner under section 84.027, subdivision 15, are annually appropriated to the commissioner of natural resources for costs associated with balsam bough educational programs for harvesters and buyers.

EFFECTIVE DATE. This section is effective July 6, 2005.

Sec. 70, Minnesota Statutes 2004, section 89.039, subdivision 1, is amended to read:

Subdivision 1. ACCOUNT ESTABLISHED; SOURCES. The forest management investment account is created in the natural resources fund in the state treasury and money in the account may be spent only for the purposes provided in subdivision 2. The following revenue shall be deposited in the forest management investment account:

(1) timber sales receipts transferred from the consolidated conservation areas account as provided in section 84A.51, subdivision 2;

(2) timber sales receipts from forest lands as provided in section 89.035; and

(3) money transferred from the forest suspense account according to section 16A.125, subdivision 5; and

(4) interest accruing from investment of the account.

Sec. 71, Minnesota Statutes 2004, section 89.19, subdivision 2, is amended to read:

Subd. 2. RULEMAKING EXEMPTION. Designations of forest trails and changes to the designations by the commissioner shall be by written order published in the State Register. Designations and changes to designations are not subject to the

rulemaking provisions of chapter 14 and section 14.386 does not apply. Before designating or changing a designation of forest trails, the commissioner shall hold a public meeting in the county where the largest portion of the forest lands are located to provide information to and receive comment from the public regarding the proposed trail designation or change in designation. Sixty days before the public meeting, notice of the proposed forest trail designation or change in designation shall be published in the legal newspapers that serve the counties in which the lands are located, in a statewide Department of Natural Resources news release, and in the State Register.

Sec. 72. Minnesota Statutes 2004, section 89.36, subdivision 2, is amended to read:

Subd. 2. **PURCHASE OF STOCK.** The commissioner of natural resources may purchase tree planting stock for the purposes herein authorized under the provisions of sections 89.35 to 89.39, or any other applicable law now or hereafter in force. The commissioner must give preference for Minnesota grown planting stock.

Sec. 73. Minnesota Statutes 2004, section 89.37, subdivision 4, is amended to read:

Subd. 4. **PROCEEDS OF SALE.** All money received in payment for tree planting stock supplied under this section shall be deposited in the state treasury and credited to a forest nursery account and are available to the commissioner of natural resources for the purposes of sections 89.35 to 89.37, including up to \$250,000 per year for forestry education and technical assistance.

Sec. 74. Minnesota Statutes 2004, section 90.195, is amended to read:

90.195 SPECIAL USE PERMIT.

The commissioner may issue a permit to salvage or cut not to exceed 12 cords of fuelwood per year for personal use from either or both of the following sources: (1) dead, down, and diseased trees; (2) other trees that are of negative value under good forest management practices. The permits may be issued for a period not to exceed one year. The commissioner shall charge a fee, not less than \$5, in an amount up to the stumpage for the permit that shall cover the commissioner's cost of issuing the permit and shall not exceed the current market value of fuelwood of similar species, grade, and volume that is being sold in the area where the salvage or cutting is authorized under the permit.

Sec. 75. Minnesota Statutes 2004, section 92.03, subdivision 4, is amended to read:

Subd. 4. **INTERNAL IMPROVEMENT LANDS.** When lands donated to the state under the eighth section of an act of Congress entitled "An act to appropriate the proceeds of the sales of the public lands, and to grant preemption rights," approved September 4, 1841, must be are sold and, the money derived from its sale must be invested, as provided by the Minnesota Constitution, article XI, section 8.

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Sec. 76. [92.685] LAND MANAGEMENT ACCOUNT.

The land management account is created in the natural resources fund. Money credited to the account is appropriated annually to the commissioner of natural resources for the Lands and Minerals Division to administer the road easement program under section 84.631.

Sec. 77. [93.2236] MINERALS MANAGEMENT ACCOUNT.

(a) The minerals management account is created as an account in the natural resources fund. Interest earned on money in the account accrues to the account. Money in the account may be spent or distributed only as provided in paragraphs (b) and (c).

(b) If the balance in the minerals management account exceeds \$3,000,000 on June 30, the amount exceeding \$3,000,000 must be distributed to the permanent school fund and the permanent university fund. The amount distributed to each fund must be in the same proportion as the total mineral lease revenue received in the previous biennium from school trust lands and university lands.

(c) Subject to appropriation by the legislature, money in the minerals management account may be spent by the commissioner of natural resources for mineral resource management and projects to enhance future mineral income and promote new mineral resource opportunities.

Sec. 78. Minnesota Statutes 2004, section 94.342, subdivision 1, is amended to read:

Subdivision 1. **CLASS A.** All land owned by the state and controlled or administered by the commissioner or by any division ~~or agency~~ of the Department of Natural Resources shall be known as Class A land for the purposes of sections 94.341 to 94.347. Class A land shall include school, swamp, internal improvement, and other land granted to the state by acts of Congress, state forest land, tax-forfeited land held by the state free from any trust in favor of taxing districts, and other land acquired by the state in any manner and controlled or administered as aforesaid; but this enumeration shall not be deemed exclusive.

Sec. 79. Minnesota Statutes 2004, section 94.342, subdivision 3, is amended to read:

Subd. 3. **CLASS C ADDITIONAL RESTRICTIONS ON RIPARIAN LAND.** Land bordering on or adjacent to any meandered or other public waters and withdrawn from sale by law is ~~Class C riparian land.~~ Class C Riparian land may not be given in exchange unless expressly authorized by the legislature or unless through the same exchange the state acquires land on the same or other public waters in the same general vicinity affording at least equal opportunity for access to the waters and other riparian use by the public; provided, that any exchange with the United States or any agency thereof may be made free from this limitation upon condition that the state land given in exchange bordering on public waters shall be subject to reservations by the state for public travel along the shores as provided by section 92.45, unless waived as provided in this subdivision, and that there shall be reserved by the state such additional rights of public use upon suitable portions of such state land as the commissioner of natural

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resources, with the approval of the Land Exchange Board, may deem necessary or desirable for camping, hunting, fishing, access to the water, and other public uses. In regard to Class B or Class C riparian land that is contained within that portion of the Superior National Forest that is designated as the Boundary Waters Canoe Area Wilderness, the condition that state land given in exchange bordering on public waters must be subject to the public travel reservations provided in section 92.45, may be waived by the Land Exchange Board upon the recommendation of the commissioner of natural resources and, if the land is Class B land, the additional recommendation of the county board in which the land is located.

Sec. 80. Minnesota Statutes 2004, section 94.342, subdivision 4, is amended to read:

Subd. 4. **ADDITIONAL RESTRICTIONS ON STATE PARK LAND.** Land specifically designated by law as a state park may not be given in exchange unless the land is school trust land that is exchanged for Class A or Class C land located outside a state park.

Sec. 81. Minnesota Statutes 2004, section 94.342, subdivision 5, is amended to read:

Subd. 5. **ADDITIONAL RESTRICTIONS ON SCHOOL TRUST LAND.** School trust land may be exchanged with other state Class A land only if the Permanent School Fund Advisory Committee is appointed as temporary trustee of the school trust land for purposes of the exchange. The committee shall provide independent legal counsel to review the exchanges.

Sec. 82. Minnesota Statutes 2004, section 94.343, subdivision 1, is amended to read:

Subdivision 1. **GENERAL EXCHANGE PROVISIONS.** ~~Except as otherwise herein provided,~~ (a) Any Class A land may, with the unanimous approval of the board, be exchanged for any publicly held or privately owned land in the manner and subject to the conditions herein prescribed. Class A land may be exchanged only if it meets the requirements of subdivision 3 or 5.

(b) The commissioner, with the approval of the board, shall formulate general programs of exchange of Class A land designed to serve the best interests of the state in the acquisition, development, and use of lands for purposes within the province of the Department of Natural Resources.

Sec. 83. Minnesota Statutes 2004, section 94.343, is amended by adding a subdivision to read:

Subd. 2a. **VALUATION OF LAND.** The commissioner shall cause the state land and the land proposed to be exchanged therefor to be examined and value determined as provided in section 84.0272; provided, that in exchanges with the United States or any agency thereof the examination and value determination may be made in the manner as the Land Exchange Board may direct. The determined values shall not be

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conclusive, but shall be taken into consideration by the commissioner and the board, together with such other matters as they deem material, in determining the values for the purposes of exchange.

Sec. 84. Minnesota Statutes 2004, section 94.343, subdivision 3, is amended to read:

Subd. 3. **EXCHANGING LAND OF SUBSTANTIALLY EQUAL VALUE REQUIRED OR LOWER VALUE.** (a) Except as otherwise herein provided, Class A land shall be exchanged only for land of at least substantially equal value to the state, as determined by the commissioner, with the approval of the board. ~~For the purposes of such determination, the commissioner shall cause the state land and the land proposed to be exchanged therefor to be examined and appraised by qualified state appraisers as provided in section 84.0272; provided, that in exchanges with the United States or any agency thereof the examination and appraisal may be made in such manner as the Land Exchange Board may direct. The appraisers shall determine the fair market value of the lands involved, disregarding any minimum value fixed for state land by the state Constitution or by law, and shall make a report thereof, together with such other pertinent information respecting the use and value of the lands to the state as they deem pertinent or as the commissioner or the board may require. Such reports shall be filed and preserved in the same manner as other reports of appraisal of state lands. The appraised values shall not be conclusive, but shall be taken into consideration by the commissioner and the board, together with such other matters as they deem material, in determining the values for the purposes of exchange.~~

(b) For the purposes of this subdivision, "substantially equal value" means:

(1) where the lands being exchanged are both over 100 acres, their values do not differ by more than ten percent; and

(2) in other cases, the values of the exchanged lands do not differ by more than 20 percent.

(c) Other than school trust land, Class A land may be exchanged for land of lesser value if the other party to the exchange pays to the state the amount of the difference in value. Money received by the commissioner in such cases shall be credited to the same fund as in the case of sale of the land, if such a fund exists, otherwise to the special fund, if any, from which the cost of the land was paid, otherwise to the general fund.

Sec. 85. Minnesota Statutes 2004, section 94.343, subdivision 7, is amended to read:

Subd. 7. **PUBLIC HEARING.** Before giving final approval to any exchange of Class A land, the ~~board~~ commissioner shall hold a public hearing thereon at the capital city or at some place which it may designate in the general area where the lands involved are situated; provided, that the board may direct such hearing to be held in its behalf by any of its members or by the commissioner or by a referee appointed by the board. The commissioner shall furnish to the auditor of each county affected a notice

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of the hearing signed by the state auditor as secretary of the board commissioner, together with a list of all the lands proposed to be exchanged and situated in the county, and the county auditor shall post the same in the auditor's office at least two weeks before the hearing. The county auditor ~~commissioner~~ shall also cause a copy of the notice, referring to the list of lands posted, to be published at least two weeks before the hearing in a legal newspaper published in the county. The cost of publication of the notice shall be paid by the state out of any moneys appropriated for the expenses of the board commissioner.

Sec. 86. Minnesota Statutes 2004, section 94.343, subdivision 8, is amended to read:

Subd. 8. **PROPOSALS FOR EXCHANGE.** The commissioner, with the approval of the board, may submit a proposal for exchange of Class A land to any land owner concerned. Any land owner may submit to the commissioner and the board a proposal for exchange in such form as the commissioner, with the approval of the board, may prescribe.

Sec. 87. Minnesota Statutes 2004, section 94.343, is amended by adding a subdivision to read:

Subd. 8a. **FEES.** (a) When a private landowner or governmental unit, except the state, presents to the commissioner an offer to exchange privately or publicly held land for Class A land, the private landowner or governmental unit shall pay to the commissioner a determination of value fee and survey fee of not less than one-half of the cost of the determination of value and survey fees as determined by the commissioner.

(b) Except as provided in paragraph (c), any payment made under paragraph (a) shall be credited to the account from which the expenses are paid and is appropriated for expenditure in the same manner as other money in the account.

(c) The fees shall be refunded if the land exchange offer is withdrawn by a private landowner or governmental unit before the money is obligated to be spent.

Sec. 88. Minnesota Statutes 2004, section 94.343, subdivision 10, is amended to read:

Subd. 10. **CONVEYANCE.** Conveyance of Class A land given in exchange shall be made by deed executed by the commissioner in the name of the state, with a certificate of unanimous approval by the board appended. All such deeds received by the state shall be recorded or registered in the county in which the lands lie, and all recorded deeds and certificates of registered title shall be filed in the office having custody of the state public land records in the Department of Natural Resources.

Sec. 89. Minnesota Statutes 2004, section 94.344, subdivision 1, is amended to read:

Subdivision 1. **GENERAL EXCHANGE PROVISIONS.** ~~Except as otherwise provided,~~ Class B land, by resolution of the county board of the county where the land

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is located and with the unanimous approval of the Land Exchange Board, may be exchanged for any publicly held or privately owned land in the same county. Class B land may be exchanged only if it meets the requirements of subdivision 3 or 5.

Sec. 90. Minnesota Statutes 2004, section 94.344, is amended by adding a subdivision to read:

Subd. 2a. VALUATION OF LANDS. For an exchange involving Class B land for Class A land, the value of the lands shall be determined by the commissioner, with approval of the Land Exchange Board. For purposes of the determination, the commissioner shall determine the value of the state and tax-forfeited land proposed to be exchanged in the same manner as Class A land. For all other purposes, the county board shall appraise the state land and the land in the proposed exchange in the same manner as tax-forfeited land to be offered for sale. The determined values shall not be conclusive, but shall be taken into consideration, together with such other matters as may be deemed material, in determining the values for the purposes of exchange.

Sec. 91. Minnesota Statutes 2004, section 94.344, subdivision 3, is amended to read:

Subd. 3. EXCHANGING LAND OF SUBSTANTIALLY EQUAL VALUE REQUIRED OR LOWER VALUE. (a) Except as otherwise provided, Class B land may be exchanged only for land of substantially equal value or greater value to the state, as determined by the county board, with the approval of the commissioner and the Land Exchange Board. For an exchange involving Class B land for Class A or Class C land, the value of the lands shall be determined by the commissioner, with approval of the Land Exchange Board. For purposes of the determination, the commissioner shall appraise the state and tax-forfeited land proposed to be exchanged in the same manner as Class A land. For all other purposes, the county board shall appraise the state land and the land in the proposed exchange in the same manner as tax-forfeited land to be offered for sale. The appraised values shall not be conclusive, but shall be taken into consideration, together with such other matters as may be deemed material, in determining the values for the purposes of exchange.

(b) For the purposes of this subdivision, "substantially equal value" means:

(1) where the lands being exchanged are both over 100 acres, their values do not differ by more than ten percent; and

(2) in other cases, the values of the exchanged lands do not differ by more than 20 percent.

(c) Class B land may be exchanged for land of lesser value if the other party to the exchange pays to the state the amount of the difference in value. Money received by the county treasurer shall be disposed of in like manner as the proceeds of a sale of tax-forfeited land.

Sec. 92. Minnesota Statutes 2004, section 94.344, subdivision 5, is amended to read:

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

Subd. 5. **OBTAINING EXCHANGING LAND OF GREATER VALUE.** (a) Class B land may be exchanged for land of greater value only in ease if the other party to the exchange shall waive waives payment for the difference.

(b) Except for Class A school trust land, Class B land may be exchanged for Class A land of greater value if the county pays to the state the difference in value.

(c) Class B land may be exchanged for United States-owned land of greater value if the county agrees to pay the difference in value.

Sec. 93. Minnesota Statutes 2004, section 94.344, subdivision 8, is amended to read:

Subd. 8. **PROPOSALS FOR EXCHANGE.** By direction of the county board, the county auditor may submit a proposal for exchange of Class B land to any land owner concerned. Any land owner may file with the county auditor a proposal for exchange for consideration by the county board. ~~Forms for such proposals shall be prescribed by the commissioner.~~

Sec. 94. Minnesota Statutes 2004, section 94.344, subdivision 10, is amended to read:

Subd. 10. **APPROVAL; CONVEYANCE.** After approval by the county board, every proposal for the exchange of Class B land shall be transmitted to the commissioner in such form and with such information as the commissioner may prescribe for consideration by the commissioner and by the board. The county attorney's opinion on the title, with the abstract and other evidence of title, if any, shall accompany the proposal. If the proposal be is approved by the commissioner and the board and the title be is approved by the attorney general, the same shall be certified to the commissioner of revenue, who shall execute a deed in the name of the state conveying the land given in exchange, with a certificate of unanimous approval by the board appended, and transmit the deed to the county auditor to be delivered upon receipt of a deed conveying to the state the land received in exchange, approved by the county attorney; provided, that if any amount is due the state under the terms of the exchange, the deed from the state shall not be executed or delivered until such amount is paid in full and a certificate thereof by the county auditor is filed with the commissioner of revenue. The county auditor shall cause all deeds received by the state in such exchanges to be recorded or registered, and thereafter shall file the deeds or the certificates of registered title in the auditor's office. If the land received by the county in the exchange is either Class A or Class C land, the commissioner of revenue shall deliver the deed for the Class B land to the commissioner of natural resources and following the recording of this deed, the commissioner of natural resources shall deliver to the county auditor a deed conveying the Class A or Class C land to the county auditor to be recorded or registered, and afterwards file the deeds or the certificate of registered title in the auditor's office.

Sec. 95. Minnesota Statutes 2004, section 97A.055, subdivision 4b, is amended to read:

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

Subd. 4b. **CITIZEN OVERSIGHT SUBCOMMITTEES.** (a) The commissioner shall appoint subcommittees of affected persons to review the reports prepared under subdivision 4; review the proposed work plans and budgets for the coming year; propose changes in policies, activities, and revenue enhancements or reductions; review other relevant information; and make recommendations to the legislature and the commissioner for improvements in the management and use of money in the game and fish fund.

(b) The commissioner shall appoint the following subcommittees, each comprised of at least three affected persons:

(1) a Fisheries Operations Subcommittee to review fisheries funding, excluding activities related to trout and salmon stamp funding;

(2) a Wildlife Operations Subcommittee to review wildlife funding, excluding activities related to migratory waterfowl, pheasant, and turkey stamp funding and excluding review of the amounts available under section 97A.075, subdivision 1, paragraphs (b) and (c);

(3) a Big Game Subcommittee to review the report required in subdivision 4, paragraph (a), clause (2);

(4) an Ecological Services Operations Subcommittee to review ecological services funding;

(5) a subcommittee to review game and fish fund funding of enforcement, support services, and Department of Natural Resources administration;

(6) a subcommittee to review the trout and salmon stamp report and address funding issues related to trout and salmon;

(7) a subcommittee to review the report on the migratory waterfowl stamp and address funding issues related to migratory waterfowl;

(8) a subcommittee to review the report on the pheasant stamp and address funding issues related to pheasants; and

(9) a subcommittee to review the report on the turkey stamp and address funding issues related to wild turkeys.

(c) The chairs of each of the subcommittees shall form a Budgetary Oversight Committee to coordinate the integration of the subcommittee reports into an annual report to the legislature; recommend changes on a broad level in policies, activities, and revenue enhancements or reductions; provide a forum to address issues that transcend the subcommittees; and submit a report for any subcommittee that fails to submit its report in a timely manner.

(d) The Budgetary Oversight Committee shall develop recommendations for a biennial budget plan and report for expenditures on game and fish activities. By August 15 of each even-numbered year, the committee shall submit the budget plan recommendations to the commissioner and to the senate and house committees with

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jurisdiction over natural resources finance.

(e) Each subcommittee shall choose its own chair, except that the chair of the Budgetary Oversight Committee shall be appointed by the commissioner and may not be the chair of any of the subcommittees.

(f) The Budgetary Oversight Committee must make recommendations to the commissioner and to the senate and house committees with jurisdiction over natural resources finance for outcome goals from expenditures.

(g) Notwithstanding section 15.059, subdivision 5, or other law to the contrary, the Budgetary Oversight Committee and subcommittees do not expire until June 30, 2005 2010.

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

Sec. 96. Minnesota Statutes 2004, section 97A.061, subdivision 1, is amended to read:

Subdivision 1. **APPLICABILITY; AMOUNT.** (a) The commissioner shall annually make a payment to each county having public hunting areas and game refuges. Money to make the payments is annually appropriated for that purpose from the general fund. Except as provided in paragraph (b), this section does not apply to state trust fund land and other state land not purchased for game refuge or public hunting purposes. Except as provided in paragraph (b), the payment shall be the greatest of:

(1) 35 percent of the gross receipts from all special use permits and leases of land acquired for public hunting and game refuges;

(2) 50 cents per acre on land purchased actually used for public hunting or game refuges; or

(3) three-fourths of one percent of the appraised value of purchased land actually used for public hunting and game refuges.

(b) The payment shall be 50 percent of the dollar amount adjusted for inflation as determined under section 477A.12, subdivision 1, paragraph (a), clause (1), multiplied by the number of acres of land in the county that are owned by another state agency for military purposes and designated as a game refuge under section 97A.085.

(c) The payment must be reduced by the amount paid under subdivision 3 for croplands managed for wild geese.

(e) (d) The appraised value is the purchase price for five years after acquisition. The appraised value shall be determined by the county assessor every five years after acquisition.

EFFECTIVE DATE. This section is effective for aids paid in calendar year 2007 and thereafter.

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

Sec. 97. Minnesota Statutes 2004, section 97A.075, subdivision 3, is amended to read:

Subd. 3. **TROUT AND SALMON STAMP.** (a) Ninety percent of the revenue from trout and salmon stamps must be credited to the trout and salmon management account. Money in the account may be used only for:

(1) the development, restoration, maintenance, improvement, protection, and preservation of habitat for trout and salmon in trout streams and lakes, including, but not limited to, evaluating habitat; stabilizing eroding stream banks; adding fish cover; modifying stream channels; managing vegetation to protect, shade, or reduce runoff on stream banks; and purchasing equipment to accomplish these tasks;

(2) rearing ~~of~~ trout and salmon ~~and~~, including utility and service costs associated with coldwater hatchery buildings and systems; stocking of trout and salmon in streams and lakes and Lake Superior; and monitoring and evaluating stocked trout and salmon;

(3) acquisition of easements and fee title along trout waters;

(4) identifying easement and fee title areas along trout waters; and

(5) research and special management projects on trout streams, trout lakes, and Lake Superior and the anadromous portions of its tributaries.

(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) ~~or~~, to specific fish rearing activities under paragraph (a), clause (2), or for costs associated with supplies and equipment to implement trout and salmon management activities under paragraph (a).

Sec. 98. Minnesota Statutes 2004, section 97A.135, subdivision 2a, is amended to read:

Subd. 2a. **DISPOSAL OF LAND IN WILDLIFE MANAGEMENT AREAS.**

(a) The commissioner may sell or exchange land in a wildlife management area authorized by designation under section 86A.07, subdivision 3, 97A.133, or 97A.145 if the commissioner vacates the designation before the sale or exchange in accordance with this subdivision. The designation may be vacated only if the commissioner finds, after a public hearing, that the disposal of the land is in the public interest.

(b) A sale under this subdivision is subject to sections 94.09 to 94.16. An exchange under this subdivision is subject to sections 94.341 to 94.348 94.347.

(c) Revenue received from a sale authorized under paragraph (a) is appropriated to the commissioner for acquisition of replacement wildlife management lands.

(d) Land acquired by the commissioner under this subdivision must meet the criteria in section 86A.05, subdivision 8, and as soon as possible after the acquisition must be designated as a wildlife management area under section 86A.07, subdivision 3, 97A.133, or 97A.145.

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(e) In acquiring land under this subdivision, the commissioner must give priority to land within the same geographic region of the state as the land conveyed.

Sec. 99. Minnesota Statutes 2004, section 97A.4742, subdivision 4, is amended to read:

Subd. 4. **ANNUAL REPORT.** By December 15 each year, the commissioner shall submit a report to the legislative committees having jurisdiction over environment and natural resources appropriations and environment and natural resources policy. The report shall state the amount of revenue received in and expenditures made from revenue transferred from the lifetime fish and wildlife trust fund to the game and fish fund and shall describe projects funded, locations of the projects, and results and benefits from the projects. The report may be included in the game and fish fund report required by section 97A.055, subdivision 4. The commissioner shall make the annual report available to the public.

Sec. 100. Minnesota Statutes 2004, 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, \$135;
- (3) to take deer by archery, the greater of:

(i) an amount equal to the total amount of license fees and surcharges charged to a Minnesota resident to take deer by archery in the person's state or province of residence; or

- (ii) \$135;
- (4) to take bear, \$195;
- (5) to take turkey, \$73;
- (6) to take raccoon, bobcat, fox, or coyote, ~~or lynx~~, \$155;
- (7) to take antlered deer in more than one zone, \$270; and
- (8) to take Canada geese during a special season, \$4.

Sec. 101. Minnesota Statutes 2004, section 97A.482, is amended to read:

97A.482 LICENSE APPLICATIONS; COLLECTION OF SOCIAL SECURITY NUMBERS.

(a) All applicants for individual noncommercial game and fish licenses under this chapter and chapters 97B and 97C must include the applicant's social security number on the license application. If an applicant does not have a Social Security number, the applicant must certify that the applicant does not have a Social Security number.

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(b) The Social Security numbers collected by the commissioner on game and fish license applications are private data under section 13.355, subdivision 1, and must be provided by the commissioner to the commissioner of human services for child support enforcement purposes. Title IV-D of the Social Security Act, United States Code, title 42, section 666(a)(13), requires the collection of Social Security numbers on game and fish license applications for child support enforcement purposes.

(c) The commissioners of human services and natural resources shall request a waiver from the secretary of health and human services to exclude any applicant under the age of 16 from the requirement under this section and under cross-country ski licensing sections to provide the applicant's Social Security number. If a waiver is granted, this section will be so amended effective January 1, 2006, or upon the effective date of the waiver, whichever is later.

Sec. 102. Minnesota Statutes 2004, 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 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, to take fish by angling or 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 a license, an issuing fee of 50 cents may be charged at the discretion of the authorized seller;~~

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

(6) for licenses, seals, tags, or coupons issued without a fee under section 97A.441 or 97A.465, there is no an issuing fee of 50 cents may be charged at the discretion of the authorized seller;

(7) for lifetime licenses, there is no fee; and

(8) for all other licenses, permits, renewals, or applications or any other transaction through the electronic licensing system under this chapter or any other chapter when an issuing fee is not specified, an issuing fee of 50 cents may be charged at the discretion of the authorized seller.

(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.

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(c) The agent 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, including licenses issued without a fee, the issuing fees are:

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

(2) for other licenses, 50 cents.

(g) The commissioner may issue one-day angling licenses in books of ten licenses each to fishing guides operating charter boats upon receipt of payment of all license fees, excluding the issuing fee required under this section. Copies of sold and unsold licenses shall be returned to the commissioner. The commissioner shall refund the charter boat captain for the license fees of all unsold licenses. Copies of sold licenses shall be maintained by the commissioner for one year.

Sec. 103. Minnesota Statutes 2004, section 97A.485, subdivision 7, is amended to read:

Subd. 7. **ELECTRONIC LICENSING SYSTEM COMMISSION.** The commissioner shall retain for the operation of the electronic licensing system a ~~commission of 4.7 percent of the commission established under section 84.027, subdivision 15, and issuing fees collected by the commissioner on all license fees collected, excluding:~~

(1) the small game surcharge; and

(2) all issuing fees; and

(3) ~~\$2.50 of the license fee for the licenses in section 97A.475, subdivisions 6, clauses (1), (2), and (4), 7, 8, 12, and 13.~~

EFFECTIVE DATE. This section is effective July 6, 2005.

Sec. 104. Minnesota Statutes 2004, section 97A.551, is amended by adding a subdivision to read:

Subd. 6. **TAGGING AND REGISTRATION.** The commissioner may, by rule, require persons taking, possessing, and transporting certain species of fish to tag the fish with a special fish management tag and may require registration of tagged fish. A person may not possess or transport a fish species taken in the state for which a special fish management tag is required unless a tag is attached to the fish in a manner prescribed by the commissioner. The commissioner shall prescribe the manner of issuance and the type of tag as authorized under section 97C.087. The tag must be attached to the fish as prescribed by the commissioner immediately upon reducing the fish to possession and must remain attached to the fish until the fish is processed or

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consumed. Species for which a special fish management tag is required must be transported undressed.

Sec. 105. Minnesota Statutes 2004, section 97B.005, subdivision 1, as amended by Laws 2005, chapter 146, section 21, is amended to read:

Subdivision 1. **FIELD TRAINING.** A person may not train hunting dogs afield on public lands administered by the commissioner from April 16 to July 14 except as specifically authorized by permit or rule.

Sec. 106. Minnesota Statutes 2004, section 97B.015, subdivision 7, is amended to read:

Subd. 7. **FEE FOR DUPLICATE CERTIFICATE.** The commissioner shall collect a fee, to include a \$1 issuing fee for licensing agents, for issuing a duplicate firearms safety certificate. The commissioner shall establish a fee that neither significantly overrecovers nor underrecovers costs, including overhead costs, involved in providing the service. The fee is not subject to the rulemaking provisions of chapter 14 and section 14.386 does not apply. The commissioner may establish the fee notwithstanding section 16A.1283. The duplicate certificate fees, except for the issuing fee for licensing agents under this subdivision, shall be deposited in the game and fish fund and, except for the electronic licensing system commission established by the commissioner under section 84.027, subdivision 15, and issuing fees collected by the commissioner, are appropriated annually to the Enforcement Division of the Department of Natural Resources for the administration of the firearm safety course program.

EFFECTIVE DATE. This section is effective July 6, 2005.

Sec. 107. Minnesota Statutes 2004, section 97B.020, is amended to read:

97B.020 FIREARMS SAFETY CERTIFICATE REQUIRED.

(a) Except as provided in this section and section 97A.451, subdivision 3a, a person born after December 31, 1979, may not obtain an annual license to take wild animals by firearms unless the person has:

- (1) a firearms safety certificate or equivalent certificate;
- (2) a driver's license or identification card with a valid firearms safety qualification indicator issued under section 171.07, subdivision 13;
- (3) a previous hunting license, with a valid firearms safety qualification indicator;
or
- (4) other evidence indicating that the person has completed in this state or in another state a hunter safety course recognized by the department under a reciprocity agreement or certified by the department as substantially similar.

(b) A person who is on active duty and has successfully completed basic training in the United States armed forces, reserve component, or National Guard may obtain

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a hunting license or approval authorizing hunting regardless of whether the person is issued a firearms safety certificate.

(b) (c) A person born after December 31, 1979, may not use a lifetime license to take wild animals by firearms, unless the person meets the requirements for obtaining an annual license under paragraph (a) or (b).

Sec. 108. Minnesota Statutes 2004, section 97B.025, as amended by Laws 2005, chapter 146, section 26, is amended to read:

97B.025 HUNTER AND TRAPPER EDUCATION.

(a) The commissioner may establish education courses for hunters. The commissioner shall collect a fee from each person attending a course. A fee, to include a \$1 issuing fee for licensing agents, shall be collected for issuing a duplicate certificate. The commissioner shall establish the fees in a manner that neither significantly overrecovers nor underrecovers costs, including overhead costs, involved in providing the services. The fees are not subject to the rulemaking provisions of chapter 14 and section 14.386 does not apply. The commissioner may establish the fees notwithstanding section 16A.1283. The fees, except for the issuing fee for licensing agents under this subdivision, shall be deposited in the game and fish fund and the amount thereof, except for the electronic licensing system commission established by the commissioner under section 84.027, subdivision 15, is appropriated annually to the Enforcement Division of the Department of Natural Resources for the administration of the program. In addition to the fee established by the commissioner for each course, instructors may charge each person up to the established fee amount for class materials and expenses. School districts may cooperate with the commissioner and volunteer instructors to provide space for the classroom portion of the training.

(b) The commissioner shall enter into an agreement with a statewide nonprofit trappers association to conduct a trapper education program. At a minimum, the program must include at least six hours of classroom, electronic, or correspondence instruction and in the field training. The program must include a review of state trapping laws and regulations, trapping ethics, the setting and tending of traps and snares, tagging and registration requirements, and the preparation of pelts. The association shall issue a certificate to persons who complete the program. The association shall be responsible for all costs of conducting the education program, and shall not charge any fee for attending the course.

EFFECTIVE DATE. This section is effective July 6, 2005.

Sec. 109. Minnesota Statutes 2004, section 97B.601, subdivision 3, is amended to read:

Subd. 3. **NONRESIDENTS: RACCOON, BOBCAT, FOX, COYOTE, CANADA LYNX.** A nonresident may not take raccoon, bobcat, fox, or coyote, or ~~Canada lynx~~ by firearms without a separate license to take that animal in addition to a small game license.

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Sec. 110. Minnesota Statutes 2004, section 97B.605, is amended to read:

97B.605 COMMISSIONER MAY RESTRICT TAKING OF CERTAIN SMALL GAME ANIMALS.

The commissioner may prescribe restrictions on and designate areas where gray and fox squirrels, cottontail and jack rabbits, snowshoe hare, raccoon, ~~lynx~~, bobcat, red fox and gray fox, fisher, pine marten, opossum, and badger may be taken and possessed.

Sec. 111. Minnesota Statutes 2004, section 97B.625, as amended by Laws 2005, chapter 146, section 34, is amended to read:

97B.625 LYNX AND BOBCAT.

Subdivision 1. **SEASON.** Based upon population estimates, the commissioner may set the open season for ~~lynx~~ or bobcat.

Subd. 2. **USE OF A SNARE.** A person may use a snare to take ~~lynx~~ or bobcat, as prescribed by the commissioner, without a permit.

Sec. 112. Minnesota Statutes 2004, section 97B.641, is amended to read:

97B.641 COUGAR, LYNX, AND WOLVERINE.

There is no open season for cougar, lynx, or wolverine.

Sec. 113. Minnesota Statutes 2004, section 97B.655, subdivision 1, is amended to read:

Subdivision 1. **OWNERS AND OCCUPANTS MAY TAKE CERTAIN ANIMALS.** A person may take mink, squirrel, rabbit, hare, raccoon, ~~lynx~~, bobcat, fox, opossum, muskrat, or beaver on land owned or occupied by the person where the animal is causing damage. The person may take the animal without a license and in any manner except by poison, or artificial lights in the closed season. Raccoons may be taken under this subdivision with artificial lights during open season. A person that kills mink, raccoon, ~~lynx~~, bobcat, fox, opossum, muskrat, or beaver under this subdivision must notify a conservation officer or employee of the Wildlife Division within 24 hours after the animal is killed.

Sec. 114. Minnesota Statutes 2004, section 97C.085, is amended to read:

97C.085 PERMIT REQUIRED FOR TAGGING FISH.

A person may not tag or otherwise mark a live fish for identification without a permit from the commissioner, except for special fish management tags as authorized under section 97A.551.

Sec. 115. **[97C.087] SPECIAL FISH MANAGEMENT TAGS.**

Subdivision 1. TAGS TO BE ISSUED. If the commissioner determines it is necessary to require that a species of fish be tagged with a special fish management tag,

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the commissioner shall prescribe, by rule, the species to be tagged, tagging procedures, and eligibility requirements.

Subd. 2. **APPLICATION FOR TAG.** Application for special fish management tags must be accompanied by a \$5, nonrefundable application fee for each tag. A person may not make more than one tag application each year. If a person makes more than one application, the person is ineligible for a special fish management tag for that season after determination by the commissioner, without a hearing.

Sec. 116. Minnesota Statutes 2004, section 103B.101, subdivision 9, is amended to read:

Subd. 9. **POWERS AND DUTIES.** In addition to the powers and duties prescribed elsewhere, the board shall:

(1) coordinate the water and soil resources planning activities of counties, soil and water conservation districts, watershed districts, watershed management organizations, and any other local units of government through its various authorities for approval of local plans, administration of state grants, and by other means as may be appropriate;

(2) facilitate communication and coordination among state agencies in cooperation with the Environmental Quality Board, and between state and local units of government, in order to make the expertise and resources of state agencies involved in water and soil resources management available to the local units of government to the greatest extent possible;

(3) coordinate state and local interests with respect to the study in southwestern Minnesota under United States Code, title 16, section 1009;

(4) develop information and education programs designed to increase awareness of local water and soil resources problems and awareness of opportunities for local government involvement in preventing or solving them;

(5) provide a forum for the discussion of local issues and opportunities relating to water and soil resources management;

(6) adopt an annual budget and work program that integrate the various functions and responsibilities assigned to it by law; and

(7) report to the governor and the legislature by October 15 of each even-numbered year with an assessment of board programs and recommendations for any program changes and board membership changes necessary to improve state and local efforts in water and soil resources management.

The board may accept grants, gifts, donations, or contributions in money, services, materials, or otherwise from the United States, a state agency, or other source to achieve an authorized purpose. The board may enter into a contract or agreement necessary or appropriate to accomplish the transfer. The board may receive and expend money to acquire conservation easements, as defined in chapter 84C, on behalf of the

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state and federal government consistent with the Camp Ripley's Army Compatible Use Buffer Project.

Any money received is hereby appropriated and dedicated for the purpose for which it is granted.

Sec. 117. Minnesota Statutes 2004, section 103E.081, is amended by adding a subdivision to read:

Subd 2a. PLANTING TREES OVER PUBLIC TILE. A person must not knowingly plant trees over a public drain tile, unless the person planting the trees receives permission from the drainage authority.

Sec. 118. Minnesota Statutes 2004, section 103E.081, is amended by adding a subdivision to read:

Subd. 2b. PLANTING TREES OVER PRIVATE TILE. A person must not knowingly plant trees over a private drain tile that provides for the drainage of land owned or leased by another person, unless the person planting the trees receives permission from all persons who receive drainage benefits from the drain tile.

Sec. 119. Minnesota Statutes 2004, section 103F.535, subdivision 1, is amended to read:

Subdivision 1. RESERVATION OF MARGINAL LAND AND WETLANDS.

(a) Marginal land and wetlands are withdrawn from sale or exchange unless:

(1) notice of the existence of the nonforested marginal land or wetlands, in a form prescribed by the Board of Water and Soil Resources, is provided to prospective purchasers; and

(2) the deed contains a restrictive covenant, in a form prescribed by the Board of Water and Soil Resources, that precludes enrollment of the land in a state-funded program providing compensation for conservation of marginal land or wetlands.

(b) This section does not apply to transfers of land by the Board of Water and Soil Resources to correct errors in legal descriptions under section 103F.515, subdivision 8, or to transfers by the commissioner of natural resources for:

(1) land that is currently in nonagricultural commercial use if a restrictive covenant would interfere with the commercial use;

(2) land in platted subdivisions;

(3) conveyances of land to correct errors in legal descriptions under section 84.0273;

(4) exchanges of nonagricultural land with the federal government, or exchanges of Class A, Class B, and ~~Class C~~ riparian nonagricultural land with local units of government under sections 94.342, 94.343, and 94.344, and 94.349;

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(5) land transferred to political subdivisions for public purposes under sections 84.027, subdivision 10, and 94.10; and

(6) land not needed for trail purposes that is sold to adjacent property owners and lease holders under section 85.015, subdivision 1, paragraph (b).

(c) This section does not apply to transfers of land by the commissioner of administration or transportation or by the Minnesota Housing Finance Agency, or to transfers of tax-forfeited land under chapter 282 if:

(1) the land is in platted subdivisions; or

(2) the conveyance is a transfer to correct errors in legal descriptions.

(d) This section does not apply to transfers of land by the commissioner of administration or by the Minnesota Housing Finance Agency for:

(1) land that is currently in nonagricultural commercial use if a restrictive covenant would interfere with the commercial use; or

(2) land transferred to political subdivisions for public purposes under sections 84.027, subdivision 10, and 94.10.

Sec. 120. [103F.950] BEAVER DAMAGE CONTROL GRANTS.

Subdivision 1. ESTABLISHMENT. The Board of Water and Soil Resources shall establish a beaver damage control grant program to provide grants for the control of beaver activities causing damage to public waters, roads, and ditches and adjacent private property. The grants may be made to:

(1) a joint powers board established under section 471.59 by two or more governmental units;

(2) soil and water conservation districts; and

(3) Indian tribal governments.

Subd. 2. GRANT AMOUNT. The board may provide up to 50 percent of the costs of implementing a beaver damage control program by a joint powers board.

Subd. 3. AWARDING OF GRANTS. Applications for grants must be made to the board on forms prescribed by the board. The board shall consult with town supervisors and county commissioners representing different areas of the state in developing the application form. A joint powers board seeking a grant may be required to supply information on the beaver control program it has adopted, the extent of the problem in the geographic area covered by the joint powers agreement, and the ability of the joint powers board to match the state grant. The board may prioritize the grant applications based upon the information requested as part of the grant application.

Subd. 4. REPORT. (a) Within one year after receiving a grant under this section, a joint powers board must report to the Board of Water and Soil Resources on the joint powers board's efforts to control beaver in the area.

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(b) By December 15 of each even-numbered year, the board shall report to the senate and house environment and natural resources policy and finance committees on the efforts under this section to control beaver.

Sec. 121. Minnesota Statutes 2004, 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 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) \$101 for amounts not exceeding 50,000,000 gallons per year;
- (2) \$3 per 1,000,000 gallons for amounts greater than 50,000,000 gallons but less than 100,000,000 gallons per year;
- (3) \$3.50 per 1,000,000 gallons for amounts greater than 100,000,000 gallons but less than 150,000,000 gallons per year;
- (4) \$4 per 1,000,000 gallons for amounts greater than 150,000,000 gallons but less than 200,000,000 gallons per year;
- (5) \$4.50 per 1,000,000 gallons for amounts greater than 200,000,000 gallons but less than 250,000,000 gallons per year;
- (6) \$5 per 1,000,000 gallons for amounts greater than 250,000,000 gallons but less than 300,000,000 gallons per year;
- (7) \$5.50 per 1,000,000 gallons for amounts greater than 300,000,000 gallons but less than 350,000,000 gallons per year;
- (8) \$6 per 1,000,000 gallons for amounts greater than 350,000,000 gallons but less than 400,000,000 gallons per year;
- (9) \$6.50 per 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, \$150 per 1,000,000 gallons; and
- (2) for all other users, \$200 \$300 per 1,000,000 gallons.

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(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 \$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 \$250,000 per year;

(2) the fee for other entities for any permitted use may not exceed:

(i) \$50,000 per year for an entity holding three or fewer permits;

(ii) \$75,000 per year for an entity holding four or five permits;

(iii) \$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.

(f) The minimum water use processing fee for a permit issued for irrigation of agricultural land is \$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.

(g) A surcharge of \$20 per million gallons in addition to the fee prescribed in paragraph (a) shall be applied to the volume of water used in June, July, and August that exceeds the volume of water used in January for municipal water use, irrigation of golf courses, and landscape irrigation.

Sec. 122. Minnesota Statutes 2004, section 103G.301, subdivision 2, is amended to read:

Subd. 2. **PERMIT APPLICATION FEES.** (a) An application for a permit authorized under this chapter, and each request to amend or transfer an existing permit, must be accompanied by a permit application fee to defray the costs of receiving, recording, and processing the application or request to amend or transfer.

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(b) The fee to apply for a permit to appropriate water, a permit to construct or repair a dam that is subject to dam safety inspection, or a state general permit or to apply for the state water bank program is ~~\$75~~ \$150. The application fee for a permit to work in public waters or to divert waters for mining must be at least ~~\$75~~ \$150, but not more than ~~\$500~~ \$1,000, according to a schedule of fees adopted under section 16A.1285.

Sec. 123. Minnesota Statutes 2004, section 103G.615, subdivision 2, is amended to read:

Subd. 2. **FEES.** (a) The commissioner shall establish a fee schedule for permits to control or harvest aquatic plants other than wild rice. The fees must be set by rule, and section 16A.1283 does not apply. The fees may not exceed \$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 the control of rooted aquatic vegetation is \$35 for each contiguous parcel of shoreline owned by an owner. This fee may not be charged for permits issued in connection with purple loosestrife control or 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~~ water recreation account.

Sec. 124. Minnesota Statutes 2004, section 103L.681, subdivision 11, is amended to read:

Subd. 11. **PERMIT FEE SCHEDULE.** (a) The commissioner of natural resources shall adopt a permit fee schedule under chapter 14. The schedule may provide minimum fees for various classes of permits, and additional fees, which may be imposed subsequent to the application, based on the cost of receiving, processing, analyzing, and issuing the permit, and the actual inspecting and monitoring of the activities authorized by the permit, including costs of consulting services.

(b) A fee may not be imposed on a state or federal governmental agency applying for a permit.

(c) The fee schedule may provide for the refund of a fee, in whole or in part, under circumstances prescribed by the commissioner of natural resources. ~~Permit Fees received must be deposited in the state treasury and credited to the general fund. The amount of money necessary to pay the refunds is~~ Permit fees received are appropriated annually from the general fund to the commissioner of natural resources for the costs of inspecting and monitoring the activities authorized by the permit, including costs of consulting services.

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Sec. 125. Minnesota Statutes 2004, section 115.06, subdivision 4, is amended to read:

Subd. 4. **CITIZEN MONITORING OF WATER QUALITY.** (a) The agency may encourage citizen monitoring of ambient water quality for public waters by:

(1) providing technical assistance to citizen and local group water quality monitoring efforts;

(2) integrating citizen monitoring data into water quality assessments and agency programs, provided that the data adheres to agency quality assurance and quality control protocols; and

(3) seeking public and private funds to:

(i) collaboratively develop clear guidelines for water quality monitoring procedures and data management practices for specific data and information uses;

(ii) distribute the guidelines to citizens, local governments, and other interested parties;

(iii) improve and expand water quality monitoring activities carried out by the agency; and

(iv) continue to improve electronic and Web access to water quality data and information about public waters that have been either fully or partially assessed.

(b) This subdivision does not authorize a citizen to enter onto private property for any purpose.

(c) By January 15 of each odd-numbered year, the commissioner shall report to the senate and house of representatives committees with jurisdiction over environmental policy and finance on activities under this section.

(d) ~~This subdivision shall sunset June 30, 2005.~~

Sec. 126. Minnesota Statutes 2004, section 115.55, subdivision 5, is amended to read:

Subd. 5. **INSPECTION.** (a) An inspection shall be required for all new construction or replacement of a system to determine compliance with agency rule or local standards. The manner and timing of inspection may be determined by the applicable local ordinance. The inspection requirement may be satisfied by a review by the designated local official of video, electronic, photographic, or other evidence of compliance provided by the installer.

(b) Except as provided in subdivision 5b, paragraph (b), a local unit of government may not issue a building permit or variance for the addition of a bedroom on property served by a system unless the system is in compliance with the applicable requirements, as evidenced by a certificate of compliance issued by a licensed inspector or site evaluator or designer. A local unit of government may temporarily waive the certificate of compliance requirement for a building permit or variance for

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which application is made during the period from November 1 to April 30, provided that an inspection of the system is performed by the following June 1 and the applicant submits a certificate of compliance by the following September 30. This paragraph does not apply if the local unit of government does not have an ordinance requiring a building permit to add a bedroom.

(c) A certificate of compliance for an existing system is valid for three years from the date of issuance unless the local unit of government finds evidence of an imminent threat to public health or safety requiring removal and abatement under section 145A.04, subdivision 8.

(d) A certificate of compliance for a new system is valid for five years from the date of issuance unless the local unit of government finds evidence of an imminent threat to public health or safety requiring removal and abatement under section 145A.04, subdivision 8.

(e) A licensed inspector who inspects an existing system may subsequently design and install a new system for that property, provided the inspector is licensed to install individual sewage treatment systems.

(f) No system professional may use the professional's position with government, either as an employee or a contractor, to solicit business for the professional's private system enterprise.

Sec. 127. Minnesota Statutes 2004, section 115.551, is amended to read:

115.551 TANK FEE.

(a) 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.

(b) Notwithstanding paragraph (a), for the purposes of performance-based individual sewage treatment systems, the tank fee is limited to \$25 per household system installation.

Sec. 128. Minnesota Statutes 2004, section 115A.072, subdivision 1, is amended to read:

Subdivision 1. **ENVIRONMENTAL EDUCATION ADVISORY BOARD.** (a) The director shall provide for the development and implementation of environmental education programs that are designed to meet the goals listed in section 115A.073.

(b) The Environmental Education Advisory Board shall advise the director in carrying out the director's responsibilities under this section. The board consists of 20 members as follows:

(1) a representative of the Pollution Control Agency, appointed by the commissioner of the agency;

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(2) a representative of the Department of Education, appointed by the commissioner of education;

(3) a representative of the Department of Agriculture, appointed by the commissioner of agriculture;

(4) a representative of the Department of Health, appointed by the commissioner of health;

(5) a representative of the Department of Natural Resources, appointed by the commissioner of natural resources;

(6) a representative of the Board of Water and Soil Resources, appointed by that board;

(7) a representative of the Environmental Quality Board, appointed by that board;

(8) a representative of the Board of Teaching, appointed by that board;

(9) a representative of the University of Minnesota Extension Service, appointed by the director of the service;

(10) a citizen member from each congressional district, of which two must be licensed teachers currently teaching in the K-12 system, appointed by the director; and

(11) three at-large citizen members, appointed by the director.

The citizen members shall serve two-year terms. Compensation of board members is governed by section 15.059, subdivision 6. The board expires on June 30, ~~2003~~ 2008.

Sec. 129. Minnesota Statutes 2004, section 115A.12, is amended to read:

115A.12 **ADVISORY COUNCILS.**

(a) The director shall establish a Solid Waste Management Advisory Council and a Prevention, Reduction, and Recycling an Environmental Innovations Advisory Council that are broadly representative of the geographic areas and interests of the state.

~~(b) The solid waste council shall have not less than nine nor more than 21 members. The membership of the solid waste council shall consist of one-third citizen representatives, one-third representatives from local government units, and one-third representatives from private solid waste management firms. The solid waste council shall contain at least three members experienced in the private recycling industry and at least one member experienced in each of the following areas: state and municipal finance; solid waste collection, processing, and disposal; and solid waste reduction and resource recovery.~~

~~(e)~~ (b) The Prevention, Reduction, and Recycling Environmental Innovations Advisory Council shall have not less than nine ~~nor~~ or more than 24 members. The membership shall consist of one-third citizen representatives, one-third representatives of government, institutional, and one-third representatives of business and industry representatives. ~~The director may appoint nonvoting members from other environmen-~~

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tal and business assistance providers in the state.

(d) ~~(c)~~ The ~~chair~~ chair of the advisory ~~councils~~ council shall be appointed by the director. ~~The director shall provide administrative and staff services for the advisory councils council.~~ The advisory ~~councils~~ council shall have such duties as are assigned by law or the director. ~~The Solid Waste Advisory Council shall make recommendations to the office on its solid waste management activities. The Prevention, Reduction, and Recycling Environmental Innovations Advisory Council shall make recommendations to the office on policy, programs, and legislation in pollution prevention, waste reduction, reuse and, recycling, and resource conservation, and the management of hazardous waste. The Environmental Innovations Advisory Council shall focus on developing and implementing innovative programs that improve Minnesota's environment by emphasizing front-end preventative, and resource conservation approaches to preventing waste and pollution. The council shall emphasize partnerships of government, citizens, institutions, and business to develop and implement these programs. Members of the advisory councils council shall serve without compensation but shall be reimbursed for their reasonable expenses as determined by the director. Notwithstanding section 15.059, subdivision 5, the Solid Waste Management Advisory Council and the Prevention, Reduction, and Recycling Environmental Innovations Advisory Council expire expires June 30, 2003 2009.~~

Sec. 130. Minnesota Statutes 2004, section 115A.554, is amended to read:

115A.554 AUTHORITY OF SANITARY DISTRICTS.

A sanitary district has the authorities and duties of counties within the district's boundary for purposes of sections 115A.0716; 115A.46, subdivisions 4 and 5; 115A.48; 115A.545; 115A.551; 115A.552; 115A.553; 115A.919; 115A.929; 115A.93; 115A.96, subdivision 6; 115A.961; 116.072; 375.18, subdivision 14; 400.04; 400.06; 400.07; 400.08; 400.16; and 400.161.

Sec. 131. Minnesota Statutes 2004, section 115A.929, is amended to read:

115A.929 FEES; ACCOUNTING.

Each political subdivision that provides for solid waste management shall account for all revenue collected from waste management fees, together with interest earned on revenue from the fees, separately from other revenue collected by the political subdivision and shall report revenue collected from the fees and use of the revenue separately from other revenue and use of revenue in any required financial report or audit. ~~Each political subdivision must file with the director, on or before June 30 annually, the separate report of all revenue collected from waste management fees, together with interest on revenue from the fees, for the previous year. For the purposes of this section, "waste management fees" means:~~

(1) all fees, charges, and surcharges collected under sections 115A.919, 115A.921, and 115A.923;

(2) all tipping fees collected at waste management facilities owned or operated by the political subdivision;

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(3) all charges imposed by the political subdivision for waste collection and management services; and

(4) any other fees, charges, or surcharges imposed on waste or for the purpose of waste management, whether collected directly from generators or indirectly through property taxes or as part of utility or other charges for services provided by the political subdivision.

Sec. 132. Minnesota Statutes 2004, section 115A.9565, is amended to read:

115A.9565 CATHODE-RAY TUBE PROHIBITION.

Effective July 1, 2005 2006, a person may not place in mixed municipal solid waste an electronic product containing a cathode-ray tube.

Sec. 133. Minnesota Statutes 2004, section 115B.48, subdivision 8, is amended to read:

Subd. 8. **FULL-TIME EQUIVALENCE.** "Full-time equivalence" means 2,000 hours worked by employees, owners, and others in a dry cleaning facility during a 12-month period beginning July 1 of the preceding year and running through June 30 of the year in which the annual registration fee is due. For those dry cleaning facilities that were in business less than the 12-month period, full-time equivalence means the total of all of the hours worked in the dry cleaning facility, divided by 2,000 and multiplied by a fraction, the numerator of which is 50 and the denominator of which is the number of weeks in business during the reporting period. For the purposes of section 115B.49, an owner working 2,000 hours or more shall be considered as one full-time equivalent.

Sec. 134. Minnesota Statutes 2004, section 115D.04, subdivision 3, is amended to read:

Subd. 3. **ADMINISTRATION.** (a) The pollution prevention assistance program must be coordinated with other public and private programs that provide management and technical assistance to eligible recipients.

(b) The director may make grants to public or private entities to operate elements of the program. Grantees shall provide periodic reports on their efforts to assist eligible recipients to reduce pollution.

(c) A person, when operating or participating in elements of the technical assistance program pursuant to a grant or contract with the office under this section or other law, is an employee of the state, certified to be acting within the scope of employment, for purposes of the indemnification provisions of section 3.736, subdivision 9, for claims that arise out of the information, assistance, and recommendations covered by the grant or contract. The state is not obligated to defend or indemnify a grantee or contractor under this subdivision to the extent of the grantee's or contractor's liability insurance. The grantee's or contractor's right to indemnity is not a waiver of limitations, defenses, and immunities available to either the grantee or contractor or the state by law.

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Sec. 135. Minnesota Statutes 2004, 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 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 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, and comply with applicable reporting requirements under section 116P.16. 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 oil overcharge money under section 4.071, subdivision 2.

(e) The commission may adopt operating procedures to fulfill its duties under chapter 116P.

EFFECTIVE DATE. This section is effective for interests in land acquired after June 30, 2005.

Sec. 136. [116P.16] REAL PROPERTY INTEREST REPORT.

By December 1 each year, a recipient of an appropriation from the trust fund, that is used for the acquisition of an interest in real property, must submit annual reports on the status of the real property to the Legislative Commission on Minnesota Resources in a form determined by the commission. The responsibility for reporting under this section may be transferred by the recipient of the appropriation to another person who holds the interest in the real property. To complete the transfer of reporting responsibility, the recipient of the appropriation must:

(1) inform the person to whom the responsibility is transferred of that person's reporting responsibility;

(2) inform the person to whom the responsibility is transferred of the property restrictions under section 116P.15; and

(3) provide written notice to the commission of the transfer of reporting responsibility, including contact information for the person to whom the responsibility is transferred.

After the transfer, the person who holds the interest in the real property is responsible for reporting requirements under this section.

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EFFECTIVE DATE. This section is effective for interests in land acquired after June 30, 2005.

Sec. 137. Minnesota Statutes 2004, section 160.232, is amended to read:

160.232 MOWING DITCHES OUTSIDE CITIES.

(a) To provide enhanced roadside habitat for nesting birds and other small wildlife, road authorities may not mow or till the right-of-way of a highway located outside of a home rule charter or statutory city except as allowed in this section and section 160.23.

(b) On any highway, the first eight feet away from the road surface, or shoulder if one exists, may be mowed at any time.

(c) An entire right-of-way may be mowed after July 31. From August 31 to the following July 31, the entire right-of-way may only be mowed if necessary for safety reasons, and but may not be mowed to a height of less than 12 inches.

(d) A right-of-way may be mowed as necessary to maintain sight distance for safety and may be mowed at other times under rules of the commissioner, or by ordinance of a local road authority not conflicting with the rules of the commissioner.

(e) A right-of-way may be mowed, burned, or tilled to prepare the right-of-way for the establishment of permanent vegetative cover or for prairie vegetation management.

(f) When feasible, road authorities are encouraged to utilize low maintenance, native vegetation that reduces the need to mow, provides wildlife habitat, and maintains public safety.

(g) The commissioner of natural resources shall cooperate with the commissioner of transportation to provide enhanced roadside habitat for nesting birds and other small wildlife.

Sec. 138. Minnesota Statutes 2004, section 168.1296, subdivision 1, is amended to read:

Subdivision 1. **GENERAL REQUIREMENTS AND PROCEDURES.** (a) The registrar shall issue special critical habitat license plates to an applicant who:

(1) is an owner or joint owner of a passenger automobile, pickup truck, ~~or van,~~ or recreational equipment;

(2) pays a fee of \$10 to cover the costs of handling and manufacturing the plates;

(3) pays the registration tax required under section 168.013;

(4) pays the fees required under this chapter;

(5) contributes a minimum of \$30 annually to the Minnesota critical habitat private sector matching account established in section 84.943; and

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(6) complies with laws and rules governing registration and licensing of vehicles and drivers.

(b) The critical habitat license application form must clearly indicate that the annual contribution specified under paragraph (a), clause (5), is a minimum contribution to receive the license plate and that the applicant may make an additional contribution to the account.

(c) Owners of recreational equipment under paragraph (a), clause (1), are eligible only for special critical habitat license plates for which the designs are selected under subdivision 2, on or after January 1, 2006.

(d) Special critical habitat license plates, the designs for which are selected under subdivision 2, on or after January 1, 2006, may be personalized according to section 168.12, subdivision 2a.

Sec. 139. Minnesota Statutes 2004, section 169A.63, subdivision 6, is amended to read:

Subd. 6. **VEHICLE SUBJECT TO FORFEITURE.** (a) A motor vehicle is subject to forfeiture under this section if it was used in the commission of a designated offense or was used in conduct resulting in a designated license revocation.

(b) Motorboats subject to seizure and forfeiture under this section also include their trailers.

Sec. 140. Minnesota Statutes 2004, section 216B.2424, subdivision 1a, as added by Laws 2005, chapter 97, article 5, section 2, is amended to read:

Subd. 1a. **MUNICIPAL WASTE-TO-ENERGY PROJECT.** (a) This subdivision applies only to a biomass project owned or controlled, directly or indirectly, by two municipal utilities as described in subdivision 5a, paragraph (b).

(b) Woody biomass from state-owned land must be harvested in compliance with an adopted management plan and a program of ecologically based third-party certification.

(c) The project must prepare a fuel plan on an annual basis after commercial operation of the project as described in the power contract between the project and the public utility, and must also prepare annually certificates reflecting the types of fuel used in the preceding year by the project, as described in the power contract. The fuel plans and certificates shall also be filed with the Minnesota Department of Natural Resources and the Minnesota Department of Commerce within 30 days after being provided to the public utility, as provided by the power contract. Any person who believes the fuel plans, as amended, and certificates show that the project does not or will not comply with the fuel requirements of this subdivision may file a petition with the commission seeking such a determination.

(d) The wood procurement process must utilize third-party audit certification systems to verify that applicable best management practices were utilized in the

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procurement of the sustainably managed biomass. If there is a failure to so verify in any two consecutive years during the original contract term, the farm-grown closed-loop biomass requirements of subdivision 2 must be increased to 50 percent for the remaining contract term period; however, if in two consecutive subsequent years after the increase has been implemented, it is verified that the conditions in this subdivision have been met, then for the remaining original contract term the closed-loop biomass mandate reverts to 25 percent. If there is a subsequent failure to verify in a year after the first failure and implementation of the 50 percent requirement, then the closed-loop percentage shall remain at 50 percent for each remaining year of the contract term.

(e) In the closed-loop plantation, no transgenic plants may be used.

(f) No wood may be harvested from any lands identified by the final or preliminary Minnesota County Biological Survey as having statewide significance as native plant communities, large populations or concentrations of rare species, or critical animal habitat.

(g) A wood procurement plan must be prepared every five years and public meetings must be held and written comments taken on the plan and documentation must be provided on why or why not the public inputs were used.

(h) Guidelines or best management practices for sustainably managed woody biomass must be adopted by:

(1) the Minnesota Department of Natural Resources for managing and maintaining brushland and open land habitat on public and private lands, including, but not limited to, provisions of sections 84.941, 84.942, and 97A.125; and

(2) the Minnesota Forest Resources Council for logging slash, using the most recent available scientific information regarding the removal of woody biomass from forest lands, to sustain the management of forest resources as defined by section 89.001, subdivisions 8 and 9, with particular attention to soil productivity, biological diversity as defined by section 89A.01, subdivision 3, and wildlife habitat.

These guidelines must be completed by July 1, 2007, and the process of developing them must incorporate public notification and comment.

(i) The University of Minnesota Initiative for Renewable Energy and the Environment is encouraged to solicit and fund high-quality research projects to develop and consolidate scientific information regarding the removal of woody biomass from forest and brush lands, with particular attention to the environmental impacts on soil productivity, biological diversity, and sequestration of carbon. The results of this research shall be made available to the public.

(j) The two utilities owning or controlling, directly or indirectly, the biomass project described in subdivision 5a, paragraph (b), shall fund or obtain funding from nonstate sources of up to \$150,000 by April 1, 2006, to complete the guidelines or best management practices described in paragraph (h). The expenditures to be funded under this paragraph do not include any of the expenditures to be funded under paragraph (i).

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Sec. 141. Minnesota Statutes 2004, section 282.04, subdivision 1, is amended to read:

Subdivision 1. **TIMBER SALES; LAND LEASES AND USES.** (a) The county auditor may sell timber upon any tract that may be approved by the natural resources commissioner. The sale of timber shall be made for cash at not less than the appraised value determined by the county board to the highest bidder after not less than one week's published notice in an official paper within the county. Any timber offered at the public sale and not sold may thereafter be sold at private sale by the county auditor at not less than the appraised value thereof, until the time as the county board may withdraw the timber from sale. The appraised value of the timber and the forestry practices to be followed in the cutting of said timber shall be approved by the commissioner of natural resources.

(b) Payment of the full sale price of all timber sold on tax-forfeited lands shall be made in cash at the time of the timber sale, except in the case of oral or sealed bid auction sales, the down payment shall be no less than 15 percent of the appraised value, and the balance shall be paid prior to entry. In the case of auction sales that are partitioned and sold as a single sale with predetermined cutting blocks, the down payment shall be no less than 15 percent of the appraised price of the entire timber sale which may be held until the satisfactory completion of the sale or applied in whole or in part to the final cutting block. The value of each separate block must be paid in full before any cutting may begin in that block. With the permission of the county contract administrator the purchaser may enter unpaid blocks and cut necessary timber incidental to developing logging roads as may be needed to log other blocks provided that no timber may be removed from an unpaid block until separately scaled and paid for. If payment is provided as specified in this paragraph as security under paragraph (a) and no cutting has taken place on the contract, the county auditor may credit the security provided, less any down payment required for an auction sale under this paragraph, to any other contract issued to the contract holder by the county under this chapter to which the contract holder requests in writing that it be credited, provided the request and transfer is made within the same calendar year as the security was received.

(c) The county board may require final settlement on the basis of a scale of cut products. Any parcels of land from which timber is to be sold by scale of cut products shall be so designated in the published notice of sale under paragraph (a), in which case the notice shall contain a description of the parcels, a statement of the estimated quantity of each species of timber, and the appraised price of each species of timber for 1,000 feet, per cord or per piece, as the case may be. In those cases any bids offered over and above the appraised prices shall be by percentage, the percent bid to be added to the appraised price of each of the different species of timber advertised on the land. The purchaser of timber from the parcels shall pay in cash at the time of sale at the rate bid for all of the timber shown in the notice of sale as estimated to be standing on the land, and in addition shall pay at the same rate for any additional amounts which the final scale shows to have been cut or was available for cutting on the land at the time of sale under the terms of the sale. Where the final scale of cut products shows that less

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timber was cut or was available for cutting under terms of the sale than was originally paid for, the excess payment shall be refunded from the forfeited tax sale fund upon the claim of the purchaser, to be audited and allowed by the county board as in case of other claims against the county. No timber, except hardwood pulpwood, may be removed from the parcels of land or other designated landings until scaled by a person or persons designated by the county board and approved by the commissioner of natural resources. Landings other than the parcel of land from which timber is cut may be designated for scaling by the county board by written agreement with the purchaser of the timber. The county board may, by written agreement with the purchaser and with a consumer designated by the purchaser when the timber is sold by the county auditor, and with the approval of the commissioner of natural resources, accept the consumer's scale of cut products delivered at the consumer's landing. No timber shall be removed until fully paid for in cash. Small amounts of timber not exceeding \$3,000 in appraised valuation may be sold for not less than the full appraised value at private sale to individual persons without first publishing notice of sale or calling for bids, provided that in case of a sale involving a total appraised value of more than \$200 the sale shall be made subject to final settlement on the basis of a scale of cut products in the manner above provided and not more than two of the sales, directly or indirectly to any individual shall be in effect at one time.

(d) As directed by the county board, the county auditor may lease tax-forfeited land to individuals, corporations or organized subdivisions of the state at public or private sale, and at the prices and under the terms as the county board may prescribe, for use as cottage and camp sites and for agricultural purposes and for the purpose of taking and removing of hay, stumps, sand, gravel, clay, rock, marl, and black dirt from the land, and for garden sites and other temporary uses provided that no leases shall be for a period to exceed ten years; provided, further that any leases involving a consideration of more than \$12,000 per year, except to an organized subdivision of the state shall first be offered at public sale in the manner provided herein for sale of timber. Upon the sale of any leased land, it shall remain subject to the lease for not to exceed one year from the beginning of the term of the lease. Any rent paid by the lessee for the portion of the term cut off by the cancellation shall be refunded from the forfeited tax sale fund upon the claim of the lessee, to be audited and allowed by the county board as in case of other claims against the county.

(e) As directed by the county board, the county auditor may lease tax-forfeited land to individuals, corporations, or organized subdivisions of the state at public or private sale, at the prices and under the terms as the county board may prescribe, for the purpose of taking and removing for use for road construction and other purposes tax-forfeited stockpiled iron-bearing material. The county auditor must determine that the material is needed and suitable for use in the construction or maintenance of a road, tailings basin, settling basin, dike, dam, bank fill, or other works on public or private property, and that the use would be in the best interests of the public. No lease shall exceed ten years. The use of a stockpile for these purposes must first be approved by the commissioner of natural resources. The request shall be deemed approved unless the requesting county is notified to the contrary by the commissioner of natural

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resources within six months after receipt of a request for approval for use of a stockpile. Once use of a stockpile has been approved, the county may continue to lease it for these purposes until approval is withdrawn by the commissioner of natural resources.

(f) The county auditor, with the approval of the county board is authorized to grant permits, licenses, and leases to tax-forfeited lands for the depositing of stripping, lean ores, tailings, or waste products from mines or ore milling plants, upon the conditions and for the consideration and for the period of time, not exceeding 15 years, as the county board may determine. The permits, licenses, or leases are subject to approval by the commissioner of natural resources.

(g) Any person who removes any timber from tax-forfeited land before said timber has been scaled and fully paid for as provided in this subdivision is guilty of a misdemeanor.

(h) The county auditor may, with the approval of the county board, and without first offering at public sale, grant leases, for a term not exceeding 25 years, for the removal of peat and for the production or removal of farm-grown closed-loop biomass as defined in section 216B.2424, subdivision 1, or short-rotation woody crops from tax-forfeited lands upon the terms and conditions as the county board may prescribe. Any lease for the removal of peat, farm-grown closed-loop biomass, or short-rotation woody crops from tax-forfeited lands must first be reviewed and approved by the commissioner of natural resources if the lease covers 320 or more acres. No lease for the removal of peat, farm-grown closed-loop biomass, or short-rotation woody crops shall be made by the county auditor pursuant to this section without first holding a public hearing on the auditor's intention to lease. One printed notice in a legal newspaper in the county at least ten days before the hearing, and posted notice in the courthouse at least 20 days before the hearing shall be given of the hearing.

(i) Notwithstanding any provision of paragraph (c) to the contrary, the St. Louis County auditor may, at the discretion of the county board, sell timber to the party who bids the highest price for all the several kinds of timber, as provided for sales by the commissioner of natural resources under section 90.14. Bids offered over and above the appraised price need not be applied proportionately to the appraised price of each of the different species of timber.

(j) In lieu of any payment or deposit required in paragraph (b), as directed by the county board and under terms set by the county board, the county auditor may accept an irrevocable bank letter of credit in the amount equal to the amount otherwise determined in paragraph (b), exclusive of the down payment required for an auction sale in paragraph (b). If an irrevocable bank letter of credit is provided under this paragraph, at the written request of the purchaser, the county may periodically allow the bank letter of credit to be reduced by an amount proportionate to the value of timber that has been harvested and for which the county has received payment. The remaining amount of the bank letter of credit after a reduction under this paragraph must not be less than 20 percent of the value of the timber purchased. If no cutting of timber has

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taken place on the contract for which a letter of credit has been provided, the county may allow the transfer of the letter of credit to any other contract issued to the contract holder by the county under this chapter to which the contract holder requests in writing that it be credited.

Sec. 142. Minnesota Statutes 2004, section 282.08, as amended by Laws 2005, chapter 151, article 5, section 32, is amended to read:

282.08 APPORTIONMENT OF PROCEEDS TO TAXING DISTRICTS.

The net proceeds from the sale or rental of any parcel of forfeited land, or from the sale of products from the forfeited land, must be apportioned by the county auditor to the taxing districts interested in the land, as follows:

(1) the portion required to pay any amounts included in the appraised value under section 282.01, subdivision 3, as representing increased value due to any public improvement made after forfeiture of the parcel to the state, but not exceeding the amount certified by the clerk of the municipality must be apportioned to the municipal subdivision entitled to it;

(2) the portion required to pay any amount included in the appraised value under section 282.019, subdivision 5, representing increased value due to response actions taken after forfeiture of the parcel to the state, but not exceeding the amount of expenses certified by the Pollution Control Agency or the commissioner of agriculture, must be apportioned to the agency or the commissioner of agriculture and deposited in the fund from which the expenses were paid;

(3) the portion of the remainder required to discharge any special assessment chargeable against the parcel for drainage or other purpose whether due or deferred at the time of forfeiture, must be apportioned to the municipal subdivision entitled to it; and

(4) any balance must be apportioned as follows:

(i) The county board may annually by resolution set aside no more than 30 percent of the receipts remaining to be used for ~~timber forest~~ development on tax-forfeited land and dedicated memorial forests, to be expended under the supervision of the county board. It must be expended only on projects ~~approved by the commissioner of natural resources~~ improving the health and management of the forest resource.

(ii) The county board may annually by resolution set aside no more than 20 percent of the receipts remaining to be used for the acquisition and maintenance of county parks or recreational areas as defined in sections 398.31 to 398.36, to be expended under the supervision of the county board.

(iii) Any balance remaining must be apportioned as follows: county, 40 percent; town or city, 20 percent; and school district, 40 percent, provided, however, that in unorganized territory that portion which would have accrued to the township must be administered by the county board of commissioners.

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Sec. 143. Minnesota Statutes 2004, section 282.38, subdivision 1, is amended to read:

Subdivision 1. **DEVELOPMENT.** In any county where the county board by proper resolution sets aside funds for ~~timber forest~~ development pursuant to section 282.08, clause ~~(3)(a)~~ (5), item (i), or section 459.06, subdivision 2, the ~~Commission commissioner~~ of Iron Range resources and rehabilitation with the approval of the board may upon request of the county board assist said county in carrying out any project for the long range development of its ~~timber forest~~ resources through matching of funds or otherwise, provided that any such project shall first be approved by the commissioner of natural resources.

Sec. 144. Minnesota Statutes 2004, section 296A.18, subdivision 2, is amended to read:

Subd. 2. **MOTORBOAT.** Approximately 1-1/2 percent of all gasoline received in this state and 1-1/2 percent of all gasoline produced or brought into this state, except gasoline used for aviation purposes, is being used as fuel for the operation of motorboats on the waters of this state and of the total revenue derived from the imposition of the gasoline fuel tax for uses other than for aviation purposes, 1-1/2 percent of such revenues ~~the revenue is the amount of tax on fuel used in motorboats operated on the waters of this state.~~ The amount of unrefunded tax paid on gasoline used for motor boat purposes as computed in this chapter shall be paid into the state treasury and credited to a water recreation account in the special revenue fund for acquisition, development, maintenance, and rehabilitation of sites for public access and boating facilities on public waters; lake and river improvement; ~~state park development;~~ and boat and water safety.

Sec. 145. Minnesota Statutes 2004, section 297H.13, subdivision 2, is amended to read:

Subd. 2. **ALLOCATION OF REVENUES.** (a) ~~\$22,000,000~~ \$33,760,000, or ~~50~~ 70 percent, whichever is greater, of the amounts remitted under this chapter must be credited to the environmental fund established in section 16A.531, subdivision 1.

(b) The remainder must be deposited into the general fund.

Sec. 146. Minnesota Statutes 2004, section 462.357, subdivision 1e, is amended to read:

Subd. 1e. **NONCONFORMITIES.** (a) Any nonconformity, including the lawful use or occupation of land or premises existing at the time of the adoption of an additional control under this chapter, may be continued, including through repair, replacement, restoration, maintenance, or improvement, but not including expansion, unless:

(1) the nonconformity or occupancy is discontinued for a period of more than one year; or

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(2) any nonconforming use is destroyed by fire or other peril to the extent of greater than 50 percent of its market value, and no building permit has been applied for within 180 days of when the property is damaged. In this case, a municipality may impose reasonable conditions upon a building permit in order to mitigate any newly created impact on adjacent property.

(b) Any subsequent use or occupancy of the land or premises shall be a conforming use or occupancy. A municipality may, by ordinance, permit an expansion or impose upon nonconformities reasonable regulations to prevent and abate nuisances and to protect the public health, welfare, or safety. This subdivision does not prohibit a municipality from enforcing an ordinance that applies to adults-only bookstores, adults-only theaters, or similar adults-only businesses, as defined by ordinance.

(c) Notwithstanding paragraph (a), a municipality shall regulate the repair, replacement, maintenance, improvement, or expansion of nonconforming uses and structures in floodplain areas to the extent necessary to maintain eligibility in the National Flood Insurance Program and not increase flood damage potential or increase the degree of obstruction to flood flows in the floodway.

Sec. 147. [473.1565] METROPOLITAN AREA WATER SUPPLY PLANNING ACTIVITIES; ADVISORY COMMITTEE.

Subdivision 1. PLANNING ACTIVITIES. (a) The Metropolitan Council must carry out planning activities addressing the water supply needs of the metropolitan area as defined in section 473.121, subdivision 2. The planning activities must include, at a minimum:

(1) development and maintenance of a base of technical information needed for sound water supply decisions including surface and groundwater availability analyses, water demand projections, water withdrawal and use impact analyses, modeling, and similar studies;

(2) development and periodic update of a metropolitan area master water supply plan that:

(i) provides guidance for local water supply systems and future regional investments;

(ii) emphasizes conservation, interjurisdictional cooperation, and long-term sustainability; and

(iii) addresses the reliability, security, and cost-effectiveness of the metropolitan area water supply system and its local and subregional components;

(3) recommendations for clarifying the appropriate roles and responsibilities of local, regional, and state government in metropolitan area water supply;

(4) recommendations for streamlining and consolidating metropolitan area water supply decision-making and approval processes; and

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(5) recommendations for the ongoing and long-term funding of metropolitan area water supply planning activities and capital investments.

(b) The council must carry out the planning activities in this subdivision in consultation with the metropolitan area water supply advisory committee established in subdivision 2.

Subd. 2. ADVISORY COMMITTEE. (a) A metropolitan area water supply advisory committee is established to assist the council in its planning activities in subdivision 1. The advisory committee has the following membership:

(1) the commissioner of agriculture or the commissioner's designee;

(2) the commissioner of health or the commissioner's designee;

(3) the commissioner of natural resources or the commissioner's designee;

(4) the commissioner of the pollution control agency or the commissioner's designee;

(5) two officials of counties that are located in the metropolitan area, appointed by the governor;

(6) five officials of noncounty local governmental units that are located in the metropolitan area, appointed by the governor; and

(7) the chair of the Metropolitan Council or the chair's designee, who is chair of the advisory committee.

A local government unit in each of the seven counties in the metropolitan area must be represented in the seven appointments made under clauses (5) and (6).

(b) Members of the advisory committee appointed by the governor serve at the pleasure of the governor. Members of the advisory committee serve without compensation but may be reimbursed for their reasonable expenses as determined by the Metropolitan Council. The advisory committee expires December 31, 2008.

(c) The council must consider the work and recommendations of the advisory committee when the council is preparing its regional development framework.

Subd. 3. REPORTS TO LEGISLATURE. The council must submit reports to the legislature regarding its findings, recommendations, and continuing planning activities under subdivision 1. The first report must be submitted to the legislature by the date the legislature convenes in 2007 and subsequent reports must be submitted by such date every five years thereafter.

EFFECTIVE DATE. This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 148. Minnesota Statutes 2004, section 473.197, subdivision 4, is amended to read:

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Subd. 4. **DEBT RESERVE; LEVY.** To provide money to pay debt service on bonds issued under the credit enhancement program if pledged revenues are insufficient to pay debt service in repealed subdivision 1 of Minnesota Statutes 2004, section 473.197, the council must maintain a debt reserve fund in the manner and with the effect provided by section 118A.04 for public funds until the reserve is no longer pledged or otherwise needed to pay debt service on such bonds. ~~To provide funds for the debt reserve fund, the council may use up to \$3,000,000 of the proceeds of solid waste bonds issued by the council under section 473.831 before its repeal.~~ To provide additional funds for the debt reserve fund, the council may levy a tax on all taxable property in the metropolitan area and must levy the tax if sums in the debt reserve fund are insufficient to cure any deficiency in the debt service fund established for the bonds, the council must levy a tax on all taxable property in the metropolitan area in the amount needed to liquidate the deficiency. The tax authorized by this section does not affect the amount or rate of taxes that may be levied by the council for other purposes and is not subject to limit as to rate or amount.

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

Sec. 149. Laws 1998, chapter 389, article 16, section 31, subdivision 4, as amended by Laws 1999, chapter 180, section 3, and Laws 2001, chapter 164, section 5, is amended to read:

Subd. 4. **COUNTY ENVIRONMENTAL TRUST FUND.** Notwithstanding the provisions of Minnesota Statutes, chapter 282, and any other law relating to the apportionment of proceeds from the sale of tax-forfeited land, and except as otherwise provided in this section, a county board must deposit the money received from the sale of land under subdivision 3 into an environmental trust fund established by the county under this subdivision. The county board may: (1) deposit part or all of the environmental trust fund money as provided in Minnesota Statutes, chapter 118A; or (2) enter into an agreement with the State Board of Investment to invest all or part of the money in investments under Minnesota Statutes, section 11A.24, subdivisions 1 to 5, on behalf of the county. The following may be withheld by a county board and are not required to be deposited into an environmental trust fund: the costs of appraisal, abstracts, and surveys; money received from a sale which is attributable to land owned by a county in fee; amounts paid to lessees for improvements; amounts paid to acquire land which is included in a county plan for exchange and is conveyed to the state in the exchange, including the purchase price, appraisal, abstract, survey, and closing costs; and the costs of sale to lessees or other parties, including the costs of advertising, realtors, and closing services. If the proceeds from the sale of tax-forfeited land in a county is are \$250,000 or more, the principal from the sale of the land may not be expended, amount the county may spend from the fund each calendar year may not exceed 5-1/2 percent of the market value of the fund on January 1 of the preceding calendar year, and the county board may spend interest earned on the principal money from the fund only for purposes related to the improvement of natural resources. ~~To the extent money received from the sale is attributable to tax-forfeited land from another~~

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county, the money must be deposited in an environmental trust fund established under this section by that county board.

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

Sec. 150. Laws 2003, chapter 128, article 1, section 9, subdivision 6, is amended to read:

Subd. 6. Recreation		7,622,000	5,870,000
	Summary by Fund		
Trust Fund	5,622,000	5,870,000	
State Land and Conser- vation Account (LAW- CON)	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

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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

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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 Asso-

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ciation, 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 accesses. 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

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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~~ land from willing

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sellers. 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.

Sec. 151. Laws 2003, chapter 128, article 1, section 156, is amended to read:

Sec. 156. WATER QUALITY ASSESSMENT PROCESS.

Subdivision 1. **RULEMAKING.** (a) By ~~January~~ October 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 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

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finance committees of the house and senate on the status of discussions with stakeholders and the development of the rules required under subdivision 1.

Subd. 3. TIME LIMIT. Notwithstanding the time limit in Minnesota Statutes, section 14.125, the authority of the commissioner to publish a notice of intent to adopt rules and adopt rules is revived.

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

Sec. 152. Laws 2003, chapter 128, article 1, section 167, subdivision 1, is amended to read:

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 or limited, 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. Except as provided in paragraph (d), 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 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.

(d) Notwithstanding the restrictions in paragraph (a), and Minnesota Statutes, section 84.777, 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, that are north of U.S. Highway 2 shall maintain their present classification unless the commissioner reclassifies the lands under Minnesota Rules, part 6100.1950. The commissioner shall provide for seasonal trail closures when conditions warrant them. By December 31, 2008, the commissioner shall complete the review and designate trails on forest lands north of Highway 2 as provided in this section.

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Sec. 153. REQUIRED RULEMAKING.

(a) The commissioner of natural resources shall amend Minnesota Rules, part 6232.0300, subpart 7, to permit an individual to operate an all-terrain vehicle on privately owned land in an area open to taking deer by firearms during the legal shooting hours of the deer season, regardless of whether the individual is licensed to take deer on the day of operation, if the individual is:

(1) pursuing an occupation when operating the all-terrain vehicle;

(2) not in possession of a firearm; and

(3) the owner of the land on which the all-terrain vehicle is operated, an employee of the land owner, or an immediate family member of the land owner.

(b) The commissioner may use the good cause exemption under Minnesota Statutes, section 14.388, subdivision 1, clause (3), in amending the rule under paragraph (a). Minnesota Statutes, section 14.386, does not apply, except to the extent provided under Minnesota Statutes, section 14.388.

Sec. 154. DISPOSITION OF MINERAL PAYMENTS; FISCAL YEARS 2006 AND 2007.

(a) Notwithstanding Minnesota Statutes, section 93.22, subdivision 1, in fiscal years 2006 and 2007, all payments under Minnesota Statutes, sections 93.14 to 93.285, shall be made to the Department of Natural Resources and shall be credited according to this section.

(b) Twenty percent of all payments under Minnesota Statutes, sections 93.14 to 93.285, shall be credited to the minerals management account in the natural resources fund as costs for the administration and management of state mineral resources by the commissioner of natural resources.

(c) The remainder of the payments shall be credited as follows:

(1) if the lands or minerals and mineral rights covered by a lease are held by the state by virtue of an act of Congress, payments made under the lease shall be credited to the permanent fund of the class of land to which the leased premises belong;

(2) if a lease covers the bed of navigable waters, payments made under the lease shall be credited to the permanent school fund of the state;

(3) if the lands or minerals and mineral rights covered by a lease are held by the state in trust for the taxing districts, payments made under the lease shall be distributed annually on the first day of September to the respective counties in which the lands lie, to be apportioned among the taxing districts interested therein as follows: county, three-ninths; town or city, two-ninths; and school district, four-ninths;

(4) if the lands or mineral rights covered by a lease became the absolute property of the state under the provisions of Minnesota Statutes, chapter 84A, payments made under the lease shall be distributed as follows: county containing the land from which the income was derived, five-eighths; and general fund of the state, three-eighths; and

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

(5) except as provided under this section and except where the disposition of payments may be otherwise directed by law, payments made under a lease shall be paid into the general fund of the state.

Sec. 155. WASTE MANAGEMENT TASK FORCE.

Subdivision 1. CREATION; MEMBERSHIP. A waste management task force is created. The chairs of the house and senate committees with primary jurisdiction over environmental policy and environmental finance shall appoint members to the task force. Five members shall be appointed from each legislative body, including at least two each from the minority caucus. The chairs of the house committees shall appoint the house co-chair of the task force. The chairs of the senate committees shall appoint the senate co-chair of the task force. The Legislative Coordinating Commission shall provide administrative support to the task force.

Subd. 2. CHARGE. (a) The waste management task force is charged to examine the management of organic waste in Minnesota. In developing its findings and recommendations, the task force may consider the following issues:

(1) the need for a hierarchy for organic waste that reflects the state's priorities for organic waste disposal;

(2) the economics of managing organic waste, and the role of state-funded incentives;

(3) the current systems for transporting, processing, and disposing of organic wastes; and

(4) how a state organic waste management system would fit into the existing state and county solid waste management systems.

(b) The waste management task force is charged to examine alternative methods of establishing a statewide system for the disposal of electronic waste. In developing its findings and recommendations, the task force may consider the following issues:

(1) approaches that place the burden of funding collection and recycling of electronic waste on, respectively, manufacturers, wholesalers, and consumers;

(2) approaches similar to the system used to recycle other appliances.

(c) The waste management task force is charged to examine prospects for expanding current landfills and siting new landfills.

Subd. 3. REPORT. The task force shall report to the house and senate committees with primary jurisdiction over environmental policy and environmental finance any findings and recommendations, including suggested legislation, by January 15, 2006.

Subd. 4. EXPIRATION. The waste management task force expires July 1, 2006.

Sec. 156. ENVIRONMENT AND NATURAL RESOURCES TRUST FUND; ADVISORY TASK FORCE.

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

Subdivision 1. ESTABLISHMENT. (a) An advisory task force to examine the process for making recommendations on expenditures from the environment and natural resources trust fund is created, consisting of:

(1) four former members of the current Legislative Commission on Minnesota Resources from the house of representatives, appointed by the executive committee of the commission;

(2) four former members of the current Legislative Commission on Minnesota Resources from the senate, appointed by the executive committee of the commission; and

(3) eight public members who are not current or past members of the Legislative Commission on Natural Resources or the Citizens Advisory Council, established under Minnesota Statutes, section 116P.06, but who have submitted trust fund proposals for funding, appointed by the governor.

(b) The members of the task force shall select a chair who shall preside and convene meetings of the task force. At least two house members and two senate members appointed must be from the minority caucus. Current legislative members of the task force are entitled to reimbursement for per diem expenses plus travel expenses incurred in the services of the task force. Public members of the task force shall be compensated as provided in Minnesota Statutes, section 15.0575.

(c) The task force shall examine the current process for recommending appropriations from the environment and natural resources trust fund and make recommendations for changes in the process.

(d) By February 15, 2006, the task force shall report on its recommendations to the governor and the legislative committees and divisions with jurisdiction over environment and natural resources policy and finance.

Subd. 2. SUNSET. The duties of the Legislative Commission on Minnesota Resources to recommend expenditures from the environment and natural resources trust fund expire on June 30, 2006.

Sec. 157. CONTINUATION OF AGREEMENTS.

An agreement entered into between the Metropolitan Council and a participant in the credit enhancement program under Minnesota Statutes 2004, section 473.197, subdivision 5, with respect to bonds issued prior to the effective date of this section, shall continue in effect in accordance with its terms; provided that no provision in such agreement shall be construed to require or allow the council to pledge its full faith and credit and taxing powers to the payment of additional bonds issued after the effective date of this section.

EFFECTIVE DATE. This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

New language is indicated by underline, deletions by strikeout.

Sec. 158. USE OF CREDIT ENHANCEMENT PROGRAM FUNDS.

The Metropolitan Council must transfer any funds originating from the proceeds of solid waste bonds and available for the credit enhancement program under Minnesota Statutes 2004, section 473.197, subdivision 4, to the council's general fund to the extent such funds are no longer pledged or otherwise needed by the council to maintain a debt reserve fund as provided for in ongoing Minnesota Statutes, section 473.197, subdivision 4. The council must first use the transferred funds for carrying out the metropolitan area water supply planning activities required by Minnesota Statutes, section 473.1565, for staff support of the advisory committee established under that section, and for related purposes. If the council determines that the transferred funds are no longer needed for such purposes, the council may use any such funds for any general purposes of the council.

EFFECTIVE DATE. This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 159. APPLICATION FOR DISABILITY BENEFITS.

Subdivision 1. ELIGIBLE PERSON. For purposes of this section, an eligible person is a person who was employed by the Minnesota Department of Natural Resources as a photo lab supervisor beginning in April 1977 and ending in June 1998.

Subd. 2. APPLICATION PROCEDURE. Notwithstanding any contrary provision in Minnesota Statutes, section 352.113, or any other law, an eligible person may file an application for disability benefits from the Minnesota State Retirement System within 60 days of the effective date of this section. Upon filing of the application, the director must act on the application as if it had been filed within 180 days of termination of the person's employment with the Department of Natural Resources. The director may approve the disability benefit only if the eligible person establishes that the person became disabled while still a state employee. If the director approves the disability benefit, the benefit begins to accrue on the date it is approved.

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

Sec. 160. PCA/OEA MERGER.

The responsibilities of the Office of Environmental Assistance are transferred to the Pollution Control Agency under Minnesota Statutes, section 15.039. In addition to the provisions of Minnesota Statutes, section 15.039, no employee in the classified service shall suffer job loss, have a salary reduced, or have employment benefits reduced as a result of the reorganization in this article.

Sec. 161. REVISOR'S INSTRUCTION.

Except as otherwise provided in this article, the revisor shall make the following changes, with appropriate grammatical corrections, in Minnesota Statutes and Minnesota Rules:

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

(1) delete references to the Office of Environmental Assistance or its director and insert references to the Pollution Control Agency or its commissioner;

(2) delete language that is made superfluous by the merger of the agency and the office;

(3) in Minnesota Statutes, chapters 115A to 116, delete references to obsolete names of committees in the senate and house of representatives and insert generic references to committees with jurisdiction over the specified areas of governance; and

(4) in Minnesota Statutes, chapters 115A to 116, delete obsolete references to reports required to be submitted to the legislature.

Sec. 162. REPEALER.

Subdivision 1. METROPOLITAN COUNCIL. Minnesota Statutes 2004, sections 473.156; and 473.197, subdivisions 1, 2, 3, and 5, are repealed effective the day following final enactment.

Subd. 2. STATE LANDS. Minnesota Statutes 2004, sections 94.343, subdivision 6; 94.344, subdivision 6; 94.348; and 94.349, are repealed.

Subd. 3. PCA/OEA MERGER. Minnesota Statutes 2004, sections 115A.03, subdivisions 8a and 22a; 115A.055, subdivision 1; 115D.03, subdivision 4; and 473.801, subdivision 6, are repealed.

Subd. 4. OFF-HIGHWAY VEHICLE SAFETY AND CONSERVATION PROGRAM. Minnesota Statutes 2004, section 84.901, is repealed.

ARTICLE 3

JOBS AND ECONOMIC DEVELOPMENT APPROPRIATIONS

Section 1. JOBS AND 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 article, to be available for the fiscal years indicated for each purpose. The figures "2006" and "2007," where used in this article, mean that the appropriation or appropriations listed under them are available for the fiscal year ending June 30, 2006, or June 30, 2007, respectively. The term "first year" means the fiscal year ending June 30, 2006, and the term "second year" means the fiscal year ending June 30, 2007.

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

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. Any funds not spent the first year are available the second year.

\$155,000 the first year and \$155,000 the second year are from the general fund for a grant to the Metropolitan Economic Development Association for continuing minority business development programs in the metropolitan area.

\$150,000 the first year and \$150,000 the second year are from the general fund for a grant to WomenVenture for women's business development programs.

\$250,000 the first year and \$250,000 the second year are to establish a methamphetamine laboratory cleanup revolving loan fund pursuant to Minnesota Statutes, section 446A.083. This is a onetime appropriation. This appropriation is available until spent.

\$18,000 in the first year and \$17,000 in the second year are for onetime grants to the Riverbend Center for Entrepreneurial Facilitation in Blue Earth County. The grants must be used to continue a program to assist in the development of entrepreneurs and small businesses. The grants must be provided on the condition that each state-appropriated dollar be matched with a nonstate dollar. Any balance in the first year

does not cancel but is available in the second year.

Grant recipients must report to the commissioner by February 1 in each of the two years after the year of receipt of the grant. The report must detail the number of customers served; the number of businesses started, stabilized, or expanded; the number of jobs created and retained; and business success rates. The commissioner shall report to the legislature on the program's assistance to entrepreneurs and small businesses. The report shall contain an evaluation of the results.

\$15,000,000 the first year is for the direct and indirect expenses of the collaborative research partnership between the University of Minnesota and the Mayo Foundation for research in biotechnology and medical genomics. This is a onetime appropriation. An annual report on the expenditure of this appropriation must be submitted to the governor and the chairs of the senate Higher Education Budget Division, the house of representatives Higher Education Finance Committee, the senate Environment, Agriculture, and Economic Development Budget Division, and the house of representatives Jobs and Economic Opportunity Policy and Finance Committee, by June 30 of each fiscal year until the appropriation is expended. This appropriation is available until expended.

\$100,000 the first year and \$100,000 the second year are to help small businesses access federal funds through the federal Small Business Innovation Research Program and the federal Small Business Technology Transfer Program. Department services must include maintaining connections to 11 federal programs, assessment of specific funding opportunities, re-

view of funding proposals, referral to specific consulting services, and training workshops throughout the state. The appropriation is added to the agency's base. Unless prohibited by federal law, the department must implement fees for services that help companies seek federal Phase II Small Business Innovation Research grants. The recommended fee schedule must be reported to the chairs of the house of representatives finance committee and senate budget division with jurisdiction over economic development by February 1, 2006.

\$60,000 the first year and \$60,000 the second year are for grants to the Minnesota Inventors Congress. Of this amount, \$10,000 each year is for the Student Inventors Congress.

\$15,000 the first year from the base is for a onetime grant to La Creche Early Childhood Centers, Inc. of Minneapolis.

\$125,000 the first year is for a grant to the Northwest Regional Development Commission at Warren to do field research on the planting and production of cold-hardy grape cultivars. This is a onetime appropriation and is available until expended. * **(The preceding text beginning "\$125,000 the first year" was indicated as vetoed by the governor.)**

This vineyard production research project is to select cold-hardy cultivars and cultural practices that can diversify the agricultural landscape of Minnesota and stimulate economic development with subsequent expansion into value-added businesses and the winery industry. Treatments used in this research project must focus on development of cultural and management practices that include trials on planting depths, vine root care, cultivation techniques, mulching,

and other methods that will enhance productivity and winter survival in subzero temperatures.

An annual report is required, including an economic assessment that compares the input requirements and feasibility of each overwintering technique and its contribution to the success of the vines. The report must be submitted to the chairs of the house of representatives and senate policy committees with jurisdiction over agriculture. The Northwest Regional Development Commission is encouraged to work with the University of Minnesota and the North Dakota State University experiment stations and on-farm sites to evaluate the suitability of regionally developed grape cultivars in areas of harsh winters and short growing seasons.

\$250,000 the first year is for a onetime grant to the Blandin Foundation for the "get broadband" program. This appropriation must be matched equally by nonstate funds and is available until expended. Expenditures made by the Blandin Foundation beginning December 1, 2004, may be used as match for this appropriation. The "get broadband" program must be designed to increase the use of broadband-based technologies by businesses, schools, health care organizations, government organizations, and the general public.

\$100,000 the first year is for a onetime grant to the Children's Discovery Museum for furnishing and equipping the new Children's Discovery Museum in Grand Rapids.

Subd. 3. Workforce Partnerships	15,229,000	15,229,000
Summary by Fund		
General	8,347,000	8,347,000

Workforce Development 6,882,000 6,882,000

\$6,785,000 the first year and \$6,785,000 the second year are from the general fund for the Minnesota job skills partnership program under Minnesota Statutes, sections 116L.01 to 116L.17. If the appropriation for either year is insufficient, the appropriation for the other year is available. This appropriation does not cancel.

\$305,000 the first year and \$305,000 the second year are from the general fund for a grant under Minnesota Statutes, section 116J.8747, to Twin Cities RISE! to provide training to hard-to-train individuals.

\$875,000 the first year and \$875,000 the second year are from the workforce development fund for opportunities industrialization center programs.

\$500,000 the first year and \$500,000 the second year are from the workforce development fund for a onetime grant to the Minnesota Opportunities Industrialization Centers State Council. The grant shall be used by the American Indian Opportunities Industrialization Centers of Minneapolis, and the Northwestern Opportunities Industrialization Centers of Bemidji, to provide training to American Indians on personal financial management and investment and to become small businesspersons. The opportunities industrialization centers may contract with any accredited state or private educational institution to deliver training. *
(The preceding text beginning "\$500,000 the first year" was indicated as vetoed by the governor.)

\$500,000 the first year and \$500,000 the second year are from the workforce development fund for a onetime grant to the Minnesota Opportunity Industrialization Centers State Council. The grant shall be

used to initiate and expand health occupation training at Minnesota Opportunity Industrialization Centers. The grant shall be distributed evenly among those Minnesota Opportunity Industrialization Centers that have plans to either initiate or expand health occupations and career ladder training programs for individuals seeking employment as nurses, nursing assistants, home health aides, phlebotomists, or in the field of medical coding.

The first \$1,450,000 deposited in each year of the biennium and in each year of subsequent bienniums into the contingent account created under Minnesota Statutes, section 268.196, subdivision 3, shall be transferred upon deposit to the workforce development fund created under Minnesota Statutes, section 116L.20. Deposits in excess of the \$1,450,000 shall be transferred upon deposit to the general fund.

\$1,069,000 the first year and \$1,069,000 the second year are from the general fund and \$3,000,000 the first year and \$3,000,000 the second year are from the workforce development fund for a onetime grant for the Minnesota youth program. If the appropriation in either year is insufficient, the appropriation for the other year is available. * **(The text "\$1,069,000 the first year and \$1,069,000 the second year are from the general fund and" was indicated as vetoed by the governor.)**

\$183,000 the first year and \$183,000 the second year are for a onetime grant for the learn-to-earn summer youth employment program. This appropriation is available until spent. * **(The preceding text beginning "\$183,000 the first year" was indicated as vetoed by the governor.)**

\$757,000 the first year and \$757,000 the second year are from the workforce devel-

opment fund for a onetime grant for the youthbuild program under Minnesota Statutes, sections 268.361 to 268.366. A Minnesota Youthbuild program funded under this section as authorized in Minnesota Statutes, sections 116L.361 to 116L.366, qualifies as an approved training program under Minnesota Rules, part 5200.0930, subpart 1.

\$1,000,000 the first year and \$1,000,000 the second year are from the workforce development fund for a onetime grant to the Minnesota Alliance of Boys and Girls Clubs to administer a statewide project of youth job skills development. This project, which may have career guidance components, is to encourage, train, and assist youth in job-seeking skills, workplace orientation, and job-site knowledge through coaching. This grant requires a 25 percent match from nonstate resources.

\$5,000 the first year and \$5,000 the second year are for a onetime grant to the Northwest Regional Curfew Center under the youth intervention program in Minnesota Statutes, section 116L.30. * **(The preceding text beginning “\$5,000 the first year” was indicated as vetoed by the governor.)**

\$8,500 in the first year and \$8,500 in the second year are from the department’s base for a grant to the Twin Cities Community Voice Mail to maintain the toll-free telephone number for the Greater Minnesota Project. The commissioner must ensure that the telephone number is not changed for the 2006-2007 biennium. * **(The preceding text beginning “\$8,500 the first year” was indicated as vetoed by the governor.)**

\$250,000 the first year and \$250,000 the second year are from the workforce development fund for a grant to Lifetrack Re-

sources for its immigrant and refugee collaborative programs, including those related to job-seeking skills and workplace orientation, intensive job development, functional work English, and on-site job coaching.

Subd. 4. Workforce Services	27,960,000	28,160,000
Summary by Fund		
General	20,165,000	20,165,000
Workforce Development	7,795,000	7,995,000

\$4,864,000 the first year and \$4,864,000 the second year are from the general fund and \$7,420,000 the first year and \$7,420,000 the second year are from the workforce development fund for extended employment services for persons with severe disabilities or related conditions under Minnesota Statutes, section 268A.15. Of the amount from the workforce development fund, \$500,000 each year is onetime.

\$1,690,000 the first year and \$1,690,000 the second year are from the general fund for grants under Minnesota Statutes, section 268A.11, for the eight centers for independent living. Money not expended the first year is available the second year.

\$150,000 the first year and \$150,000 the second year are from the general fund and \$175,000 the first year and \$175,000 the second year are from the workforce development fund for grants under Minnesota Statutes, section 268A.03, to Rise, Inc. for the Minnesota Employment Center for People Who are Deaf or Hard-of-Hearing. Money not expended the first year is available the second year. Of the amount from the workforce development fund, \$150,000 each year is onetime.

\$1,000,000 the first year and \$1,000,000

the second year are from the general fund and \$200,000 the first year and \$400,000 the second year are from the workforce development fund 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 \$77,000 each year may be used for administrative and salary expenses. The appropriation from the workforce development fund is onetime.

\$4,940,000 the first year and \$4,940,000 the second year are from the general fund for state services for the blind activities.

\$7,521,000 the first year and \$7,521,000 the second year are from the general fund for the state's vocational rehabilitation program for people with significant disabilities to assist with employment, under Minnesota Statutes, chapter 268A.

On or after July 1, 2005, the commissioner of finance shall cancel the unencumbered balance in the contaminated site cleanup and development account to the unrestricted fund balance in the general fund.

Subd. 5. State-Funded Administration	3,277,000	3,277,000
Sec. 3. MINNESOTA CONSERVATION CORPS	1,200,000	1,200,000

This appropriation is from the workforce development fund for a onetime appropriation for the purposes of Minnesota Statutes, section 84.991. * (The preceding section was indicated as vetoed by the governor.)

Sec. 4. COMMERCE

Subdivision 1. Total Appropriation		22,065,000	22,065,000
	Summary by Fund		
General	20,146,000	20,146,000	
Petroleum Cleanup	1,084,000	1,084,000	

Workers' Compensation	835,000	835,000
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The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Financial Examinations	5,994,000	5,994,000
Subd. 3. Petroleum Tank Release Cleanup Board	1,084,000	1,084,000

This appropriation is from the petroleum tank release cleanup fund.

Subd. 4. Administrative Services	5,418,000	5,418,000
Subd. 5. Market Assurance	5,757,000	5,757,000

Summary by Fund

General	4,922,000	4,922,000
Workers' Compensation	835,000	835,000
Subd. 6. Energy and Telecommunications	3,812,000	3,812,000
Subd. 7. Fair Housing Education		

Of the money appropriated for fair housing education under Laws 2001, chapter 208, section 28, the unencumbered balance is canceled and transferred to the general fund.

Subd. 8. Mortgage Consumer Education

Of the unexpended balance in the consumer education account established under Minnesota Statutes, section 58.10, subdivision 3, \$200,000 is transferred to the general fund.

Subd. 9. Liquefied Petroleum Gas Account

The unexpended balance in the liquefied

petroleum gas account established under Minnesota Statutes, section 239.785, subdivision 6, is canceled and transferred to the general fund.

Sec. 5. HOUSING FINANCE AGENCY

Subdivision 1. Total Appropriation	35,235,000	35,235,000
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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. Challenge Program

10,907,000	10,907,000
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For the economic development and housing challenge program under Minnesota Statutes, section 462A.33. Of this amount, \$1,285,000 each year shall be made available during the first eight months of the fiscal year exclusively for housing projects for American Indians. Any funds not committed to housing projects for American Indians in the first eight months of the fiscal year, shall be available for any eligible activity under Minnesota Statutes, section 462A.33.

Subd. 3. Housing Trust Fund

\$6,305,000 the first year and \$6,305,000 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. The base funding for this program shall be \$8,305,000 each year in the 2008-2009 biennium.

Subd. 4. Rental Assistance for Mentally Ill

1,638,000 1,638,000

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. 5. Family Homeless Prevention

3,715,000 3,715,000

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.

As provided in Minnesota Statutes, section 462A.20, subdivision 3, the agency may transfer unencumbered balances from one appropriated account to another as necessary to implement the business plan of the working group on long-term homelessness established in Laws 2003, chapter 128, article 15, section 9.

Subd. 6. Home Ownership Assistance
Fund

The budget base for the home ownership assistance fund shall be \$885,000 in fiscal year 2008 and \$885,000 in fiscal year 2009.

Subd. 7. Affordable Rental Investment
Fund

\$8,996,000 the first year and \$8,996,000 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. This appropriation also may be used to finance the acquisition, rehabilitation, and debt restructuring of existing supportive housing properties. For purposes of this subdivision, "supportive housing" means affordable rental housing with links to services necessary for individuals, youth, and families with children to maintain housing stability.

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 federally assisted rental 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. 8. Housing Rehabilitation and Accessibility

\$2,654,000 the first year and \$2,654,000 the second year are for the housing rehabilitation and accessibility program under Minnesota Statutes, section 462A.05, subdivisions 14a and 15a. The budget base for the housing rehabilitation and accessibility program shall be \$3,972,000 in fiscal year

2008 and \$3,972,000 in fiscal year 2009.

Subd. 9. Home Ownership Education,
Counseling, and Training

770,000 770,000

For the home ownership education, counseling, and training program under Minnesota Statutes, section 462A.209.

Subd. 10. Capacity Building Grants

\$250,000 the first year and \$250,000 the second year are for nonprofit capacity building grants under Minnesota Statutes, section 462A.21, subdivision 3b.

Sec. 6. EXPLORE MINNESOTA TOURISM 8,701,000 9,701,000

To develop maximum private sector involvement in tourism, \$4,000,000 each year must be matched by Explore Minnesota tourism from nonstate sources. Up to one-half of the total match requirement may include in-kind contributions. Cash match is defined as revenue to the state or documented case expenditures directly expended to support Explore Minnesota tourism programs.

In the second year, for every dollar generated from nonstate sources in the previous year in excess of \$4,000,000, an amount of up to \$1,000,000 is appropriated from the general fund to Explore Minnesota tourism for marketing purposes. This incentive is ongoing. In order to maximize marketing grant benefits, the director must give priority for organizational partnership marketing grants to organizations with year-round sustained tourism activities. For programs and projects submitted, the director must give priority to those that encompass two or more areas or that attract nonresident travelers to the state.

Funding for the marketing grants is avail-

able either year of the biennium. Unexpended grant funds from the first year are available in the second year.

The director may use grant dollars or the value of in-kind services to provide the state contribution for the partnership grant program.

Any unexpended money from the general fund appropriations made under this section does not cancel but must be placed in a special marketing account for use by Explore Minnesota tourism for additional marketing activities.

Of this amount, \$50,000 the first year from the base 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, 2007.

\$250,000 the first year and \$250,000 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.

Of this amount, \$60,000 the first year is for a onetime grant to the city of Winona for the Great River Shakespeare Festival. The funds must be used to promote and market the Great River Shakespeare Festival. To develop maximum private sector involvement in marketing the festival, \$60,000 must be matched by nonstate sources.

Sec. 7. LABOR AND INDUSTRY

Subdivision 1. Total Appropriation	22,919,000	22,919,000
Summary by Fund		
General	2,872,000	2,872,000
Workers' Compensation	19,297,000	19,297,000

Workforce Development	750,000	750,000
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The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Workers' Compensation

10,371,000	10,371,000
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This appropriation is from the workers' compensation fund.

Up to \$150,000 the first year and up to \$150,000 the second year are for grants to the Vinland Center for rehabilitation services. The grants shall be distributed as the department refers injured workers to the Vinland Center to receive rehabilitation services.

Subd. 3. Workplace Services

7,261,000	7,261,000
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Summary by Fund

General	2,872,000	2,872,000
Workers' Compensation	3,639,000	3,639,000
Workforce Development	750,000	750,000

\$650,000 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 appropriation is from the workforce development fund.

The annual license fees authorized under Minnesota Statutes, section 326.48, and detailed in Minnesota Rules, part 5230.0100, subpart 3, shall increase \$20 for a journeyman high-pressure piping pipefitter license, \$20 for a high-pressure piping contracting pipefitter, \$10 for an

inactive license, and \$100 for a high-pressure pipefitting business license.

The permit filing and inspection fees authorized under Minnesota Statutes, section 326.47, and detailed in Minnesota Rules, part 5230.0100, subpart 4, shall be increased as follows: the filing of a permit application shall be increased \$50, the minimum high-pressure piping inspection fee shall be increased \$50, and the schedule of inspection fee rates shall be increased by ten percent.

Subd. 4. General Support

5,287,000	5,287,000
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This appropriation is from the workers' compensation fund.

The commissioner of labor and industry shall report to the 2006 legislature on the safety and education program for Minnesota loggers under Minnesota Statutes, section 176.130.

Sec. 8. 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 onetime 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. 9. WORKERS' COMPENSATION COURT OF APPEALS	1,618,000	1,618,000
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This appropriation is from the workers' compensation fund.

Sec. 10. MINNESOTA HISTORICAL SOCIETY Subdivision 1. Total Appropriation	23,317,000	23,133,000
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The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Education and Outreach	13,191,000	13,191,000
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Of this amount, \$60,000 each year is to offset the revenue loss from not charging fees for general tours at the Capitol. Notwithstanding Minnesota Statutes, section 138.668, the Minnesota Historical Society may not charge a fee for its general tours at the Capitol, but may charge fees for special programs other than general tours. This appropriation is part of the society's budget base.

\$700,000 the first year and \$700,000 the second year are to operate historic sites including: Kelley Farm, Hill House, Lower Sioux Agency, Fort Ridgely, Historic Forestville, the Forest History Center, and the Comstock House. In order to maximize public access to historic sites, the Minnesota Historical Society shall work with interested communities or individuals who are willing to provide financial or in-kind support for site operations. This appropriation is part of the Minnesota Historical Society's base budget. This paragraph is effective the day following final enactment.

\$50,000 the first year and \$50,000 the second year are to assist the Minnesota Sesquicentennial Commission for planning and support of its mission. This is a one-

time appropriation and is available until January 30, 2009.

Subd. 3. Preservation and Access

9,772,000	9,772,000
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Subd. 4. Fiscal Agent

354,000	170,000
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(a) Minnesota International Center

43,000	42,000
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(b) Minnesota Air National Guard Museum

16,000	-0-
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(c) Minnesota Military Museum

67,000	-0-
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(d) Farmamerica

128,000	128,000
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Notwithstanding any other law, this appropriation may be used for operations.

(e) \$100,000 is appropriated from the general fund to the Minnesota Historical Society for a onetime grant to Otter Tail County for the redesign, furnishing, and equipping of a Veterans Museum in Perham. This appropriation is available until spent.

(f) 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 Minnesota Historical Society may reallocate funds appropriated in and between subdivisions 2 and 3 for any program purposes.

Sec. 11. BOARD OF THE ARTS

Subdivision 1. Total Appropriation

8,593,000	8,593,000
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Minnesota Statutes, section 473.845. The funds provided for in this transfer may only be used to make the incentive payments for wind energy conversion systems authorized under Minnesota Statutes, section 116C.779, subdivision 2.

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

ARTICLE 4

JOBS AND ECONOMIC DEVELOPMENT

POLICY PROVISIONS

Section 1. Minnesota Statutes 2004, section 3.303, is amended by adding a subdivision to read:

Subd. 7. ECONOMIC STATUS OF WOMEN. The commission shall study and report to the legislature on all matters relating to the economic status of women in Minnesota, including:

- (1) the contributions of women to the economy;
- (2) economic security of homemakers and women in the labor force;
- (3) opportunities for education and vocational training;
- (4) employment opportunities;
- (5) women's access to benefits and services provided to citizens of this state; and
- (6) laws and business practices constituting barriers to the full participation by women in the economy.

The commission shall also study the adequacy of programs and services relating to families in Minnesota. The commission shall communicate its findings and make recommendations to the legislature on an ongoing basis.

Sec. 2. Minnesota Statutes 2004, 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:

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

(1) meets all of the specifications in ASTM specification ~~D4806-01~~ D4806-04a;
and

(2) is denatured as specified in Code of Federal Regulations, title 27, parts 20 and 21.

(b) "Ethanol plant" means a plant at which ethanol is produced.

(c) "Commissioner" means the commissioner of agriculture.

Sec. 3. [45.23] LICENSE EDUCATION.

The following fees must be paid to the commissioner:

(1) initial course approval, \$10 for each hour or fraction of one hour of education course approval sought. Initial course approval expires on the last day of the 24th month after the course is approved;

(2) renewal of course approval, \$10 per course. Renewal of course approval expires on the last day of the 24th month after the course is renewed;

(3) initial coordinator approval, \$100. Initial coordinator approval expires on the last day of the 24th month after the coordinator is approved; and

(4) renewal of coordinator approval, \$10. Renewal of coordinator approval expires on the last day of the 24th month after the coordinator is renewed.

Sec. 4. Minnesota Statutes 2004, section 60A.14, subdivision 1, is amended to read:

Subdivision 1. **FEES OTHER THAN EXAMINATION FEES.** In addition to the fees and charges provided for examinations, the following fees must be paid to the commissioner for deposit in the general fund:

(a) by township mutual fire insurance companies;

(1) for filing certificate of incorporation \$25 and amendments thereto, \$10;

(2) for filing annual statements, \$15;

(3) for each annual certificate of authority, \$15;

(4) for filing bylaws \$25 and amendments thereto, \$10;

(b) by other domestic and foreign companies including fraternal and reciprocal exchanges;

(1) for filing an application for an initial certification of authority to be admitted to transact business in this state, \$1,500;

(2) for filing certified copy of certificate of articles of incorporation, \$100;

~~(2)~~ (3) for filing annual statement, \$225;

~~(3)~~ (4) for filing certified copy of amendment to certificate or articles of incorporation, \$100;

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

(4) ~~(5)~~ for filing bylaws, \$75 or amendments thereto, \$75;

~~(5)~~ (6) for each company's certificate of authority, \$575, annually;

(c) the following general fees apply:

(1) for each certificate, including certified copy of certificate of authority, renewal, valuation of life policies, corporate condition or qualification, \$25;

(2) for each copy of paper on file in the commissioner's office 50 cents per page, and \$2.50 for certifying the same;

(3) for license to procure insurance in unadmitted foreign companies, \$575;

(4) for valuing the policies of life insurance companies, one cent per \$1,000 of insurance so valued, provided that the fee shall not exceed \$13,000 per year for any company. The commissioner may, in lieu of a valuation of the policies of any foreign life insurance company admitted, or applying for admission, to do business in this state, accept a certificate of valuation from the company's own actuary or from the commissioner of insurance of the state or territory in which the company is domiciled;

(5) for receiving and filing certificates of policies by the company's actuary, or by the commissioner of insurance of any other state or territory, \$50;

(6) for each appointment of an agent filed with the commissioner, \$10;

(7) for filing forms and rates, \$75 per filing, which may be paid on a quarterly basis in response to an invoice. Billing and payment may be made electronically;

(8) for annual renewal of surplus lines insurer license, \$300;

(9) \$250 filing fee for a large risk alternative rating option plan that meets the \$250,000 threshold requirement.

The commissioner shall adopt rules to define filings that are subject to a fee.

Sec. 5. Minnesota Statutes 2004, section 60K.55, subdivision 2, is amended to read:

Subd. 2. **LICENSING FEES.** (a) In addition to fees provided for examinations, each insurance producer licensed under this chapter shall pay to the commissioner a fee of:

(1) ~~\$40~~ \$50 for an initial life, accident and health, property, or casualty license issued to an individual insurance producer, and a fee of ~~\$40~~ \$50 for each renewal;

(2) ~~\$75~~ \$50 for an initial variable life and variable annuity license issued to an individual insurance producer, and a fee of \$50 for each renewal;

(3) ~~\$80~~ \$50 for an initial personal lines license issued to an individual insurance producer, and a fee of ~~\$80~~ \$50 for each renewal;

(4) ~~\$80~~ \$50 for an initial limited lines license issued to an individual insurance producer, and a fee of ~~\$80~~ \$50 for each renewal;

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

(5) \$200 for an initial license issued to a business entity, and a fee of ~~\$150~~ \$200 for each renewal; and

(6) \$500 for an initial surplus lines license, and a fee of \$500 for each renewal.

(b) Initial licenses issued under this chapter are valid for a period not to exceed 24 months and expire on October 31 of the renewal year assigned by the commissioner. Each renewal insurance producer license is valid for a period of 24 months. Licensees who submit renewal applications postmarked or delivered on or before October 15 of the renewal year may continue to transact business whether or not the renewal license has been received by November 1. Licensees who submit applications postmarked or delivered after October 15 of the renewal year must not transact business after the expiration date of the license until the renewal license has been received.

(c) All fees are nonreturnable, except that an overpayment of any fee may be refunded upon proper application.

Sec. 6. Minnesota Statutes 2004, section 72B.04, subdivision 10, is amended to read:

Subd. 10. **FEES.** A fee of ~~\$80~~ \$50 is imposed for each initial license or temporary permit and ~~\$80~~ \$50 for each renewal thereof or amendment thereto. A fee of \$20 is imposed for the registration of each nonlicensed adjuster who is required to register under section 72B.06. All fees shall be transmitted to the commissioner and shall be payable to the Department of Commerce.

Sec. 7. Minnesota Statutes 2004, section 82B.05, subdivision 1, is amended to read:

Subdivision 1. **MEMBERS.** The Real Estate Appraiser Advisory Board consists of 15 members appointed by the commissioner of commerce. Three of the members must be public members, four must be consumers of appraisal services, and eight must be real estate appraisers of whom not less than two members shall be registered real property appraisers, licensed real property appraisers, or certified residential real property appraisers and, not less than two members shall be certified general real property appraisers, and not less than one member shall be certified by the Appraisal Qualification Board of the Appraisal Foundation to teach the Uniform Standards of Professional Appraisal Practice. The board is governed by section 15.0575.

Sec. 8. Minnesota Statutes 2004, section 82B.05, subdivision 5, is amended to read:

Subd. 5. **CONDUCT OF MEETINGS.** Places of regular board meetings must be decided by the vote of members. Written notice must be given to each member of the time and place of each meeting of the board at least ten days before the scheduled date of regular board meetings. The board shall establish procedures for emergency board meetings and other operational procedures, subject to the approval of the commissioner.

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

The members of the board shall elect a chair from among the members to preside at board meetings.

A quorum of the board is eight members.

The board shall meet at least once every six months as determined by a majority vote of the members or a call of the commissioner.

Sec. 9. Minnesota Statutes 2004, section 82B.09, subdivision 1, is amended to read:

Subdivision 1. **AMOUNTS.** The following fees must be paid to the commissioner:

(1) \$150 for each initial individual real estate appraiser's license; ~~\$150 if the license expires more than 12 months after issuance, \$100 if the license expires less than 12 months after issuance;~~ and a fee of

(2) \$100 for each renewal.

Sec. 10. Minnesota Statutes 2004, section 115C.07, subdivision 3, is amended to read:

Subd. 3. **RULES.** (a) The board shall adopt rules regarding its practices and procedures, the form and procedure for applications for compensation from the fund, procedures for investigation of claims and specifying the costs that are eligible for reimbursement from the fund.

(b) The board may adopt rules requiring certification of environmental consultants.

(c) The board may adopt other rules necessary to implement this chapter.

(d) The board may use section 14.389 to adopt rules specifying the competitive bidding requirements for consultant services proposals.

(e) The board may use section 14.389 to adopt rules specifying the written proposal and invoice requirements for consultant services.

Sec. 11. Minnesota Statutes 2004, section 115C.09, subdivision 3h, is amended to read:

Subd. 3h. **REIMBURSEMENT; ABOVEGROUND TANKS IN BULK PLANTS.** (a) As used in this subdivision, "bulk plant" means an aboveground or underground tank facility with a storage capacity of more than 1,100 gallons but less than 1,000,000 gallons that is used to dispense petroleum into cargo tanks for transportation and sale at another location.

(b) Notwithstanding any other provision in this chapter and any rules adopted pursuant to this chapter, the board shall reimburse 90 percent of an applicant's cost for bulk plant upgrades or closures completed between June 1, 1998, and November 1, 2003, to comply with Minnesota Rules, chapter 7151, provided that the board

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

determines the costs were incurred and reasonable. The reimbursement may not exceed \$10,000 per bulk plant. The board may provide reimbursement under this paragraph for work completed after November 1, 2003, if the work was contracted for prior to that date and was not completed by that date as a result of an unanticipated situation, provided that an application for reimbursement under this paragraph, which may be a renewal of an application previously denied, is submitted prior to December 31, 2005.

(c) For corrective action at a bulk plant located on what is or was railroad right-of-way, the board shall reimburse 90 percent of total reimbursable costs on the first \$40,000 of reimbursable costs and 100 percent of any remaining reimbursable costs when the applicant can document that more than one bulk plant was operated on the same section of right-of-way, as determined by the commissioner of commerce.

Sec. 12. Minnesota Statutes 2004, section 115C.09, subdivision 3j, is amended 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 and 2003 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. 13. Minnesota Statutes 2004, 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, 115C.11, 115C.111, 115C.112, 115C.113, 115C.12, and 115C.13, are repealed effective June 30, 2007 2012.

Sec. 14. Minnesota Statutes 2004, section 116C.779, subdivision 2, is amended to read:

Subd. 2. **RENEWABLE ENERGY PRODUCTION INCENTIVE.** (a) Until January 1, 2018, up to \$6,000,000 \$10,900,000 annually must be allocated from available funds in the account to fund renewable energy production incentives. \$4,500,000 \$9,400,000 of this annual amount is for incentives for up to ~~100~~ 200 megawatts of electricity generated by wind energy conversion systems that are eligible for the incentives under section 216C.41. The balance of this amount, up to \$1,500,000 annually, may be used for production incentives for on-farm biogas recovery facilities

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

that are eligible for the incentive under section 216C.41 or for production incentives for other renewables, to be provided in the same manner as under section 216C.41. Any portion of the ~~\$6,000,000~~ \$10,900,000 not expended in any calendar year for the incentive is available for other spending purposes under this section. This subdivision does not create an obligation to contribute funds to the account.

(b) The Department of Commerce shall determine eligibility of projects under section 216C.41 for the purposes of this subdivision. At least quarterly, the Department of Commerce shall notify the public utility of the name and address of each eligible project owner and the amount due to each project under section 216C.41. The public utility shall make payments within 15 working days after receipt of notification of payments due.

Sec. 15. Minnesota Statutes 2004, section 116J.551, subdivision 1, is amended to read:

Subdivision 1. **GRANT ACCOUNT.** A contaminated site cleanup and development grant account is created in the general fund. Money in the account may be used, as appropriated by law, to make grants as provided in section 116J.554 and to pay for the commissioner's costs in reviewing applications and making grants. Notwithstanding section 16A.28, money appropriated to the account is available for four years.

Sec. 16. Minnesota Statutes 2004, section 116J.571, is amended to read:

116J.571 CREATION OF ACCOUNTS.

Two ~~greater Minnesota~~ redevelopment accounts are created, one in the general fund and one in the bond proceeds fund. Money in the accounts may be used to make grants as provided in section 116J.575. ~~Money in the bond proceeds fund may only be used for eligible costs for publicly owned property. Money in the general fund may be used and to pay for the commissioner's costs in reviewing the applications and making grants.~~

Sec. 17. Minnesota Statutes 2004, section 116J.572, is amended to read:

116J.572 DEFINITIONS.

Subdivision 1. **SCOPE OF APPLICATION.** For purposes of sections 116J.571 to 116J.575, the terms in this section have the meanings given.

Subd. 2. **DEVELOPMENT AUTHORITY.** "Development authority" includes a statutory or home rule charter city, county, housing and redevelopment authority, economic development authority, or port authority ~~located outside.~~

Subd. 2a. **METROPOLITAN AREA.** "Metropolitan area" means the seven-county metropolitan area, as defined in section 473.121, subdivision 2.

Subd. 2b. **MUNICIPALITY.** "Municipality" means the statutory or home rule charter city, town, or, in the case of unorganized territory, county in which the redevelopment is located.

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

Subd. 3. **ELIGIBLE REDEVELOPMENT COSTS OR COSTS.** "Eligible Redevelopment costs" or "costs" means the costs of land acquisition, stabilizing unstable soils when infill is required, demolition, infrastructure improvements, and ponding or other environmental infrastructure; building construction, design and engineering; and costs necessary for adaptive reuse of buildings, including remedial activities. Eligible costs do not include project administration and legal fees.

Subd. 4. **REDEVELOPMENT.** "Redevelopment" means recycling obsolete, abandoned, or underutilized properties for new industrial, commercial, or residential uses.

Sec. 18. Minnesota Statutes 2004, section 116J.574, is amended to read:

116J.574 GRANT APPLICATIONS.

Subdivision 1. **APPLICATION REQUIRED.** To obtain a redevelopment grant, a development authority shall apply to the commissioner. The governing body of the municipality must approve the application by resolution.

Subd. 2. **REQUIRED CONTENT.** The commissioner shall prescribe and provide the application form. The application must include at least the following information:

- (1) identification of the site;
- (2) a redevelopment plan for the site;
- (3) a detailed budget estimate, including along with necessary supporting evidence, of the total redevelopment costs for the site including the total eligible redevelopment costs;
- ~~(3)~~ a complete (4) an assessment of the development potential or likely use of the site after completion of the redevelopment plan, including any specific commitments from third parties to construct improvements on the site;
- (4) ~~a complete financing plan, including~~ (5) the manner in which the development authority uses innovative financial partnerships between government, private for-profit, and nonprofit sectors municipality will meet the local match requirement; and
- (5) (6) any additional information or material that the commissioner prescribes.

Sec. 19. Minnesota Statutes 2004, section 116J.575, as amended by Laws 2005, chapter 20, article 1, section 33, is amended to read:

116J.575 GRANTS.

Subdivision 1. **COMMISSIONER DISCRETION.** The commissioner may make a grant for up to 50 percent of the eligible costs of a project. The determination of whether to make a grant for a site is within the discretion of the commissioner, subject to this section and sections 116J.571 to 116J.574 and available unencumbered money in the greater Minnesota redevelopment account. Notwithstanding section 116J.573, if the commissioner determines that the applications for grants for projects

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

in greater Minnesota are less than the amount of grant funds available, the commissioner may make grants for projects anywhere in Minnesota. The commissioner's decisions and application of the priorities under this section are not subject to judicial review, except for abuse of discretion.

Subd. 1a. PRIORITIES. (a) If applications for grants exceed the available appropriations, grants shall be made for sites that, in the commissioner's judgment, provide the highest return in public benefits for the public costs incurred. "Public benefits" include job creation, bioscience development, environmental benefits to the state and region, efficient use of public transportation, efficient use of existing infrastructure, provision of affordable housing, multiuse development that constitutes community rebuilding rather than single-use development, crime reduction, blight reduction, community stabilization, and property tax base maintenance or improvement. In making this judgment, the commissioner shall give priority to redevelopment projects with one or more of the following characteristics:

(1) the need for redevelopment in conjunction with contamination remediation needs;

(2) the redevelopment project meets current tax increment financing requirements for a redevelopment district and tax increments will contribute to the project;

(3) the redevelopment potential within the municipality;

(4) proximity to public transit if located in the metropolitan area; and

(5) multijurisdictional projects that take into account the need for affordable housing, transportation, and environmental impact.

(b) The factors in paragraph (a) are not listed in a rank order of priority; rather, the commissioner may weigh each factor, depending upon the facts and circumstances, as the commissioner considers appropriate.

Subd. 2. APPLICATION CYCLES. In making grants, the commissioner shall establish semiannual application deadlines in which grants will be authorized from all or part of the available money in the account.

Subd. 3. MATCH REQUIRED. In order to qualify for a grant under sections 116J.571 to 116J.575, the municipality must pay for at least one-half of the redevelopment costs as a local match from any money available to the municipality.

Sec. 20. Minnesota Statutes 2004, section 116J.63, subdivision 2, is amended to read:

Subd. 2. FEES. (a) Fees for reports, publications, or related publicity or promotional material are not subject to the rulemaking requirements of chapter 14 and are not subject to section 16A.1285. The fees prescribed by the commissioner must be commensurate with the distribution objective of the department for the material produced or with the cost of furnishing the services. Except as described in paragraph (b), all fees for materials and services must be deposited in the general fund.

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

(b) The commissioner may sell marketing materials at cost to economic development organizations and others in quantities that would not otherwise be available through general fund appropriations. Funds received must be placed in a special revolving account and are appropriated to the commissioner to pay for the production of the materials.

Sec. 21. Minnesota Statutes 2004, 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 \$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~~ A local community or recognized Indian tribal government may retain 20 percent, but not more than \$100,000 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 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~~ 2005. 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. 22. Minnesota Statutes 2004, section 116J.8747, subdivision 2, is amended to read:

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;

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

(5) the program's education and training course must last for an average of 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 calendar year 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 employment and economic development as meeting the requirements of this subdivision.

Sec. 23. Minnesota Statutes 2004, section 116J.994, subdivision 7, is amended to read:

Subd. 7. **REPORTS BY RECIPIENTS TO GRANTORS.** (a) A business subsidy grantor must monitor the progress by the recipient in achieving agreement goals.

(b) A recipient must provide information regarding goals and results for two years after the benefit date or until the goals are met, whichever is later. If the goals are not met, the recipient must continue to provide information on the subsidy until the subsidy is repaid. The information must be filed on forms developed by the commissioner in cooperation with representatives of local government. Copies of the completed forms must be sent to the local government agency that provided the subsidy or to the commissioner if the grantor is a state agency. If the Iron Range Resources and Rehabilitation Board is the grantor, the copies must be sent to the board. The report must include:

(1) the type, public purpose, and amount of subsidies and type of district, if the subsidy is tax increment financing;

(2) the hourly wage of each job created with separate bands of wages;

(3) the sum of the hourly wages and cost of health insurance provided by the employer with separate bands of wages;

(4) the date the job and wage goals will be reached;

(5) a statement of goals identified in the subsidy agreement and an update on achievement of those goals;

(6) the location of the recipient prior to receiving the business subsidy;

(7) the number of employees who ceased to be employed by the recipient when the recipient relocated to become eligible for the business subsidy;

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

(8) why the recipient did not complete the project outlined in the subsidy agreement at their previous location, if the recipient was previously located at another site in Minnesota;

(9) the name and address of the parent corporation of the recipient, if any;

(10) a list of all financial assistance by all grantors for the project; and

(11) other information the commissioner may request.

A report must be filed no later than March 1 of each year for the previous year. The local agency and the Iron Range Resources and Rehabilitation Board must forward copies of the reports received by recipients to the commissioner by April 1.

(c) Financial assistance that is excluded from the definition of "business subsidy" by section 116J.993, subdivision 3, clauses (4), (5), (8), and (16), is subject to the reporting requirements of this subdivision, except that the report of the recipient must include instead:

(1) the type, public purpose, and amount of the financial assistance, and type of district if the assistance is tax increment financing;

(2) progress towards meeting goals stated in the assistance agreement and the public purpose of the assistance;

(3) if the agreement includes job creation, the hourly wage of each job created with separate bands of wages;

(4) if the agreement includes job creation, the sum of the hourly wages and cost of health insurance provided by the employer with separate bands of wages;

(5) the location of the recipient prior to receiving the assistance; and

(6) other information the grantor requests.

(d) If the recipient does not submit its report, the local government agency must mail the recipient a warning within one week of the required filing date. If, after 14 days of the postmarked date of the warning, the recipient fails to provide a report, the recipient must pay to the grantor a penalty of \$100 for each subsequent day until the report is filed. The maximum penalty shall not exceed \$1,000.

Sec. 24. Minnesota Statutes 2004, section 116J.994, subdivision 9, is amended to read:

Subd. 9. **COMPILATION AND SUMMARY REPORT.** The Department of Employment and Economic Development must publish a compilation and summary of the results of the reports for the previous two calendar years by December 1 of 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

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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;
- (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 for the entire state and for each development region of the state; and
- (11) benefits paid within separate bands of wages for the entire state and for each development region of the state; and
- (12) number of employees in the entire state and in each development region of the state who ceased to be employed because their employers relocated to become eligible for a business subsidy.

Sec. 25. Minnesota Statutes 2004, section 116L.03, subdivision 2, is amended to read:

Subd. 2. **APPOINTMENT.** The Minnesota Job Skills Partnership Board consists of: seven members appointed by the governor, ~~the chair of the governor's Workforce Development Council,~~ the commissioner of employment and economic development, the chancellor, or the chancellor's designee, of the Minnesota State Colleges and Universities, the president, or the president's designee, of the University of Minnesota, and two nonlegislator members, one appointed by the Subcommittee on Committees of the senate Committee on Rules and Administration and one appointed by the speaker of the house. If the chancellor or the president of the university makes a designation under this subdivision, the designee must have experience in technical education. Four of the appointed members must be members of the governor's Workforce Development Council, of whom two must represent organized labor and two must represent business and industry. One of the appointed members must be a representative of a nonprofit organization that provides workforce development or job training services.

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

Sec. 26. Minnesota Statutes 2004, section 116L.05, is amended by adding a subdivision to read:

Subd. 5. USE OF WORKFORCE DEVELOPMENT FUNDS. After March 1 of any fiscal year, the board may use workforce development funds for the purposes outlined in sections 116L.04, 116L.06, and 116L.10 to 116L.14, or to provide incumbent worker training services under section 116L.18 if the following conditions have been met:

(1) the board examines relevant economic indicators, including the projected number of layoffs for the remainder of the fiscal year and the next fiscal year, evidence of declining and expanding industries, the number of initial applications for and the number of exhaustions of unemployment benefits, job vacancy data, and any additional relevant information brought to the board's attention;

(2) the board accounts for all allocations made in section 116L.17, subdivision 2;

(3) based on the past expenditures and projected revenue, the board estimates future funding needs for services under section 116L.17 for the remainder of the current fiscal year and the next fiscal year;

(4) the board determines there will be unspent funds after meeting the needs of dislocated workers in the current fiscal year and there will be sufficient revenue to meet the needs of dislocated workers in the next fiscal year; and

(5) the board reports its findings in clauses (1) to (4) to the chairs of legislative committees with jurisdiction over the workforce development fund, to the commissioners of revenue and finance, and to the public.

Sec. 27. [116L.18] SPECIAL INCUMBENT WORKER TRAINING GRANTS.

Subdivision 1. PURPOSE. The purpose of the special incumbent worker training grants is to expand opportunities for businesses and workers to gain new skills that are in demand in the Minnesota economy. The board shall establish criteria for incumbent worker grants under this section and may encourage creative training models, innovative partnerships, and expansion or replication of promising practices.

Subd. 2. DEFINITIONS. (a) For the purposes of this section, the following terms have the meanings given them.

(b) "Incumbent worker" means an individual employed by a qualifying employer.

(c) "Qualifying employer" means a for-profit business or nonprofit organization in Minnesota with at least one full-time paid employee. Public sector organizations are not considered qualifying employers.

(d) "Eligible organization" has the meaning given in section 116L.17.

Subd. 3. AMOUNT OF GRANTS. A grant to an eligible organization may not exceed \$400,000.

New language is indicated by underline, deletions by strikeout.

Subd. 4. **MATCHING FUNDS.** The board shall require matching funds from qualifying employers in the form of funding, equipment, or faculty.

Subd. 5. **USE OF FUNDS.** Eligible organizations shall use funds granted under this section for direct training services to provide a measurable increase in the job-related skills of participating incumbent workers. Eligible organizations may also provide basic assessment, counseling, and preemployment training services requested by the qualifying employer. No funds may be used for support services as described in section 116L.17, subdivision 4, clause (2).

Subd. 6. **PERFORMANCE OUTCOME MEASURES.** The board and the commissioner of employment and economic development shall jointly develop performance outcome measures and standards for this program. The commissioner and board shall consult with eligible organizations in establishing standards. Measures at a minimum must include posttraining retention, promotion, and wage increase. The board and commissioner shall provide a report to the legislature by March 1 of each year on the previous fiscal year's program performance. Eligible organizations must provide performance data in a timely manner for the completion of this report.

Sec. 28. Minnesota Statutes 2004, section 116L.20, subdivision 1, is amended to read:

Subdivision 1. **DETERMINATION AND COLLECTION OF SPECIAL ASSESSMENT.** (a) In addition to amounts due from an employer under the Minnesota unemployment insurance program, each employer, except an employer making reimbursements is liable for a special assessment levied at the rate of seven-hundredths of one .10 percent per year for calendar years 2006 and 2007 on all taxable wages, as defined in section 268.035, subdivision 24. Beginning January 1, 2008, the special assessment shall be levied at a rate of .085 percent per year on all taxable wages. The assessment shall become due and be paid by each employer on the same schedule and in the same manner as other amounts due from an employer under section 268.051, subdivision 1.

(b) The special assessment levied under this section shall be subject to the same requirements and collection procedures as any amounts due from an employer under the Minnesota unemployment insurance program.

EFFECTIVE DATE. This section is effective January 1, 2006.

Sec. 29. Minnesota Statutes 2004, section 116L.20, subdivision 2, is amended to read:

Subd. 2. **DISBURSEMENT OF SPECIAL ASSESSMENT FUNDS.** (a) The money collected under this section shall be deposited in the state treasury and credited to the workforce development fund to provide for employment and training programs. The workforce development fund is created as a special account in the state treasury.

(b) All money in the fund not otherwise appropriated or transferred is appropriated to the Job Skills Partnership Board for the purposes of section 116L.17 and as

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provided for in paragraph (d). The board must act as the fiscal agent for the money and must disburse that money for the purposes of section 116L.17, not allowing the money to be used for any other obligation of the state. All money in the workforce development fund shall be deposited, administered, and disbursed in the same manner and under the same conditions and requirements as are provided by law for the other special accounts in the state treasury, except that all interest or net income resulting from the investment or deposit of money in the fund shall accrue to the fund for the purposes of the fund.

(c) Reimbursement for costs related to collection of the special assessment shall be in an amount negotiated between the commissioner and the United States Department of Labor.

(d) If the board determines that the conditions of section 116L.05, subdivision 5, have been met, the board may use funds for the purposes outlined in sections 116L.04, 116L.06, and 116L.10 to 116L.14, or to provide incumbent worker training services under section 116L.18.

Sec. 30. Minnesota Statutes 2004, section 116L.666, subdivision 4, is amended to read:

Subd. 4. PURPOSE; DUTIES OF LOCAL WORKFORCE COUNCIL. The local workforce council is responsible for providing policy guidance for, and exercising oversight with respect to, activities conducted by local workforce centers in partnership with the local unit or units of general local government within the workforce service area and with the commissioner.

A local workforce center is a location where federal, state, and local employment and training services are provided to job seekers and employers.

A local workforce council, in accordance with an agreement or agreements with the appropriate chief elected official or officials and the commissioner, shall:

(1) determine procedures for the development of the local workforce service area plan. The procedures may provide for the preparation of all or any part of the plan:

(i) by the council;

(ii) by any unit of general local or state government in the workforce service area, or by an agency of that unit; or

(iii) by any other methods or institutions as may be provided in the agreement;

(2) select the recipients for local grants and an administrator of the local workforce service area plan. These may be the same entity or separate entities and must be chosen from among the following:

(i) the council;

(ii) a unit of general local or state government in its workforce service area, or an agency of that unit;

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- (iii) a nonprofit organization or corporation; or
- (iv) any other agreed upon entity;
- (3) jointly plan for local collaborative activities including the transition of public assistance recipients to employment in the public or private sectors;
- (4) provide on-site review and oversight of program performance;
- (5) establish local priorities for service and target populations;
- (6) ensure nonduplication of services and a unified service delivery system within the workforce service area; and
- (7) ensure that local workforce centers provide meeting space, free of charge, for meetings of displaced homemaker programs, established under section 116L.96; and
- (8) nominate individuals to the governor to consider for membership on the governor's Workforce Development Council.

Sec. 31. Minnesota Statutes 2004, section 120A.40, is amended to read:

120A.40 SCHOOL CALENDAR.

(a) Except for learning programs during summer, flexible learning year programs authorized under sections 124D.12 to 124D.127, and learning year programs under section 124D.128, a district must not commence an elementary or secondary school year before September 1 Labor Day, except as provided under paragraph (b). Days devoted to teachers' workshops may be held before September 1 Labor Day. Districts that enter into cooperative agreements are encouraged to adopt similar school calendars.

(b) A district may begin the school year on any day before September 1 Labor Day to accommodate a construction or remodeling project of \$400,000 or more affecting a district school facility. A school district that agrees to the same schedule with a school district in an adjoining state also may begin the school year before Labor Day as authorized under this paragraph.

EFFECTIVE DATE. This section is effective August 1, 2006.

Sec. 32. Minnesota Statutes 2004, section 129D.02, subdivision 3, is amended to read:

Subd. 3. **COMPENSATION.** Members shall be compensated at the rate of \$35 per day spent on board activities. In addition, members shall receive reimbursement for expenses in the same manner and amount as state employees. Employees of the state or its political subdivisions shall not be entitled to the per diem, but they shall suffer no loss in compensation or benefits as a result of service on the board. Members not entitled to the per diem shall receive expenses as provided in this subdivision unless the expenses are reimbursed from another source as provided in section 15.0575, subdivision 3.

New language is indicated by underline, deletions by strikeout.

Sec. 33. Minnesota Statutes 2004, section 161.1419, subdivision 2, is amended to read:

Subd. 2. **MEMBERS.** (a) The commission shall be composed of 15 members of whom:

- (1) one shall be appointed by the commissioner of transportation;
- (2) one shall be appointed by the commissioner of natural resources;
- (3) one shall be appointed by the ~~commissioner of employment and economic development~~ director of Explore Minnesota Tourism;
- (4) one shall be appointed by the commissioner of agriculture;
- (5) one shall be appointed by the director of the Minnesota Historical Society;
- (6) two shall be members of the senate to be appointed by the Committee on Committees;
- (7) two shall be members of the house of representatives to be appointed by the speaker;
- (8) one shall be the secretary appointed pursuant to subdivision 3; and
- (9) five shall be citizen members appointed by five citizen committees established by the members appointed under clauses (1) to (8), with each citizen committee established within and representing each of the following geographic segments along the Mississippi River:
 - (i) Lake Itasca to but not including the city of Grand Rapids;
 - (ii) Grand Rapids to but not including the city of Brainerd;
 - (iii) Brainerd to but not including the city of Elk River;
 - (iv) Elk River to but not including the city of Hastings; and
 - (v) Hastings to the Iowa border.

Each citizen committee member shall be a resident of the geographic segment that the committee and member represents.

(b) The members of the commission shall serve for a term expiring at the close of each regular session of the legislature and until their successors are appointed. Successor members shall be appointed by the same appointing authorities. Members may be reappointed. Any vacancy shall be filled by the appointing authority. The commissioner of transportation, the commissioner of natural resources, and the director of the Minnesota Historical Society shall be ex officio members, and shall be in addition to the 15 members heretofore provided for. Immediately upon making the appointments to the commission the appointing authorities shall so notify the Mississippi River Parkway Commission, hereinafter called the National Commission, giving the names and addresses of the members so appointed.

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

Sec. 34. Minnesota Statutes 2004, section 161.1419, is amended by adding a subdivision to read:

Subd. 3a. GIFTS, GRANTS, AND ENDOWMENTS. The commission may accept gifts of money, property, or services; may apply for and accept grants from the United States, the state, a subdivision of the state, or a person for any of its purposes; may enter into an agreement required in connection with it; and may hold, use, and dispose of the money, property, or services in accordance with the terms of the gift, grant, or agreement relating to it. The commission may also make grants, gifts, and bequests of money, property, or services and enter into contracts to carry out the same. The gift acceptance procedures of sections 16A.013 to 16A.016 do not apply to this section.

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

Sec. 35. Minnesota Statutes 2004, section 169.733, is amended to read:

169.733 WHEEL FLAPS ON TRUCK AND TRAILER.

Subdivision 1. **VEHICLES GENERALLY.** Every truck, truck-tractor, trailer, semitrailer, pole trailer, and rear-end dump truck, ~~excepting rear-end dump farm trucks and military vehicles of the United States, shall, must be~~ provided with wheel flaps or other suitable protection above and behind the rearmost wheels of the vehicle or combination of vehicles to prevent, as far as practicable, ~~such the~~ wheels from throwing dirt, water, or other materials on the windshields of following vehicles ~~which follow. Such~~ The flaps or protectors shall must be at least as wide as the tires they are protecting and shall have a ground clearance of not more than ~~one-fifth of the horizontal distance from the center of the rearmost axle to the flap under any conditions of loading or operation of the motor~~ nine inches from the ground when the vehicle is empty.

Subd. 2. **VEHICLE WITH CONVEYOR BELT.** For a dump truck or truck with a rigid box fastened to its frame and having a conveyor belt or chain in the bottom of the vehicle ~~which that~~ moves the cargo to the rear end of the vehicle, the flaps shall must be mounted as far to the rear of the vehicle as practicable and ~~shall~~ have a ground clearance of not more than 18 inches when the vehicle is loaded.

Subd. 3. **BOTTOM-DUMP VEHICLE.** In addition to meeting the requirements of subdivision 1, a bottom-dump cargo vehicle transporting sand, gravel, aggregate, dirt, lime rock, silica, or similar material must be equipped with flaps that are mounted to the rear of the axles, cover the entire width of the vehicle, and a center flap between the wheel flaps, which must have a ground clearance of six inches or less when the vehicle is fully loaded.

Subd. 4. **ALTERNATIVE REQUIREMENTS.** If the motor vehicle is so designed and constructed that the above requirements are accomplished by means of body construction or other means of enclosure, then ~~no such~~ protectors or flaps ~~shall be~~ are required.

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Subd. 5. **EXTENDED FLAPS.** If the rear wheels are not covered at the top by fenders, body or other parts of the vehicle, the flap or other protective means shall must be extended at least to a point directly above the center of the rearmost axle.

Subd. 6. **LAMPS OR WIRING.** Lamps or wiring shall not be attached to fender flaps.

Sec. 36. Minnesota Statutes 2004, section 169.824, subdivision 2, is amended to read:

Subd. 2. **GROSS VEHICLE WEIGHT OF ALL AXLES.** (a) Notwithstanding the provisions of section 169.85, the gross vehicle weight of all axles of a vehicle or combination of vehicles shall not exceed:

(1) 80,000 pounds for any vehicle or combination of vehicles on all state trunk highways as defined in section 160.02, subdivision 29, and for all routes designated under section 169.832, subdivision 11;

(2) 88,000 pounds for any vehicle or combination of vehicles with six or more axles while exclusively engaged in hauling livestock on all state trunk highways other than interstate highways, if the vehicle has a permit under section 169.86, subdivision 5, paragraph (k);

(3) 73,280 pounds for any vehicle or combination of vehicles with five axles or less on all routes, other than state trunk highways and routes that are designated under section 169.832, subdivision 11, except that a vehicle needing reasonable access to a terminal or facilities for food, fuel, repairs, and rest, located within three miles of a ten-ton route, may not exceed 80,000 pounds. "Terminal" means any location where freight either originates, terminates, or is handled in the transportation process, or where commercial motor carriers maintain operating facilities; and

(3) (4) 80,000 pounds for any vehicle or combination of vehicles with six or more axles on all routes, other than state trunk highways and routes that are designated under section 169.832, subdivision 11.

(b) The maximum weights specified in this section for five consecutive axles shall not apply to a four-axle ready-mix concrete truck which was equipped with a fifth axle prior to June 1, 1981. The maximum gross weight on four or fewer consecutive axles of vehicles excepted by this clause shall not exceed any maximum weight specified for four or fewer consecutive axles in this section.

EFFECTIVE DATE. The language in paragraph (a), clause (2), is effective August 1, 2006.

Sec. 37. Minnesota Statutes 2004, section 169.85, subdivision 1, is amended to read:

Subdivision 1. **DRIVER TO STOP FOR WEIGHING.** (a) The driver of a vehicle that has been lawfully stopped may be required by an officer to submit the vehicle and load to a weighing by means of portable or stationary scales.

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(b) In addition, the officer may require that the vehicle be driven to the nearest available scales, but only if:

(1) the distance to the scales is no further than five miles, or if the distance from the point where the vehicle is stopped to the vehicle's destination is not increased by more than ten miles as a result of proceeding to the nearest available scales; and

(2) if the vehicle is a commercial motor vehicle, no more than two other commercial motor vehicles are waiting to be inspected at the scale.

(c) Official traffic control devices as authorized by section 169.06 may be used to direct the driver to the nearest scale.

(d) When a truck weight enforcement operation is conducted by means of portable or stationary scales and, signs giving notice of the operation ~~are~~ must be posted within the highway right-of-way and adjacent to the roadway within two miles of the operation. The driver of a truck or combination of vehicles registered for or weighing in excess of 12,000 pounds shall proceed to the scale site and submit the vehicle to weighing and inspection.

Sec. 38. Minnesota Statutes 2004, section 169.85, subdivision 6, is amended to read:

Subd. 6. **OFFICER DEFINED.** When used in this section, the word "officer" means a ~~peace officer or member of the State Patrol~~, an employee of the Department of Public Safety described in section 299D.06, or a peace officer or person under the officer's direction and control employed by a local unit of government who is trained in weight enforcement by the Department of Public Safety.

Sec. 39. **[169.864] SPECIAL PAPER PRODUCTS VEHICLE PERMIT.**

Subdivision 1. **SPECIAL PAPER PRODUCTS VEHICLE PERMIT.** The commissioner may issue a permit for a vehicle that meets the following requirements:

(1) is a combination of vehicles, including a truck-tractor and a semi-trailer drawing one additional semitrailer, which may be equipped with an auxiliary dolly, and no semitrailer used in the three-vehicle combination has an overall length in excess of 28-1/2 feet;

(2) has a maximum gross vehicle weight of 108,000 pounds;

(3) complies with the axle weight limits in section 169.824 or with the federal bridge formula for axle groups not described in that section;

(4) complies with the tire weight limits in section 169.823 or the tire manufacturers' recommended load, whichever is less;

(5) is operated only in this state on Trunk Highway marked 2 between Grand Rapids and the port of Duluth; on Trunk Highway marked 169 between Grand Rapids and its junction with Trunk Highway marked 53; and on Trunk Highway marked 53 between Virginia and the port of Duluth; and

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(6) the seasonal weight increases authorized under section 169.826, subdivision 1, do not apply.

Subd. 2. TWO-UNIT VEHICLE. The commissioner may issue a permit for a vehicle that meets the following requirements:

(1) is a combination of vehicles consisting of a truck-tractor and a single semitrailer that may exceed 48 feet, but not 53 feet, if the distance from the kingpin to the centerline of the rear axle group of the semitrailer does not exceed 43 feet;

(2) has a maximum gross vehicle weight of 90,000 pounds;

(3) has a maximum gross vehicle weight of 98,000 pounds during the time when seasonal weight increases authorized under section 169.826, subdivision 1, are in effect;

(4) complies with the axle weight limits in section 169.824 or with the federal bridge formula for axle groups not described in that section;

(5) complies with the tire weight limits in section 169.823 or the tire manufacturers' recommended load, whichever is less; and

(6) is operated only on the highways specified in subdivision 1, clause (5).

Subd. 3. RESTRICTIONS. Vehicles issued permits under subdivisions 1 and 2 must comply with the following restrictions:

(1) the vehicle must be operated in compliance with seasonal load restrictions under section 169.87;

(2) the vehicle may not be operated on the interstate highway system; and

(3) the vehicle may be operated on streets or highways under the control of local authorities only upon the approval of the local authority; however, vehicles may have reasonable access to terminals and facilities for food, fuel, repairs, and rest and for continuity of route within one mile of the national network as provided by section 169.81, subdivision 3, and by Code of Federal Regulations, title 23, part 658.19.

Subd. 4. PERMIT FEE. Vehicle permits issued under subdivision 1, clause (1), must be annual permits. The fee is \$850 for each vehicle and must be deposited in the trunk highway fund. An amount sufficient to administer the permit program is appropriated from the trunk highway fund to the commissioner for the costs of administering the permit program.

EFFECTIVE DATE. This section is effective the latter of August 1, 2006, or the date on which the commissioner determines that building permits have been issued for the construction of a new pulp and paper manufacturing facility at Grand Rapids.

Sec. 40. Minnesota Statutes 2004, section 176.136, subdivision 1a, is amended to read:

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

Subd. 1a. **RELATIVE VALUE FEE SCHEDULE.** (a) The liability of an employer for services included in the medical fee schedule is limited to the maximum fee allowed by the schedule in effect on the date of the medical service, or the provider's actual fee, whichever is lower. The medical fee schedule effective on October 1, 1991, remains in effect until the commissioner adopts a new schedule by permanent rule. The commissioner shall adopt permanent rules regulating fees allowable for medical, chiropractic, podiatric, surgical, and other health care provider treatment or service, including those provided to hospital outpatients, by implementing a relative value fee schedule to be effective on October 1, 1993. The commissioner may adopt by reference the relative value fee schedule adopted for the federal Medicare program or a relative value fee schedule adopted by other federal or state agencies. The relative value fee schedule must contain reasonable classifications including, but not limited to, classifications that differentiate among health care provider disciplines. The conversion factors for the original relative value fee schedule must reasonably reflect a 15 percent overall reduction from the medical fee schedule most recently in effect. The reduction need not be applied equally to all treatment or services, but must represent a gross 15 percent reduction.

(b) Effective October 1, 2005, the commissioner shall remove all scaling factors from the relative value units and establish four separate conversion factors according to paragraphs (c) and (d) for each of the following parts of Minnesota Rules:

(1) Medical/surgical services in Minnesota Rules, part 5221.4030, as defined in part 5221.0700, subpart 3, item C, subitem 2;

(2) Pathology and laboratory services in Minnesota Rules, part 5221.4040, as defined in part 5221.0700, subpart 3, item C, subitem 3;

(3) Physical medicine and rehabilitation services in Minnesota Rules, part 5221.4050, as defined in part 5221.0700, subpart 3, item C, subitem 4; and

(4) Chiropractic services in Minnesota Rules, part 5221.4060, as defined in part 5221.0700, subpart 3, item C, subitem 5.

(c) The four conversion factors established under paragraph (b) shall be calculated so that there is no change in each maximum fee for each service under the current fee schedule, except as provided in paragraphs (d) and (e).

(d) By October 1, 2006, the conversion factor for chiropractic services described in paragraph (b), clause (4), shall be increased to equal 72 percent of the conversion factor for medical/surgical services described in paragraph (b), clause (1). Beginning October 1, 2005, the increase in chiropractic conversion factor shall be phased in over two years by approximately equal percentage point increases.

(e) When adjusting the conversion factors in accordance with paragraph (g) on October 1, 2005, and October 1, 2006, the commissioner may adjust by no less than zero, all of the conversion factors as necessary to offset any overall increase in payments under the fee schedule resulting from the increase in the chiropractic conversion factor.

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(f) The commissioner shall give notice of the relative value units and conversion factors established under paragraphs (b), (c), and (d) according to the procedures in section 14.386, paragraph (a). The relative value units and conversion factors established under paragraphs (b), (c), and (d) are not subject to expiration under section 14.386, paragraph (b).

(g) After permanent rules have been adopted to implement this section, the conversion factors must be adjusted annually on October 1 by no more than the percentage change computed under section 176.645, but without the annual cap provided by that section. The commissioner shall annually give notice in the State Register of the adjusted conversion factors and may also give annual notice of any additions, deletions, or changes to the relative value units or service codes adopted by the federal Medicare program. The relative value units may be statistically adjusted in the same manner as for the original workers' compensation relative value fee schedule. The notices of the adjusted conversion factors and additions, deletions, or changes to the relative value units and service codes is in lieu of the requirements of chapter 14. The commissioner shall follow the requirements of section 14.386, paragraph (a). The annual adjustments to the conversion factors and the medical fee schedules adopted under this section, including all previous fee schedules, are not subject to expiration under section 14.386, paragraph (b).

Sec. 41. [181.722] MISREPRESENTATION OF EMPLOYMENT RELATIONSHIP PROHIBITED.

Subdivision 1. PROHIBITION. No employer shall misrepresent the nature of its employment relationship with its employees to any federal, state, or local government unit; to other employers; or to its employees. An employer misrepresents the nature of its employment relationship with its employees if it makes any statement regarding the nature of the relationship that the employer knows or has reason to know is untrue and if it fails to report individuals as employees when legally required to do so.

Subd. 2. AGREEMENTS TO MISCLASSIFY PROHIBITED. No employer shall require or request any employee to enter into any agreement, or sign any document, that results in misclassification of the employee as an independent contractor or otherwise does not accurately reflect the employment relationship with the employer.

Subd. 3. DETERMINATION OF EMPLOYMENT RELATIONSHIP. For purposes of this section, the nature of an employment relationship is determined using the same tests and in the same manner as employee status is determined under the applicable workers' compensation and unemployment insurance program laws and rules.

Subd. 4. CIVIL REMEDY. A construction worker, as defined in section 179.254, who is not an independent contractor and has been injured by a violation of this section, may bring a civil action for damages against the violator. If the construction worker injured is an employee of the violator of this section, the employee's

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representative, as defined in section 179.01, subdivision 5, may bring a civil action for damages against the violator on behalf of the employee. The court may award attorney fees, costs, and disbursements to a construction worker recovering under this section.

Subd. 5. REPORTING OF VIOLATIONS. Any court finding that a violation of this section has occurred shall transmit a copy of its findings of fact and conclusions of law to the commissioner of labor and industry. The commissioner of labor and industry shall report the finding to relevant state and federal agencies, including the commissioner of commerce, the commissioner of employment and economic development, the commissioner of revenue, the federal Internal Revenue Service, and the United States Department of Labor.

Sec. 42. Minnesota Statutes 2004, section 183.41, is amended by adding a subdivision to read:

Subd. 4. ANNUAL PERMIT. The commissioner shall issue an annual permit to a boat for the purpose of carrying passengers for hire on the inland waters of the state provided the boat satisfies the inspection requirements of this section. A boat subject to inspection under this chapter shall be registered with the Division of Boiler Inspection and shall be inspected before a permit may be issued.

Sec. 43. Minnesota Statutes 2004, section 183.411, subdivision 2a, is amended to read:

Subd. 2a. INSPECTION FEES. The commissioner may set fees fee for inspecting traction engines, show boilers, and show engines shall be the hourly rate pursuant to section 16A.1285 183.545, subdivision 3a.

Sec. 44. Minnesota Statutes 2004, section 183.411, subdivision 3, is amended to read:

Subd. 3. LICENSES. A license to operate steam farm traction engines, portable and stationary show engines and portable and stationary show boilers shall be issued to an applicant who:

- (a) (1) is 18 years of age or older;
- (b) (2) has a licensed second class or higher class engineer or steam traction (hobby) engineer sign the affidavit attesting to the applicant's competence in operating said devices;
- (c) (3) passes a written test for competence in operating said devices;
- (d) (4) has at least 25 hours of actual operating experience on said devices; and
- (e) (5) pays the required fee.

A license shall be valid for the lifetime of the licensee. A onetime fee set by the commissioner pursuant to section 16A.1285 183.545, subdivision 4, shall be charged for the license.

New language is indicated by underline, deletions by strikeout.

Sec. 45. Minnesota Statutes 2004, section 183.42, is amended to read:

183.42 INSPECTION EACH YEAR AND REGISTRATION.

Subdivision 1. INSPECTION. Every owner, lessee, or other person having charge of boilers, or pressure vessels, or any boat subject to inspection under this chapter shall cause them to be inspected by the Division of Boiler Inspection. Boilers and boats subject to inspection under this chapter must be inspected at least annually and pressure vessels inspected at least every two years except as provided under section 183.45. ~~A person who fails to have the inspection required by this section shall pay to the commissioner a penalty in the amount of the cost of inspection up to a maximum of \$1,000. The commissioner shall assess a \$250 penalty per applicable boiler or pressure vessel for failure to have the inspection required by this section and may seal the boiler or pressure vessel for refusal to allow an inspection as required by this section.~~

Subd. 2. REGISTRATION. Every owner, lessee, or other person having charge of boilers or pressure vessels subject to inspection under this chapter shall register said objects with the Division of Boiler Inspection. The registration shall be renewed annually and is applicable to each object separately. The fee for registration of a boiler or pressure vessel shall be pursuant to section 183.545, subdivision 10. The Division of Boiler Inspection may issue a billing statement for each boiler and pressure vessel on record with the division, and may determine a monthly schedule of billings to be followed for owners, lessees, or other persons having charge of a boiler or pressure vessel subject to inspection under this chapter.

Subd. 3. CERTIFICATE OF REGISTRATION. The Division of Boiler Inspection shall issue a certificate of registration that lists the boilers and pressure vessels at the location, expiration date of the certificate of registration, last inspection date of each boiler and pressure vessel, and maximum allowable working pressure for each boiler and pressure vessel. The commissioner may make an electronic certificate of registration available to be printed by the owner, lessee, or other person having charge of the boiler or pressure vessel.

Sec. 46. Minnesota Statutes 2004, section 183.44, subdivision 1, is amended to read:

Subdivision 1. MASTERS AND PILOTS. The Division of Boiler Inspection commissioner or the commissioner's designee shall examine all masters and pilots of boats and vessels carrying passengers for hire on the inland waters of the state as to their qualifications and fitness. If found trustworthy qualified and competent to perform their duties as a master or pilot of a boat carrying passengers for hire, they shall be given issued a certificate license authorizing them to act as such on the inland waters of the state. The license shall be renewed annually. Fees for the original issue and renewal of the license authorized under this section shall be pursuant to section 183.545, subdivision 2.

Sec. 47. Minnesota Statutes 2004, section 183.51, subdivision 2, is amended to read:

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Subd. 2. **APPLICATIONS.** Any person who desires an engineer's license shall make submit a written application, on blanks furnished by the inspector. The person shall also successfully pass a written examination for such grade of license applied for commissioner or designee, at least 15 days before the requested exam date. The application is valid for one year from the date the commissioner or designee received the application.

Sec. 48. Minnesota Statutes 2004, section 183.51, is amended by adding a subdivision to read:

Subd. 2a. **EXAMINATIONS.** Each applicant for a license must pass an examination approved by the commissioner. The examinations shall be of sufficient scope to establish the competency of the applicant to operate a boiler of the applicable license class and grade.

Sec. 49. Minnesota Statutes 2004, section 183.545, is amended to read:

183.545 FEES FOR INSPECTION.

Subdivision 1. **FEE AMOUNT; VESSELS OPERATED ON INLAND WATERS.** The fees for the inspection of the hull, boiler, machinery, and equipments of vessels are to be set by the commissioner pursuant to section 16A.1285, for vessels of 50 tons burden or over and vessels of less than 50 tons burden. operated on inland waters and that carry passengers for hire are as follows:

- (1) annual operating permit and safety inspections shall be \$200; and
- (2) other inspections, including dry-dock inspections, boat stability tests, and plan reviews, are billed at the hourly rate set in subdivision 3a.

Subd. 2. **FEE AMOUNTS; MASTERS AND PILOTS.** The commissioner shall, pursuant to section 16A.1285, set the license and application fee for an examination of an applicant for a master's or pilot's license is \$50, for an or \$20 if the applicant possesses a valid, unlimited, current United States Coast Guard master's license. The annual renewal of a master's or a pilot's license, and for an is \$20. The annual renewal if paid later than ten 30 days after expiration is \$35. The fee for replacement of a current, valid license is \$20.

Subd. 3. **BOILER AND PRESSURE VESSEL INSPECTION FEES.** The fees for the annual inspection of boilers and biennial inspection of pressure vessels are to be set by the commissioner pursuant to section 16A.1285, for as follows:

- (a) (1) boiler inaccessible for internal inspection, \$55;
- (b) (2) boiler accessible for internal inspection, \$55;
- (c) (3) boiler internal inspection over 2,000 square feet heating surface shall be billed at the hourly rate set in subdivision 3a;
- (d) boiler internal inspection over 4,000 square feet heating surface;
- (e) boiler internal inspection over 10,000 square feet heating surface;

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(f) (4) boiler accessible for internal inspection requiring one-half day or more of inspection time shall be billed at the established shop inspection fee hourly rate set in subdivision 3a;

(g) (5) pressure vessel for internal inspection via manhole, \$35; and

(h) (6) pressure vessel inaccessible for internal inspection, \$35.

An additional fee based on the scale of fees applicable to an inspection shall be charged when it is necessary to make a special trip for a hydrostatic test of a boiler or pressure vessel.

Subd. 3a. HOURLY RATE. The commissioner shall, pursuant to section ~~16A.1285~~, set shop inspection fees hourly rate for an inspection not set elsewhere in this chapter is \$80 per hour. Inspection time includes all time related to the shop inspection. Travel time, billed at the hourly rate, and travel expenses shall be billed for shop inspections, triennial audits, boat stability tests, hydrostatic tests of a boiler or pressure vessel, or any other inspection or consultation requiring a special trip.

Subd. 4. APPLICANTS BOILER ENGINEER LICENSE FEES. The commissioner shall, pursuant to section ~~16A.1285~~, set the fee for an examination of an applicant. For the following licenses, the nonrefundable license and application fee is:

- (a) (1) chief engineer's license, \$50;
- (b) (2) first class engineer's license, \$50;
- (c) (3) second class engineer's license, \$50;
- (d) (4) special engineer's license, \$20; and
- (e) (5) traction or hobby boiler engineer's license; and, \$50.
- (f) pilot's license.

If an applicant, after an examination, is entitled to receive a license, it shall be issued without the payment of any additional charge. Any license so issued expires one year after the date of its issuance. An engineer's license may be renewed upon application therefor and the payment of an annual renewal fee as set by the commissioner pursuant to section ~~16A.1285~~ of \$20. The annual renewal, if paid later than 30 days after expiration, is \$35. The fee for replacement of a current, valid license is \$20.

Subd. 6. NATIONAL BOARD INSPECTORS. The fee for an examination of an applicant for a National Board of Boiler and Pressure Vessels Inspectors commission shall be set by the commissioner pursuant to section ~~16A.1285~~ is \$100.

Subd. 7. NUCLEAR ENDORSEMENT. The fee for each examination of an applicant for a National Board of Boiler and Pressure Vessels commissioned inspectors nuclear endorsement shall be set by the commissioner pursuant to section ~~16A.1285~~ is \$100.

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Subd. 8. **CERTIFICATE OF COMPETENCY.** The fee for issuance of the original state of Minnesota certificate of competency for inspectors ~~shall be set by the commissioner pursuant to section 16A.1285~~ is \$50. This fee is waived for inspectors who paid the examination fee. The fee for an annual renewal of the state of Minnesota certificate of competency shall be set by the ~~commissioner~~ pursuant to section 16A.1285 is \$35, and is due January 1 of each year. The fee for replacement of a current, valid license is \$35.

Subd. 9. **DEPOSIT OF FEES.** Fees received under this section ~~and section 183.57~~ must be deposited in the state treasury and credited to the general fund.

Subd. 10. **BOILER AND PRESSURE VESSEL REGISTRATION FEE.** The annual registration fee for boilers and pressure vessels in use and required to be inspected per section 183.42 shall be \$10 per boiler and pressure vessel.

Sec. 50. Minnesota Statutes 2004, section 183.57, is amended to read:

183.57 REPORT OF INSURER; EXEMPTION FROM INSPECTION.

Subdivision 1. **REPORT REQUIRED.** Any insurance company insuring boilers and pressure vessels in this state shall ~~make a written file~~ a report thereof showing the date of inspection, the name of the person making the inspection, the condition of the boiler or pressure vessel as disclosed by the inspection, whether the same is boiler was operated by a properly licensed engineer, and whether a policy of insurance has been issued by the company with reference to the boiler or pressure vessel, and other information as directed by the chief boiler inspector. Within ~~15~~ 21 days after the inspection, the insurance company shall ~~mail a copy of file~~ the report ~~to~~ with the chief boiler inspector and ~~or~~ designee. The insurer shall provide a copy of the report to the person, firm, or corporation owning or operating the inspected boiler or pressure vessel inspected. Such report shall be made annually for boilers and biennially for pressure vessels.

Subd. 2. **EXEMPTION.** Every boiler or pressure vessel as to which any insurance company authorized to do business in this state has issued a policy of insurance, after the inspection thereof, is exempt from inspection by the department made under sections 183.375 to 183.62, while the same continues to be insured and provided it continues to be inspected in accordance with the inspection schedule set forth in sections 183.42 and 183.45, and the person, firm, or corporation owning or operating the same has an unexpired certificate of exemption from inspection, issued by the chief boiler inspector registration. The fee set by the ~~commissioner~~ pursuant to section 16A.1285, on the first object inspected and on each object thereafter shall apply to each exempt object. A certificate of exemption expires one year from date of issue. The certificate of exemption shall be posted in a conspicuous place near the boiler or pressure vessel or in the plant office or boiler room described therein and to which it relates. Every insurance company shall give written notice to the chief boiler inspector of the cancellation or expiration of every policy of insurance issued by it with reference to policies in this state, and the cause or reason for the cancellation or expiration. These

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notices of cancellation or expiration shall show the date of the policy and the date when the cancellation has or will become effective.

Subd. 4. CERTIFICATE OF EXEMPTION. The Division of Boiler Inspection may issue a billing and exemption certificate for each boiler and pressure vessel which the division records indicate shall be or has been inspected by an insurance company which is providing coverage for the boilers and pressure vessels. The division may determine the monthly schedule of the billings to be followed for each business insured.

Subd. 5. NOTICE OF INSURANCE COVERAGE. The insurer shall notify the commissioner or designee in writing of its policy to insure and inspect boilers and pressure vessels at a location within 30 days of receipt of notification from the insured that a boiler or pressure vessel is present at an insured location. The insurer must also provide a duplicate of the notification to the insured.

Subd. 6. NOTICE OF DISCONTINUED COVERAGE. The insurer shall notify the commissioner or designee in writing, within 30 days of the effective date, of the discontinuation of insurance coverage of the boilers and pressure vessels at a location and the cause or reason for the discontinuation if the insurer has received notice from the insured that a boiler or pressure vessel is present at an insured location, as provided under subdivision 5. This notice shall show the effective date when the discontinued policy takes effect.

Subd. 7. PENALTIES. The commissioner shall assess upon the insurer a \$50 penalty, per applicable boiler and pressure vessel, for failing to submit an inspection report or notify the commissioner of insurance coverage or discontinuation of insurance coverage as set forth in this section. The commissioner shall assess upon the insurer a penalty of \$100, per applicable boiler and pressure vessel, for failing to conduct the required in-service inspection within 120 days after the inspection was due in accordance with section 183.42. The penalties in this subdivision may only be assessed for notice, reports, and inspections required during the period that the insurance coverage was in effect and for which the insurer has received notice from the insured that a boiler or pressure vessel is present at an insured location, as provided under subdivision 5.

Sec. 51. Minnesota Statutes 2004, section 216C.41, subdivision 2, is amended to read:

Subd. 2. INCENTIVE PAYMENT; APPROPRIATION. (a) Incentive payments must be made according to this section to (1) a qualified on-farm biogas recovery facility, (2) the owner or operator of a qualified hydropower facility or qualified wind energy conversion facility for electric energy generated and sold by the facility, (3) a publicly owned hydropower facility for electric energy that is generated by the facility and used by the owner of the facility outside the facility, or (4) the owner of a publicly owned dam that is in need of substantial repair, for electric energy that is generated by a hydropower facility at the dam and the annual incentive payments will be used to

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fund the structural repairs and replacement of structural components of the dam, or to retire debt incurred to fund those repairs.

(b) Payment may only be made upon receipt by the commissioner of ~~finance~~ commerce of an incentive payment application that establishes that the applicant is eligible to receive an incentive payment and that satisfies other requirements the commissioner deems necessary. The application must be in a form and submitted at a time the commissioner establishes.

(c) There is annually appropriated from the general fund renewable development account under section 116C.779 to the commissioner of commerce sums sufficient to make the payments required under this section, ~~other than in addition to the amounts~~ made by the renewable development account as specified in subdivision 5a.

Sec. 52. Minnesota Statutes 2004, section 216C.41, subdivision 5, is amended to read:

Subd. 5. **AMOUNT OF PAYMENT; WIND FACILITIES LIMIT.** (a) An incentive payment is based on the number of kilowatt hours of electricity generated. The amount of the payment is:

(1) for a facility described under subdivision 2, paragraph (a), clause (4), 1.0 cent per kilowatt hour; and

(2) for all other facilities, 1.5 cents per kilowatt hour.

For electricity generated by qualified wind energy conversion facilities, the incentive payment under this section is limited to no more than ~~400~~ 200 megawatts of nameplate capacity.

(b) For wind energy conversion systems installed and contracted for after January 1, 2002, the total size of a wind energy conversion system under this section must be determined according to this paragraph. Unless the systems are interconnected with different distribution systems, the nameplate capacity of one wind energy conversion system must be combined with the nameplate capacity of any other wind energy conversion system that is:

(1) located within five miles of the wind energy conversion system;

(2) constructed within the same calendar year as the wind energy conversion system; and

(3) under common ownership.

In the case of a dispute, the commissioner of commerce shall determine the total size of the system, and shall draw all reasonable inferences in favor of combining the systems.

(c) In making a determination under paragraph (b), the commissioner of commerce may determine that two wind energy conversion systems are under common ownership when the underlying ownership structure contains similar persons or entities, even if the ownership shares differ between the two systems. Wind energy

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conversion systems are not under common ownership solely because the same person or entity provided equity financing for the systems.

Sec. 53. Minnesota Statutes 2004, section 216C.41, subdivision 5a, is amended to read:

Subd. 5a. **RENEWABLE DEVELOPMENT ACCOUNT.** The Department of Commerce shall authorize payment of the renewable energy production incentive to wind energy conversion systems for ~~100~~ 200 megawatts of nameplate capacity in addition to the capacity authorized under subdivision 5 and to on-farm biogas recovery facilities. Payment of the incentive shall be made from the renewable energy development account as provided under section 116C.779, subdivision 2.

Sec. 54. Minnesota Statutes 2004, section 237.11, is amended to read:

237.11 INSPECTING RECORDS AND PROPERTY; REPORTS REQUIRED.

Every telephone company subject to the provisions of this chapter, wherever organized, shall keep an office in this state, and make such reports to the department as it shall from time to time require. All books, records, and files, whether they relate to competitive or noncompetitive services, and all of its property shall be at all times subject to inspection by the commission and the department. It shall close its accounts and take therefrom a balance sheet on December 31 of each year, and on or before May 1 following, such balance sheet, together with such other information as the department shall require, verified by an officer of the telephone company, shall be filed with the commission and the department, except that a local exchange carrier or a competitive local exchange carrier, as defined in Minnesota Rules, chapter 7811, is only required to file an annual report that includes the company's name, contact person, annual revenue, and status of its 911 update plan.

In the event that any telephone company shall fail to file its annual report, as provided by this section, the department is authorized to make such an examination of the books, records, and vouchers of the company as is necessary to procure the necessary data for the annual report and cause the same to be prepared. The expense of procuring this data and preparing this report shall be paid by the telephone company failing to report, and the amount paid shall be credited by the commissioner of finance to funds appropriated for the expense of the department.

The department is authorized to force collection of such sum by an action at law in the name of the department.

Sec. 55. Minnesota Statutes 2004, section 237.295, subdivision 1, is amended to read:

Subdivision 1. **PAYMENT FOR INVESTIGATION FILING FEE FOR NEW AUTHORITY.** (a) ~~Whenever the department or commission, in a proceeding upon its own motion, on complaint, or upon an application to it, considers it necessary, in order to carry out the duties imposed on it, to investigate the books, accounts, practices, and~~

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activities of any company, parties to the proceeding shall pay the expenses reasonably attributable to the proceeding. The department and commission shall ascertain the expenses, and the department shall render a bill for those expenses to the parties, at the conclusion of the proceeding. The department is authorized to submit billings to parties at intervals selected by the department during the course of a proceeding.

(b) The allocation of costs may be adjusted for cause by the commission during the course of the proceeding, or upon the closing of the docket and issuance of an order. In addition to the rights granted in subdivision 3, parties to a proceeding may object to the allocation at any time during the proceeding. Withdrawal by a party to a proceeding does not absolve the party from paying allocated costs as determined by the commission. The commission may decide that a party should not pay any allocated costs of the proceeding.

(c) The bill constitutes notice of the assessment and a demand for payment. The amount of the bills assessed by the department under this subdivision must be paid by the parties into the state treasury within 30 days from the date of assessment. The total amount, in a calendar year, for which a telephone company may become liable, by reason of costs incurred by the department and commission within that calendar year, may not exceed two-fifths of one percent of the gross jurisdictional operating revenue of the telephone company in the last preceding calendar year. Direct charges may be assessed without regard to this limitation until the gross jurisdictional operating revenue of the telephone company for the preceding calendar year has been reported for the first time. Where, under this subdivision, costs are incurred within a calendar year that are in excess of two-fifths of one percent of the gross jurisdictional operating revenues, the excess costs are not chargeable as part of the remainder under subdivision 2.

(d) Except as otherwise provided in paragraph (e), for purposes of assessing the cost of a proceeding to a party, "party" means any entity or group subject to the laws and rules of this state, however organized, whether public or private, whether domestic or foreign, whether for profit or nonprofit, and whether natural, corporate, or political, such as a business or commercial enterprise organized as any type or combination of corporation, limited liability company, partnership, limited liability partnership, proprietorship, association, cooperative, joint venture, carrier, or utility, and any successor or assignee of any of them; a social or charitable organization; and any type or combination of political subdivision, which includes the executive, judicial, or legislative branch of the state, a local government unit, an agency of the state or a local government unit, or a combination of any of them.

(e) For assessment and billing purposes, "party" does not include the Department of Commerce or the Residential Utilities Division of the Office of Attorney General; any entity or group instituted primarily for the purpose of mutual help and not conducted for profit; intervenors awarded compensation under section 237.075, subdivision 10; or any individual or group or counsel for the individual or group representing the interests of end users or classes of end users of services provided by telephone companies or telecommunications carriers, as determined by the commission

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An application for a new authority must be accompanied by a payment not to exceed \$2,000 as determined by the Public Utilities Commission. This fee will be reviewed annually and adjusted accordingly.

Sec. 56. Minnesota Statutes 2004, section 237.295, subdivision 2, is amended to read:

Subd. 2. **ASSESSMENT OF COSTS.** The department and commission shall quarterly, at least 30 days before the start of each quarter, estimate the total of their expenditures in the performance of their duties relating to telephone companies, other than amounts chargeable to telephone companies under subdivision 1, 5, or 6. The remainder must be assessed by the department to the telephone companies operating in this state in proportion to their respective gross jurisdictional operating revenues during the last calendar year. The assessment must be paid into the state treasury within 30 days after the bill has been mailed to the telephone companies. The bill constitutes notice of the assessment and demand of payment. The total amount that may be assessed to the telephone companies under this subdivision may not exceed ~~one-eighth~~ three-eighths of one percent of the total gross jurisdictional operating revenues during the calendar year. The assessment for the third quarter of each fiscal year must be adjusted to compensate for the amount by which actual expenditures by the commission and department for the preceding fiscal year were more or less than the estimated expenditures previously assessed. A telephone company with gross jurisdictional operating revenues of less than \$5,000 is exempt from assessments under this subdivision.

Sec. 57. **[237.491] COMBINED PER NUMBER FEE.**

Subdivision 1. DEFINITIONS. (a) The definitions in this subdivision apply to this section.

(b) "911 emergency and public safety communications program" means the program governed by chapter 403.

(c) "Minnesota telephone number" means a ten-digit telephone number being used to connect to the public switched telephone network and starting with area code 218, 320, 507, 612, 651, 763, or 952, or any subsequent area code assigned to this state.

(d) "Service provider" means a provider doing business in this state who provides real time, two-way voice service with a Minnesota telephone number.

(e) "Telecommunications access Minnesota program" means the program governed by sections 237.50 to 237.55.

(f) "Telephone assistance program" means the program governed by sections 237.69 to 237.711.

Subd. 2. **PER NUMBER FEE.** (a) By January 15, 2006, the commissioner of commerce shall report to the legislature and to the senate Committee on Jobs, Energy, and Community Development and the house Committee on Regulated Industries, recommendations for the amount of and method for assessing a fee that would apply

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to each service provider based upon the number of Minnesota telephone numbers in use by current customers of the service provider. The fee would be set at a level calculated to generate only the amount of revenue necessary to fund:

(1) the telephone assistance program and the telecommunications access Minnesota program at the levels established by the commission under sections 237.52, subdivision 2, and 237.70; and

(2) the 911 emergency and public safety communications program at the levels appropriated by law to the commissioner of public safety and the commissioner of finance for purposes of sections 403.11, 403.113, 403.27, 403.30, and 403.31 for each fiscal year.

(b) The recommendations must include any changes to Minnesota Statutes necessary to establish the procedures whereby each service provider, to the extent allowed under federal law, would collect and remit the fee proceeds to the commissioner of revenue. The commissioner of revenue would allocate the fee proceeds to the three funding areas in paragraph (a) and credit the allocations to the appropriate accounts.

(c) The recommendations must be designed to allow the combined per telephone number fee to be collected beginning July 1, 2006. The per access line fee used to collect revenues to support the TAP, TAM, and 911 programs remains in effect until the statutory changes necessary to implement the per telephone number fee have been enacted into law.

(d) As part of the process of developing the recommendations and preparing the report to the legislature required under paragraph (a), the commissioner of commerce must, at a minimum, consult regularly with the Departments of Public Safety, Finance, and Administration, the Public Utilities Commission, service providers, the chairs and ranking minority members of the senate and house committees, subcommittees, and divisions having jurisdiction over telecommunications and public safety, and other affected parties.

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

Sec. 58. Minnesota Statutes 2004, section 237.701, subdivision 1, is amended to read:

Subdivision 1. **FUND CREATED; AUTHORIZED EXPENDITURES.** The telephone assistance fund is created as a separate account in the state treasury to consist of amounts received by the commissioner of public safety representing the surcharge authorized by section 237.70, subdivision 6, and amounts earned on the fund assets. Money in the fund may be used only for:

(1) reimbursement to local service providers for expenses and credits allowed in section 237.70, subdivision 7, paragraph (d), clause (5);

(2) reimbursement of the reasonable administrative expenses of the commission not to exceed \$25,000 annually, a portion of which may be used for periodic

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promotional activities, including, but not limited to, radio or newspaper advertisements, to inform eligible households of the availability of the telephone assistance program; and

(3) reimbursement of the statewide indirect cost of the commission.

Sec. 59. Minnesota Statutes 2004, section 239.011, subdivision 2, is amended to read:

Subd. 2. **DUTIES AND POWERS.** To carry out the responsibilities in section 239.01 and subdivision 1, the director:

(1) shall take charge of, keep, and maintain in good order the standard of weights and measures of the state and keep a seal so formed as to impress, when appropriate, the letters "MINN" and the date of sealing upon the weights and measures that are sealed;

(2) has general supervision of the weights, measures, and weighing and measuring devices offered for sale, sold, or in use in the state;

(3) shall maintain traceability of the state standards to the national standards of the National Institute of Standards and Technology;

(4) shall enforce this chapter;

(5) shall grant variances from department rules, within the limits set by rule, when appropriate to maintain good commercial practices or when enforcement of the rules would cause undue hardship;

(6) shall conduct investigations to ensure compliance with this chapter;

(7) may delegate to division personnel the responsibilities, duties, and powers contained in this section;

(8) shall test annually, and approve when found to be correct, the standards of weights and measures used by the division, by a town, statutory or home rule charter city, or county within the state, or by a person using standards to repair, adjust, or calibrate commercial weights and measures;

(9) shall inspect and test weights and measures kept, offered, or exposed for sale;

(10) shall inspect and test, to ascertain if they are correct, weights and measures commercially used to:

(i) determine the weight, measure, or count of commodities or things sold, offered, or exposed for sale, on the basis of weight, measure, or count; and

(ii) compute the basic charge or payment for services rendered on the basis of weight, measure, or count;

(11) shall approve for use and mark weights and measures that are found to be correct;

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(12) shall reject, and mark as rejected, weights and measures that are found to be incorrect and may seize them if those weights and measures:

(i) are not corrected within the time specified by the director;

(ii) are used or disposed of in a manner not specifically authorized by the director;
or

(iii) are found to be both incorrect and not capable of being made correct, in which case the director shall condemn those weights and measures;

(13) shall weigh, measure, or inspect packaged commodities kept, offered, or exposed for sale, sold, or in the process of delivery, to determine whether they contain the amount represented and whether they are kept, offered, or exposed for sale in accordance with this chapter and department rules. In carrying out this section, the director must employ recognized sampling procedures, such as those contained in National Institute of Standards and Technology Handbook 133, "Checking the Net Contents of Packaged Goods";

(14) shall prescribe the appropriate term or unit of weight or measure to be used for a specific commodity when an existing term or declaration of quantity does not facilitate value comparisons by consumers, or creates an opportunity for consumer confusion;

(15) shall allow reasonable variations from the stated quantity of contents, including variations caused by loss or gain of moisture during the course of good distribution practice or by unavoidable deviations in good manufacturing practice, only after the commodity has entered commerce within the state;

(16) shall inspect and test petroleum products in accordance with this chapter and chapter 296A;

(17) shall distribute and post notices for used motor oil and used motor oil filters and lead acid battery recycling in accordance with sections 239.54, 325E.11, and 325E.115;

(18) shall collect inspection fees in accordance with sections 239.10 and 239.101; and

(19) shall provide metrological services and support to businesses and individuals in the United States who wish to market products and services in the member nations of the European Economic Community, and other nations outside of the United States by:

(i) meeting, to the extent practicable, the measurement quality assurance standards described in the International Standards Organization ISO 9000, Guide 25 17025;

(ii) maintaining, to the extent practicable, certification of the metrology laboratory by a governing body appointed by the European Economic Community an interna-

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tionally accepted accrediting body such as the National Voluntary Laboratory Accreditation Program (NVLAP); and

(iii) providing calibration and consultation services to metrology laboratories in government and private industry in the United States.

Sec. 60. Minnesota Statutes 2004, section 239.05, is amended by adding a subdivision to read:

Subd. 3a. AUTOMOTIVE FUEL. For the purpose of enforcing the gasoline octane requirements in section 239.792, "automotive fuel" has the meaning given it in Code of Federal Regulations, title 16, section 306.0.

Sec. 61. Minnesota Statutes 2004, section 239.05, subdivision 10b, is amended to read:

Subd. 10b. ~~OXYGENATE~~ ETHANOL BLENDER. "Oxygenate Ethanol blender" means a person who has ~~registered with the division to blend and distribute, transport, sell, or offer blends and distributes, transports, sells, or offers to sell gasoline containing a minimum of 2.0 percent, and an average of 2.7 ten percent oxygen ethanol by weight volume.~~

Sec. 62. Minnesota Statutes 2004, section 239.09, is amended to read:

239.09 SPECIAL POLICE POWERS.

When necessary to enforce this chapter or rules adopted under the authority granted by section 239.06, the director is:

(1) authorized and empowered to arrest, without formal warrant, any violator of sections 325E.11 and 325E.115 or of the statute in relation to weights and measures;

(2) empowered to seize for use as evidence and without formal warrant, any false weight, measure, weighing or measuring device, package, or commodity found to be used, retained, or offered or exposed for sale or sold in violation of law;

(3) during normal business hours, authorized to enter commercial premises;

(4) if the premises are not open to the public, authorized to enter commercial premises only after presenting credentials and obtaining consent or after obtaining a search warrant;

(5) empowered to issue stop-use, hold, and removal orders with respect to weights and measures commercially used, and packaged commodities or bulk commodities kept, offered, or exposed for sale, that do not comply with the weights and measures laws; and

(6) empowered, upon reasonable suspicion of a violation of the weights and measures laws, to stop a commercial vehicle and, after presentation of credentials, inspect the contents of the vehicle, require that the person in charge of the vehicle produce documents concerning the contents, and require the person to proceed with the vehicle to some specified place for inspection; and

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(7) empowered, after written warning, to issue citations of not less than \$100 and not more than \$500 to a person who violates any provision of this chapter, any provision of the rules adopted under the authority contained in this chapter, or any provision of statutes enforced by the Division of Weights and Measures.

Sec. 63. Minnesota Statutes 2004, section 239.101, subdivision 3, is amended to read:

Subd. 3. **PETROLEUM INSPECTION FEE.** (a) An inspection fee is imposed (1) on petroleum products when received by the first licensed distributor, and (2) on petroleum products received and held for sale or use by any person when the petroleum products have not previously been received by a licensed distributor. The petroleum inspection fee is \$1 for every 1,000 gallons received. The commissioner of revenue shall collect the fee. The revenue from 81 cents of the fee must first be applied to cover the amounts appropriated. Fifteen cents of the inspection fee must be deposited in an account in the special revenue fund and is appropriated to the commissioner of commerce for the cost of petroleum product quality inspection expenses and for the inspection and testing of petroleum product measuring equipment operations of the Division of Weights and Measures, petroleum supply monitoring, and the oil burner retrofit program. The remainder of the fee must be deposited in the general fund.

(b) The commissioner of revenue shall credit a person for inspection fees previously paid in error or for any material exported or sold for export from the state upon filing of a report as prescribed by the commissioner of revenue.

(c) The commissioner of revenue may collect the inspection fee along with any taxes due under chapter 296A.

Sec. 64. Minnesota Statutes 2004, section 239.75, subdivision 1, is amended to read:

Subdivision 1. **INSPECTION TO BE MADE.** The director shall:

(1) take samples, free of charge, of petroleum products wherever processed, blended, held, stored, imported, transferred, offered for sale or use, or sold in Minnesota, limiting each sample to:

- (i) ~~two-tenths of one one-half~~ one-half gallon, ~~except when an octane test is planned; or~~
- (ii) ~~seven-tenths of one~~ gallon for an octane test;

(2) inspect and test petroleum product samples according to the methods of ASTM or other valid test methods adopted by rule, to determine whether the products comply with the specifications in section 239.761;

(3) inspect petroleum product storage tanks to ensure that the products are free from water and impurities;

(4) inspect and test samples submitted to the department by a licensed distributor, making the test results available to the distributor;

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

(5) inspect the labeling, price posting, and price advertising of petroleum product dispensers and advertising signs at businesses or locations where petroleum products are sold, offered for sale or use, or dispensed into motor vehicles;

(6) maintain records of all inspections and tests according to the records retention policies of the Department of Administration;

(7) delegate to division personnel, at the director's discretion, any or all of the responsibilities, duties, and powers in sections 239.75 to 239.80;

(8) ~~publish octane test data and information to assist persons who use, produce and, distribute, or sell gasoline and gasoline-oxygenate blends~~ publish octane test data and information to assist persons who use, produce and, distribute, or sell gasoline and gasoline-oxygenate blends petroleum-based heating and engine fuels;

(9) ~~register gasoline-oxygenate blenders according to the requirements of the EPA;~~

(10) ~~audit the records of any person responsible for the product to determine compliance with sections 239.75 to 239.792;~~

(11) ~~(10) after consulting with the commissioner of the Pollution Control Agency, grant a temporary exemption from the oxygenated gasoline gasoline-ethanol blending requirements in section 239.791 if the supply of oxygenate ethanol is insufficient to produce gasoline-oxygenate gasoline-ethanol blends during an EPA-designated carbon monoxide control period; and~~

(12) ~~(11) adopt, as an enforcement policy for the division, reasonable margins of uncertainty for the tests used to determine compliance with the specifications in section 239.761, the oxygen percentages in section 239.791, and the octane requirements in section 239.792 and apply the margins of uncertainty to only tests performed by the division, not by adding the margins to uncertainties in tests performed by any person responsible for the product.~~

Sec. 65. Minnesota Statutes 2004, section 239.75, subdivision 5, is amended to read:

Subd. 5. **PRODUCT QUALITY, RESPONSIBILITY.** After a gasoline product petroleum-based engine fuel is purchased, transferred, or otherwise removed from a refinery or terminal, the person responsible for the product shall:

(1) keep the product free from contamination with water and impurities;

(2) not blend the product with dissimilar petroleum products, for example, gasoline must not be blended with diesel fuel;

(3) not blend the product with any contaminant, dye, chemical, or additive, except:

(i) agriculturally derived, denatured ethanol that complies with the specifications in this chapter;

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

(ii) an antiknock additive, or an additive designed to replace tetra-ethyl lead, that is registered by the EPA; or

(iii) a dye to distinguish heating fuel from low sulfur diesel fuel; or

(iv) biodiesel fuel that complies with the specifications in this chapter; and

(4) maintain a record of the name or chemical composition of the additive, with the product shipping manifest or bill of lading for one year after the date of the manifest or bill.

Sec. 66. Minnesota Statutes 2004, section 239.761, is amended to read:

239.761 PETROLEUM PRODUCT SPECIFICATIONS.

Subdivision 1. **APPLICABILITY.** A person responsible for the product must meet the specifications in this section. The specifications apply to petroleum products processed, held, stored, imported, transferred, distributed, offered for distribution, offered for sale or use, or sold in Minnesota.

Subd. 2. **COORDINATION WITH DEPARTMENTS OF REVENUE AND AGRICULTURE.** The petroleum product specifications in this section are intended to match the definitions and specifications in sections 41A.09 and 296A.01. Petroleum products named in this section are defined in section 296A.01.

Subd. 3. **GASOLINE.** (a) Gasoline that is not blended with ethanol must not be contaminated with water or other impurities and must comply with ASTM specification ~~D4814-01~~ D4814-04a. Gasoline that is not blended with ethanol must also comply with the volatility requirements in Code of Federal Regulations, title 40, part 80.

(b) After gasoline is sold, transferred, or otherwise removed from a refinery or terminal, a person responsible for the product:

(1) may blend the gasoline with agriculturally derived ethanol as provided in subdivision 4;

(2) shall not blend the gasoline with any oxygenate other than denatured, agriculturally derived ethanol;

(3) shall not blend the gasoline with other petroleum products that are not gasoline or denatured, agriculturally derived ethanol;

(4) shall not blend the gasoline with products commonly and commercially known as casinghead gasoline, absorption gasoline, condensation gasoline, drip gasoline, or natural gasoline; and

(5) may blend the gasoline with a detergent additive, an antiknock additive, or an additive designed to replace tetra-ethyl lead, that is registered by the EPA.

Subd. 4. **GASOLINE BLENDED WITH ETHANOL.** (a) Gasoline may be blended with up to ten percent, by volume, agriculturally derived, denatured ethanol that complies with the requirements of subdivision 5.

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

(b) A gasoline-ethanol blend must:

(1) comply with the volatility requirements in Code of Federal Regulations, title 40, part 80;

(2) comply with ASTM specification ~~D4814-01~~ D4814-04a, or the gasoline base stock from which a gasoline-ethanol blend was produced must comply with ASTM specification ~~D4814-01~~ D4814-04a; and

(3) not be blended with casinghead gasoline, absorption gasoline, condensation gasoline, drip gasoline, or natural gasoline after the gasoline-ethanol blend has been sold, transferred, or otherwise removed from a refinery or terminal.

Subd. 5. **DENATURED ETHANOL.** Denatured ethanol that is to be blended with gasoline must be agriculturally derived and must comply with ASTM specification ~~D4806-01~~ D4806-04a. This includes the requirement that ethanol may be denatured only as specified in Code of Federal Regulations, title 27, parts 20 and 21.

Subd. 6. **GASOLINE BLENDED WITH NONETHANOL OXYGENATE.** (a) A person responsible for the product shall comply with the following requirements:

(1) after July 1, 2000, gasoline containing in excess of one-third of one percent, in total, of nonethanol oxygenates listed in paragraph (b) must not be sold or offered for sale at any time in this state; and

(2) after July 1, 2005, gasoline containing any of the nonethanol oxygenates listed in paragraph (b) must not be sold or offered for sale in this state.

(b) The oxygenates prohibited under paragraph (a) are:

(1) methyl tertiary butyl ether, as defined in section 296A.01, subdivision 34;

(2) ethyl tertiary butyl ether, as defined in section 296A.01, subdivision 18; or

(3) tertiary amyl methyl ether.

(c) Gasoline that is blended with a nonethanol oxygenate must comply with ASTM specification ~~D4814-01~~ D4814-04a. Nonethanol oxygenates must not be blended into gasoline after the gasoline has been sold, transferred, or otherwise removed from a refinery or terminal.

Subd. 7. **HEATING FUEL OIL.** Heating fuel oil must comply with ASTM specification ~~D396-01~~ D396-02a.

Subd. 8. **DIESEL FUEL OIL.** Diesel fuel oil must comply with ASTM specification ~~D975-01a~~ D975-04b, except that diesel fuel oil is not required to meet the diesel lubricity standard until the date that the biodiesel fuel requirement in section 239.77, subdivision 2, becomes effective or December 31, 2005, whichever comes first.

Subd. 9. **KEROSENE.** Kerosene must comply with ASTM specification ~~D3699-01~~ D3699-03.

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

Subd. 10. **AVIATION GASOLINE.** Aviation gasoline must comply with ASTM specification ~~D910-00~~ D910-04.

Subd. 11. **AVIATION TURBINE FUEL, JET FUEL.** Aviation turbine fuel and jet fuel must comply with ASTM specification ~~D1655-01~~ D1655-04.

Subd. 12. **GAS TURBINE FUEL OIL.** Fuel oil for use in nonaviation gas turbine engines must comply with ASTM specification ~~D2880-00~~ D2880-03.

Subd. 13. **E85.** A blend of ethanol and gasoline, containing at least 60 percent ethanol and not more than 85 percent ethanol, produced for use as a motor fuel in alternative fuel vehicles as defined in section 296A.01, subdivision 5, must comply with ASTM specification D5798-99 (2004).

Subd. 14. **M85.** A blend of methanol and gasoline, containing at least 85 percent methanol, produced for use as a motor fuel in alternative fuel vehicles as defined in section 296A.01, subdivision 5, must comply with ASTM specification D5797-96.

Sec. 67. Minnesota Statutes 2004, section 239.77, is amended by adding a subdivision to read:

Subd. 4. **DISCLOSURE.** A refinery or terminal shall provide, at the time diesel fuel is sold or transferred from the refinery or terminal, a bill of lading or shipping manifest to the person who receives the fuel. For biodiesel-blended products, the bill of lading or shipping manifest must disclose biodiesel content, stating volume percentage, gallons of biodiesel per gallons of petroleum diesel base-stock, or an ASTM "Bxx" designation where "xx" denotes the volume percent biodiesel included in the blended product. This subdivision does not apply to sales or transfers of biodiesel blend stock between refineries, between terminals, or between a refinery and a terminal.

Sec. 68. Minnesota Statutes 2004, section 239.79, subdivision 4, is amended to read:

Subd. 4. SALE OF CERTAIN PETROLEUM PRODUCTS ON GROSS VOLUME BASIS. A person responsible for the products listed in this subdivision shall transfer, ship, distribute, offer for distribution, sell, or offer to sell the products by volume. Volumetric measurement of the product must not be temperature compensated, or adjusted by any other factor. This subdivision applies to gasoline, number one and number two diesel fuel oils, number one and number two heating fuel oils, kerosene, denatured ethanol ~~that is to be blended into gasoline, and an oxygenate that is to be blended into gasoline, and biodiesel.~~ This subdivision does not apply to the measurement of petroleum products transferred, sold, or traded between refineries, between refineries and terminals, or between terminals.

Sec. 69. Minnesota Statutes 2004, section 239.791, subdivision 1, is amended to read:

Subdivision 1. **MINIMUM ETHANOL CONTENT REQUIRED.** (a) Except as provided in subdivisions 10 to 14, a person responsible for the product shall ensure that

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all gasoline sold or offered for sale in Minnesota must contain at least 10.0 percent denatured ethanol by volume.

(b) For purposes of enforcing the minimum ethanol requirement of paragraph (a), a gasoline/ethanol blend will be construed to be in compliance if the ethanol content, exclusive of denaturants and permitted contaminants, comprises not less than 9.2 percent by volume and not more than 10.0 percent by volume of the blend as determined by an appropriate United States Environmental Protection Agency or American Society of Testing Materials standard method of analysis of alcohol/ether content in motor engine fuels.

Sec. 70. Minnesota Statutes 2004, section 239.791, subdivision 7, is amended to read:

Subd. 7. ~~OXYGENATE ETHANOL RECORDS; STATE AUDIT.~~ The director shall audit the records of registered ~~oxygenate~~ ethanol blenders to ensure that each blender has met all requirements in this chapter. Specific information or data relating to sales figures or to processes or methods of production unique to the blender or that would tend to adversely affect the competitive position of the blender must be only for the confidential use of the director, unless otherwise specifically authorized by the registered blender.

Sec. 71. Minnesota Statutes 2004, section 239.791, subdivision 8, is amended to read:

Subd. 8. **DISCLOSURE.** A refinery or terminal, shall provide, at the time gasoline is sold or transferred from the refinery or terminal, a bill of lading or shipping manifest to the person who receives the gasoline. For oxygenated gasoline, the bill of lading or shipping manifest must include the identity and the volume percentage or gallons of oxygenate included in the gasoline, and it must state: "This fuel contains an oxygenate. Do not blend this fuel with ethanol or with any other oxygenate." ~~For nonoxygenated gasoline sold or transferred before October 1, 1997, the bill or manifest must state: "This fuel must not be sold at retail in a carbon monoxide control area."~~ For nonoxygenated gasoline sold or transferred after September 30, 1997, the bill or manifest must state: "This fuel is not oxygenated. It must not be sold at retail in Minnesota." This subdivision does not apply to sales or transfers of gasoline between refineries, between terminals, or between a refinery and a terminal.

Sec. 72. Minnesota Statutes 2004, section 239.791, subdivision 15, is amended to read:

Subd. 15. **EXEMPTION FOR CERTAIN BLEND PUMPS.** (a) A person responsible for the product, who offers for sale, sells, or dispenses nonoxygenated premium gasoline under one or more of the exemptions in subdivisions 10 to 14, may sell, offer for sale, or dispense oxygenated gasoline that contains less than the minimum amount of ethanol required under subdivision 1 if all of the following conditions are met:

- (1) the blended gasoline has an octane rating of 88 or greater;

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(2) the gasoline is a blend of oxygenated gasoline meeting the requirements of subdivision 1 with nonoxygenated premium gasoline;

(3) the blended gasoline contains not more than ten percent nonoxygenated premium gasoline;

(4) the blending of oxygenated gasoline with nonoxygenated gasoline occurs within the gasoline dispenser; and

(5) the gasoline station at which the gasoline is sold, offered for sale, or delivered is equipped to store gasoline in not more than two storage tanks.

(b) This subdivision applies only to those persons who meet the conditions in paragraph (a), clauses (1) through (5), on the effective date of this act August 1, 2004, and have registered with the director within three months of the effective that date of this act.

Sec. 73. Minnesota Statutes 2004, section 239.792, is amended to read:

239.792 GASOLINE OCTANE AUTOMOTIVE FUEL RATINGS, CERTIFICATION, AND POSTING.

Subdivision 1. **DISCLOSURE DUTIES OF REFINERS, IMPORTERS, AND PRODUCERS.** A manufacturer, hauler, blender, agent, jobber, consignment agent refiner, importer, or distributor who sells, delivers, or distributes gasoline or gasoline-oxygenate blends, shall provide, at the time of delivery, a bill of lading or shipping manifest to the person who receives the gasoline. The bill or manifest must state the minimum octane of the gasoline delivered. The stated octane number must be the average of the "motor method" octane number and the "research method" octane number as determined by the test methods in ASTM specification D4814-01, or by a test method adopted by department rule producer of automotive fuel must comply with the automotive fuel rating, certification, and record-keeping requirements of Code of Federal Regulations, title 16, sections 306.5 to 306.7.

Subd. 2. **DISPENSER LABELING DUTIES OF DISTRIBUTORS.** A person responsible for the product shall clearly, conspicuously, and permanently label each gasoline dispenser that is used to sell gasoline or gasoline-oxygenate blends at retail or to dispense gasoline or gasoline-oxygenate blends into the fuel supply tanks of motor vehicles, with the minimum octane of the gasoline dispensed. The label must meet the following requirements:

(a) The octane number displayed on the label must represent the average of the "motor method" octane number and the "research method" octane number as determined by the test methods in ASTM specification D4814-01, or by a test method adopted by department rule.

(b) The label must be at least 2-1/2 inches high and three inches wide, with a yellow background, black border, and black figures and letters.

(c) The number representing the octane of the gasoline must be at least one inch high.

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

(d) The label must include the words "minimum octane" and the term "(R+M)/2" or "(RON+MON)/2." A licensed distributor of automotive fuel must comply with the certification and record-keeping provisions of Code of Federal Regulations, title 16, sections 306.8 and 306.9.

Subd. 3. DUTIES OF RETAILERS. A person responsible for the product who sells or transfers automotive fuel to a consumer must comply with the automotive fuel rating posting and record-keeping requirements, and the label specifications of Code of Federal Regulations, title 16, sections 306.10 to 306.12.

Subd. 4. DUTIES OF DIRECTOR. Upon request, the director shall provide any person with a copy of Code of Federal Regulations, title 16, part 306. Upon request, the director shall provide any distributor, retailer, or organization of distributors or retailers with the label specifications in Code of Federal Regulations, title 16, section 306.12.

Sec. 74. Minnesota Statutes 2004, section 268.19, subdivision 1, is amended to read:

Subdivision 1. USE OF DATA. (a) Except as otherwise provided by this section, data gathered from any person pursuant to the administration of the Minnesota Unemployment Insurance Law are private data on individuals or nonpublic data not on individuals as defined in section 13.02, subdivisions 9 and 12, and may not be disclosed except pursuant to a court order or section 13.05. A subpoena shall not be considered a court order. These data may be disseminated to and used by the following agencies without the consent of the subject of the data:

- (1) state and federal agencies specifically authorized access to the data by state or federal law;
- (2) any agency of any other state or any federal agency charged with the administration of an unemployment insurance program;
- (3) any agency responsible for the maintenance of a system of public employment offices for the purpose of assisting individuals in obtaining employment;
- (4) human rights agencies within Minnesota that have enforcement powers;
- (5) the Department of Revenue only to the extent necessary for its duties under Minnesota laws;
- (6) public and private agencies responsible for administering publicly financed assistance programs for the purpose of monitoring the eligibility of the program's recipients;
- (7) the Department of Labor and Industry and the Division of Insurance Fraud Prevention in the Department of Commerce on an interchangeable basis with the department for uses consistent with the administration of their duties under Minnesota law;

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

(8) local and state welfare agencies for monitoring the eligibility of the data subject for assistance programs, or for any employment or training program administered by those agencies, whether alone, in combination with another welfare agency, or in conjunction with the department or to monitor and evaluate the statewide Minnesota family investment program by providing data on recipients and former recipients of food stamps or food support, cash assistance under chapter 256, 256D, 256J, or 256K, child care assistance under chapter 119B, or medical programs under chapter 256B, 256D, or 256L;

(9) local and state welfare agencies for the purpose of identifying employment, wages, and other information to assist in the collection of an overpayment debt in an assistance program;

(10) local, state, and federal law enforcement agencies for the sole purpose of ascertaining the last known address and employment location of a person who is the subject of a criminal investigation;

~~(10)~~ (11) the federal Immigration and Naturalization Service shall have access to data on specific individuals and specific employers provided the specific individual or specific employer is the subject of an investigation by that agency; and

~~(44)~~ (12) the Department of Health solely for the purposes of epidemiologic investigations.

(b) Data on individuals and employers that are collected, maintained, or used by the department in an investigation pursuant to section 268.182 are confidential as to data on individuals and protected nonpublic data not on individuals as defined in section 13.02, subdivisions 3 and 13, and must not be disclosed except pursuant to statute or court order or to a party named in a criminal proceeding, administrative or judicial, for preparation of a defense.

(c) Data gathered by the department pursuant to the administration of the Minnesota unemployment insurance program must not be made the subject or the basis for any suit in any civil proceedings, administrative or judicial, unless the action is initiated by the department.

Sec. 75. [290.0676] EXPLORE MINNESOTA TOURISM TAX REPORT.

Within 30 days of the end of each quarter, the Department of Revenue shall provide Explore Minnesota Tourism with a quarterly report of comparisons of quarterly sales taxes collected under the Standard Industrial Classification System, or equivalent codes in the North America Industry Classification System, in the following areas:

- (1) SIC 70, lodging;
- (2) SIC 79, amusement and recreation; and
- (3) SIC 58, eating and drinking.

New language is indicated by underline, deletions by strikeout.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2004.

Sec. 76. Minnesota Statutes 2004, section 296A.01, subdivision 2, is amended to read:

Subd. 2. **AGRICULTURAL ALCOHOL GASOLINE.** "Agricultural alcohol gasoline" means a gasoline-ethanol blend of up to ten percent agriculturally derived fermentation ethanol derived from agricultural products, such as potatoes, cereal, grains, cheese whey, sugar beets, forest products, or other renewable resources, that:

- (1) meets the specifications in ASTM specification ~~D4806-01~~ D4806-04a; and
- (2) is denatured as specified in Code of Federal Regulations, title 27, parts 20 and 21.

Sec. 77. Minnesota Statutes 2004, section 296A.01, subdivision 7, is amended to read:

Subd. 7. **AVIATION GASOLINE.** "Aviation gasoline" means any gasoline that is capable of use for the purpose of producing or generating power for propelling internal combustion engine aircraft, that meets the specifications in ASTM specification ~~D910-00~~ D910-04, and that either:

- (1) is invoiced and billed by a producer, manufacturer, refiner, or blender to a distributor or dealer, by a distributor to a dealer or consumer, or by a dealer to consumer, as "aviation gasoline"; or
- (2) whether or not invoiced and billed as provided in clause (1), is received, sold, stored, or withdrawn from storage by any person, to be used for the purpose of producing or generating power for propelling internal combustion engine aircraft.

Sec. 78. Minnesota Statutes 2004, section 296A.01, subdivision 8, is amended to read:

Subd. 8. **AVIATION TURBINE FUEL AND JET FUEL.** "Aviation turbine fuel" and "jet fuel" mean blends of hydrocarbons derived from crude petroleum, natural gasoline, and synthetic hydrocarbons, intended for use in aviation turbine engines, and that meet the specifications in ASTM specification ~~D1655-01~~ D1655.04.

Sec. 79. Minnesota Statutes 2004, section 296A.01, subdivision 14, is amended to read:

Subd. 14. **DIESEL FUEL OIL.** "Diesel fuel oil" means a petroleum distillate or blend of petroleum distillate and residual fuels, intended for use as a motor fuel in internal combustion diesel engines, that meets the specifications in ASTM specification ~~D975-01A~~ D975-04b, except that diesel fuel oil is not required to meet the diesel lubricity standard until the date that the biodiesel fuel requirement in section 239.77, subdivision 2, becomes effective or December 31, 2005, whichever comes first. Diesel fuel includes number 1 and number 2 fuel oils. K-1 kerosene is not diesel fuel unless it is blended with diesel fuel for use in motor vehicles.

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

Sec. 80. Minnesota Statutes 2004, section 296A.01, subdivision 19, is amended to read:

Subd. 19. **E85**. "E85" means a petroleum product that is a blend of agriculturally derived denatured ethanol and gasoline or natural gasoline that typically contains 85 percent ethanol by volume, but at a minimum must contain 60 percent ethanol by volume. For the purposes of this chapter, the energy content of E85 will be considered to be 82,000 BTUs per gallon. E85 produced for use as a motor fuel in alternative fuel vehicles as defined in subdivision 5 must comply with ASTM specification D5798-99 (2004).

Sec. 81. Minnesota Statutes 2004, section 296A.01, subdivision 20, is amended to read:

Subd. 20. **ETHANOL, DENATURED**. "Ethanol, denatured" means ethanol that is to be blended with gasoline, has been agriculturally derived, and complies with ASTM specification ~~D4806-01~~ D4806-04a. This includes the requirement that ethanol may be denatured only as specified in Code of Federal Regulations, title 27, parts 20 and 21.

Sec. 82. Minnesota Statutes 2004, section 296A.01, subdivision 22, is amended to read:

Subd. 22. **GAS TURBINE FUEL OIL**. "Gas turbine fuel oil" means fuel that contains mixtures of hydrocarbon oils free of inorganic acid and excessive amounts of solid or fibrous foreign matter, intended for use in nonaviation gas turbine engines, and that meets the specifications in ASTM specification ~~D2880-00~~ D2880-03.

Sec. 83. Minnesota Statutes 2004, section 296A.01, subdivision 23, is amended to read:

Subd. 23. **GASOLINE**. (a) "Gasoline" means:

(1) all products commonly or commercially known or sold as gasoline regardless of their classification or uses, except casinghead gasoline, absorption gasoline, condensation gasoline, drip gasoline, or natural gasoline that under the requirements of section 239.761, subdivision 3, must not be blended with gasoline that has been sold, transferred, or otherwise removed from a refinery or terminal; and

(2) any liquid prepared, advertised, offered for sale or sold for use as, or commonly and commercially used as, a fuel in spark-ignition, internal combustion engines, and that when tested by the Weights and Measures Division meets the specifications in ASTM specification ~~D4814-01~~ D4814-04a.

(b) Gasoline that is not blended with ethanol must not be contaminated with water or other impurities and must comply with both ASTM specification ~~D4814-01~~ D4814-04a and the volatility requirements in Code of Federal Regulations, title 40, part 80.

(c) After gasoline is sold, transferred, or otherwise removed from a refinery or terminal, a person responsible for the product:

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

(1) may blend the gasoline with agriculturally derived ethanol, as provided in subdivision 24;

(2) must not blend the gasoline with any oxygenate other than denatured, agriculturally derived ethanol;

(3) must not blend the gasoline with other petroleum products that are not gasoline or denatured, agriculturally derived ethanol;

(4) must not blend the gasoline with products commonly and commercially known as casinghead gasoline, absorption gasoline, condensation gasoline, drip gasoline, or natural gasoline; and

(5) may blend the gasoline with a detergent additive, an antiknock additive, or an additive designed to replace tetra-ethyl lead, that is registered by the EPA.

Sec. 84. Minnesota Statutes 2004, section 296A.01, subdivision 24, is amended to read:

Subd. 24. GASOLINE BLENDED WITH NONETHANOL OXYGENATE. "Gasoline blended with nonethanol oxygenate" means gasoline blended with ETBE, MTBE, or other alcohol or ether, except denatured ethanol, that is approved as an oxygenate by the EPA, and that complies with ASTM specification ~~D4814-01~~ D4814-04a. Oxygenates, other than denatured ethanol, must not be blended into gasoline after the gasoline has been sold, transferred, or otherwise removed from a refinery or terminal.

Sec. 85. Minnesota Statutes 2004, section 296A.01, subdivision 25, is amended to read:

Subd. 25. GASOLINE BLENDED WITH ETHANOL. "Gasoline blended with ethanol" means gasoline blended with up to ten percent, by volume, agriculturally derived, denatured ethanol. The blend must comply with the volatility requirements in Code of Federal Regulations, title 40, part 80. The blend must also comply with ASTM specification ~~D4814-01~~ D4814-04a, or the gasoline base stock from which a gasoline-ethanol blend was produced must comply with ASTM specification ~~D4814-01~~ D4814-04a; and the gasoline-ethanol blend must not be blended with casinghead gasoline, absorption gasoline, condensation gasoline, drip gasoline, or natural gasoline after the gasoline-ethanol blend has been sold, transferred, or otherwise removed from a refinery or terminal. The blend need not comply with ASTM specification ~~D4814-01~~ D4814-04a if it is subjected to a standard distillation test. For a distillation test, a gasoline-ethanol blend is not required to comply with the temperature specification at the 50 percent liquid recovery point, if the gasoline from which the gasoline-ethanol blend was produced complies with all of the distillation specifications.

Sec. 86. Minnesota Statutes 2004, section 296A.01, subdivision 26, is amended to read:

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

Subd. 26. **HEATING FUEL OIL.** "Heating fuel oil" means a petroleum distillate, blend of petroleum distillates and residuals, or petroleum residual heating fuel that meets the specifications in ASTM specification ~~D396-01~~ D396-02a.

Sec. 87. Minnesota Statutes 2004, section 296A.01, subdivision 28, is amended to read:

Subd. 28. **KEROSENE.** "Kerosene" means a refined petroleum distillate consisting of a homogeneous mixture of hydrocarbons essentially free of water, inorganic acidic and basic compounds, and excessive amounts of particulate contaminants and that meets the specifications in ASTM specification ~~D3699-01~~ D3699-03.

Sec. 88. Minnesota Statutes 2004, section 298.22, is amended by adding a subdivision to read:

Subd. 10. **SALE OR PRIVATIZATION OF FUNCTIONS.** The commissioner of Iron Range resources and rehabilitation may not sell or privatize the Ironworld Discovery Center or Giants Ridge Golf and Ski Resort without prior approval by a majority vote of the board.

Sec. 89. Minnesota Statutes 2004, section 298.28, subdivision 9b, is amended to read:

Subd. 9b. **TACONITE ENVIRONMENTAL FUND.** Five cents per ton ~~for distributions in 1999, 2000, 2001, 2002, and 2003~~ must be paid to the taconite environmental fund for use under section 298.2961, subdivision 4.

EFFECTIVE DATE. This section is effective for distributions in 2005 and later years.

Sec. 90. Minnesota Statutes 2004, section 298.28, subdivision 10, is amended to read:

Subd. 10. **INCREASE.** (a) Except as provided in paragraph (b), beginning with distributions in 2000, the amount determined under subdivision 9 shall be increased in the same proportion as the increase in the implicit price deflator as provided in section 298.24, subdivision 1. Beginning with distributions in 2003, the amount determined under subdivision 6, paragraph (a), shall be increased in the same proportion as the increase in the implicit price deflator as provided in section 298.24, subdivision 1.

(b) For distributions in 2005 and subsequent years, an amount equal to the increased tax proceeds attributable to the increase in the implicit price deflator as provided in section 298.24, subdivision 1, for taxes paid in 2005, except for the amount of revenue increases provided in subdivision 4, paragraph (d), is distributed to the grant and loan fund established in section 298.2961, subdivision 4.

Sec. 91. Minnesota Statutes 2004, section 298.2961, is amended by adding a subdivision to read:

Subd. 4. **GRANT AND LOAN FUND.** (a) A fund is established to receive distributions under section 298.28, subdivision 9b, and to make grants or loans as

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provided in this subdivision. Any grant or loan made under this subdivision must be approved by a majority of the members of the Iron Range Resources and Rehabilitation Board, established under section 298.22.

(b) Distributions received in calendar year 2005 are allocated to the city of Virginia for improvements and repairs to the city's steam heating system.

(c) Distributions received in calendar year 2006 are allocated to a project of the public utilities commissions of the cities of Hibbing and Virginia to convert their electrical generating plants to the use of biomass products, such as wood.

(d) Distributions received in calendar year 2007 must be paid to the city of Tower to be used for the East Two Rivers project in or near the city of Tower.

(e) For distributions received in 2008 and later, amounts may be allocated to joint ventures with mining companies for reclamation of lands containing abandoned or worked out mines to convert these lands to marketable properties for residential, recreational, commercial, or other valuable uses.

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

Sec. 92. Minnesota Statutes 2004, section 325E.311, subdivision 6, is amended to read:

Subd. 6. **TELEPHONE SOLICITATION.** "Telephone solicitation" means any voice communication over a telephone line for the purpose of encouraging the purchase or rental of, or investment in, property, goods, or services, whether the communication is made by a live operator, through the use of an automatic dialing-announcing device as defined in section 325E.26, subdivision 2, or by other means. Telephone solicitation does not include communications:

(1) to any residential subscriber with that subscriber's prior express invitation or permission; or

(2) by or on behalf of any person or entity with whom a residential subscriber has a prior or current business or personal relationship;

Telephone solicitation also does not include communications if the caller is identified by a caller identification service and the call is:

~~(3)~~ (i) by or on behalf of an organization that is identified as a nonprofit organization under state or federal law; ~~or~~

(4) (ii) by a person soliciting without the intent to complete, and who does not in fact complete, the sales presentation during the call, but who will complete the sales presentation at a later face-to-face meeting between the solicitor who makes the call and the prospective purchaser; or

(iii) by a political party as defined under section 200.02, subdivision 6.

Sec. 93. **[325F.991] 911 EMERGENCY PHONE SERVICE REPRESENTATIONS.**

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

Subdivision 1. DEFINITIONS. For purposes of this section, the terms defined in this subdivision have the meanings given them.

(a) "911 emergency telecommunications system" means a dedicated emergency telecommunications system required by section 403.025.

(b) "Person" means an individual, corporation, firm, or other legal entity.

(c) "Service provider" means a person doing business in Minnesota who provides real time, two-way voice service interconnected with the public switched telephone network using numbers allocated for Minnesota by the North American Numbering Plan Administration.

Subd. 2. REPRESENTATIONS OF 911 SERVICE. A person shall not advertise, market, or otherwise represent that the person furnishes a service capable of providing access to emergency services by dialing 911 unless the person provides a service that routes 911 calls through the 911 emergency telecommunications system.

Subd. 3. DISCLOSURE. A service provider that does not provide 911 dialing that routes 911 calls through the 911 emergency telecommunications system must disclose that fact in all advertisements, marketing materials, and contracts. The disclosure must be in capital letters, in 12-point font, and on the front page of the advertisement, marketing materials, and contracts. The disclosure must state: "THIS SERVICE DOES NOT ROUTE 911 CALLS THROUGH THE 911 EMERGENCY SYSTEM."

Subd. 4. CERTAIN CALLS NOT 911 CALLS. For purposes of this section, 911 calls routed to the general access number at a public safety answering point do not qualify as being routed through a 911 emergency telecommunications system.

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

Sec. 94. Minnesota Statutes 2004, section 326.975, subdivision 1, is amended to read:

Subdivision 1. **GENERALLY.** (a) In addition to any other fees, each applicant for a license under sections 326.83 to 326.98 shall pay a fee to the contractor's recovery fund. The contractor's recovery fund is created in the state treasury and must be administered by the commissioner in the manner and subject to all the requirements and limitations provided by section 82.43 with the following exceptions:

(1) each licensee who renews a license shall pay in addition to the appropriate renewal fee an additional fee which shall be credited to the contractor's recovery fund. The amount of the fee shall be based on the licensee's gross annual receipts for the licensee's most recent fiscal year preceding the renewal, on the following scale:

Fee	Gross Receipts
\$100	under \$1,000,000
\$150	\$1,000,000 to \$5,000,000
\$200	over \$5,000,000

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Any person who receives a new license shall pay a fee based on the same scale;

(2) the sole purpose of this fund is:

(i) to compensate any aggrieved owner or lessee of residential property located within this state who obtains a final judgment in any court of competent jurisdiction against a licensee licensed under section 326.84, on grounds of fraudulent, deceptive, or dishonest practices, conversion of funds, or failure of performance arising directly out of any transaction when the judgment debtor was licensed and performed any of the activities enumerated under section 326.83, subdivision 19, on the owner's residential property or on residential property rented by the lessee, or on new residential construction which was never occupied prior to purchase by the owner, or which was occupied by the licensee for less than one year prior to purchase by the owner, and which cause of action arose on or after April 1, 1994; and

(ii) to reimburse the Department of Commerce for all legal and administrative expenses, including staffing costs, incurred in administering the fund;

(3) nothing may obligate the fund for more than \$50,000 per claimant, nor more than \$75,000 per licensee; and

(4) nothing may obligate the fund for claims based on a cause of action that arose before the licensee paid the recovery fund fee set in clause (1), or as provided in section 326.945, subdivision 3.

(b) Should the commissioner pay from the contractor's recovery fund any amount in settlement of a claim or toward satisfaction of a judgment against a licensee, the license shall be automatically suspended upon the effective date of an order by the court authorizing payment from the fund. No licensee shall be granted reinstatement until the licensee has repaid in full, plus interest at the rate of 12 percent a year, twice the amount paid from the fund on the licensee's account, and has obtained a surety bond issued by an insurer authorized to transact business in this state in the amount of at least \$40,000.

Sec. 95. Minnesota Statutes 2004, section 345.47, subdivision 3, is amended to read:

Subd. 3. **SECURITIES.** Securities listed on an established stock exchange shall be sold at the prevailing prices on the exchange. Other securities may be sold over the counter at prevailing prices or, with prior approval of the State Board of Investment, by another method the commissioner determines advisable. United States government savings bonds and United States war bonds shall be presented to the United States for payment.

Sec. 96. Minnesota Statutes 2004, section 345.47, subdivision 3a, is amended to read:

Subd. 3a. **HOLDING PERIOD.** All securities presumed abandoned under section 345.35 and delivered to the commissioner must be held for at least three years before they are sold. A person making a claim under this section is entitled to receive

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either the securities delivered to the commissioner by the holder, if they still remain in the hands of the commissioner, or the proceeds received from the sale, but no person has any claim under this section against the state, the holder, any transfer agent, registrar, or other person acting for or on behalf of a holder for any appreciation in the value of the property occurring after delivery by the holder to the commissioner. If the property is of a type customarily sold on a recognized market or of a type that may be sold over the counter at prevailing prices, the commissioner may sell the property without notice by publication or otherwise. The commissioner may proceed with the liquidation after holding for one year, with the exception of securities being held as the result of an insurance company demutualization, these types of securities may be sold upon receipt. This section grants to the commissioner express authority to sell any property, including, but not limited to, stocks, bonds, notes, bills, and all other public or private securities. A person making a claim under section 345.35 is entitled to receive the securities delivered to the administrator by the holder, if they remain in the custody of the administrator, or the net proceeds received from sale, and is not entitled to receive any appreciation in the value of the property occurring after sale by the commissioner. The commissioner may liquidate all unclaimed securities currently held in custody in accordance with this section.

Sec. 97. Minnesota Statutes 2004, section 353.657, subdivision 1, is amended to read:

Subdivision 1. **GENERALLY.** In the event a member of the police and fire fund dies from any cause before retirement or after becoming disabled and receiving disability benefits, the association shall grant survivor benefits to a surviving spouse, as defined in section 353.01, subdivision 20, and who was married to the member for a period of at least one year, except that if death occurs in the line of duty no time limit is required. For purposes of this section, line of duty also includes active military service, as defined in section 190.05, subdivision 5. The association shall also grant survivor benefits to a dependent child or children, as defined in section 353.01, subdivision 15.

Notwithstanding the definition of surviving spouse, a former spouse of the member, if any, is entitled to a portion of the monthly surviving spouse benefit if stipulated under the terms of a marriage dissolution decree filed with the association. If there is no surviving spouse or child or children, a former spouse may be entitled to a lump-sum refund payment under section 353.32, subdivision 1, if provided for in a marriage dissolution decree but not a monthly surviving spouse benefit despite the terms of a marriage dissolution decree filed with the association.

The spouse and child or children are entitled to monthly benefits as provided in the following subdivisions.

EFFECTIVE DATE. This section is effective immediately and applies to members of the police and fire fund at any time on or after September 11, 2001.

Sec. 98. **[354B.33] IRON RANGE RESOURCES AND REHABILITATION; EARLY SEPARATION INCENTIVE PROGRAM AUTHORIZATION.**

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

(a) Notwithstanding any law to the contrary, the commissioner of Iron Range resources and rehabilitation, in consultation with the commissioner of employee relations, may offer a targeted early separation incentive program for employees of the commissioner who have attained the age of 60 years and have at least five years of allowable service credit under chapter 352, or who have received credit for at least 30 years of allowable service under the provisions of chapter 352.

(b) The early separation incentive program may include one or more of the following:

(1) employer-paid postseparation health, medical, and dental insurance until age 65; and

(2) cash incentives that may, but are not required to be, used to purchase additional years of service credit through the Minnesota State Retirement System, to the extent that the purchases are otherwise authorized by law.

(c) The commissioner of Iron Range resources and rehabilitation shall establish eligibility requirements for employees to receive an incentive.

(d) The commissioner of Iron Range Resources and Rehabilitation, consistent with the established program provisions under paragraph (b), and with the eligibility requirements under paragraph (c), may designate specific programs or employees as eligible to be offered the incentive program.

(e) Acceptance of the offered incentive must be voluntary on the part of the employee and must be in writing. The incentive may only be offered at the sole discretion of the commissioner of Iron Range resources and rehabilitation.

(f) The cost of the incentive is payable solely by funds made available to the commissioner of Iron Range resources and rehabilitation by law, but only on prior approval of the expenditures by a majority of the Iron Range Resources and Rehabilitation Board.

(g) This section expires June 30, 2006.

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

Sec. 99. Minnesota Statutes 2004, section 357.021, subdivision 1a, is amended to read:

Subd. 1a. TRANSMITTAL OF FEES TO COMMISSIONER OF FINANCE.

(a) Every person, including the state of Minnesota and all bodies politic and corporate, who shall transact any business in the district court, shall pay to the court administrator of said court the sundry fees prescribed in subdivision 2. Except as provided in paragraph (d), the court administrator shall transmit the fees monthly to the commissioner of finance for deposit in the state treasury and credit to the general fund. \$30 of each fee collected in a dissolution action under subdivision 2, clause (1), must be deposited by the commissioner of finance in the special revenue fund and is appropriated to the commissioner of employment and economic development for the

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displaced homemaker program under section 116L.96.

(b) In a county which has a screener-collector position, fees paid by a county pursuant to this subdivision shall be transmitted monthly to the county treasurer, who shall apply the fees first to reimburse the county for the amount of the salary paid for the screener-collector position. The balance of the fees collected shall then be forwarded to the commissioner of finance for deposit in the state treasury and credited to the general fund. In a county in a judicial district under section 480.181, subdivision 1, paragraph (b), which has a screener-collector position, the fees paid by a county shall be transmitted monthly to the commissioner of finance for deposit in the state treasury and credited to the general fund. A screener-collector position for purposes of this paragraph is an employee whose function is to increase the collection of fines and to review the incomes of potential clients of the public defender, in order to verify eligibility for that service.

(c) No fee is required under this section from the public authority or the party the public authority represents in an action for:

(1) child support enforcement or modification, medical assistance enforcement, or establishment of parentage in the district court, or in a proceeding under section 484.702;

(2) civil commitment under chapter 253B;

(3) the appointment of a public conservator or public guardian or any other action under chapters 252A and 525;

(4) wrongfully obtaining public assistance under section 256.98 or 256D.07, or recovery of overpayments of public assistance;

(5) court relief under chapter 260;

(6) forfeiture of property under sections 169A.63 and 609.531 to 609.5317;

(7) recovery of amounts issued by political subdivisions or public institutions under sections 246.52, 252.27, 256.045, 256.25, 256.87, 256B.042, 256B.14, 256B.15, 256B.37, 260B.331, and 260C.331, or other sections referring to other forms of public assistance;

(8) restitution under section 611A.04; or

(9) actions seeking monetary relief in favor of the state pursuant to section 16D.14, subdivision 5.

(d) The fees collected for child support modifications under subdivision 2, clause (13), must be transmitted to the county treasurer for deposit in the county general fund. The fees must be used by the county to pay for child support enforcement efforts by county attorneys.

Sec. 100. Minnesota Statutes 2004, section 357.021, subdivision 2, is amended to read:

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Subd. 2. **FEE AMOUNTS.** The fees to be charged and collected by the court administrator shall be as follows:

(1) In every civil action or proceeding in said court, including any case arising under the tax laws of the state that could be transferred or appealed to the Tax Court, the plaintiff, petitioner, or other moving party shall pay, when the first paper is filed for that party in said action, a fee of ~~\$235~~ \$240, except in marriage dissolution actions the fee is \$270.

The defendant or other adverse or intervening party, or any one or more of several defendants or other adverse or intervening parties appearing separately from the others, shall pay, when the first paper is filed for that party in said action, a fee of ~~\$235~~ \$240, except in marriage dissolution actions the fee is \$270.

The party requesting a trial by jury shall pay \$75.

The fees above stated shall be the full trial fee chargeable to said parties irrespective of whether trial be to the court alone, to the court and jury, or disposed of without trial, and shall include the entry of judgment in the action, but does not include copies or certified copies of any papers so filed or proceedings under chapter 103E, except the provisions therein as to appeals.

(2) Certified copy of any instrument from a civil or criminal proceeding, \$10, and \$5 for an uncertified copy.

(3) Issuing a subpoena, \$12 for each name.

(4) Filing a motion or response to a motion in civil, family, excluding child support, and guardianship cases, \$55.

(5) Issuing an execution and filing the return thereof; issuing a writ of attachment, injunction, habeas corpus, mandamus, quo warranto, certiorari, or other writs not specifically mentioned, \$40.

(6) Issuing a transcript of judgment, or for filing and docketing a transcript of judgment from another court, \$30.

(7) Filing and entering a satisfaction of judgment, partial satisfaction, or assignment of judgment, \$5.

(8) Certificate as to existence or nonexistence of judgments docketed, \$5 for each name certified to.

(9) Filing and indexing trade name; or recording basic science certificate; or recording certificate of physicians, osteopaths, chiropractors, veterinarians, or optometrists, \$5.

(10) For the filing of each partial, final, or annual account in all trusteeships, \$40.

(11) For the deposit of a will, \$20.

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(12) For recording notary commission, \$100, of which, notwithstanding subdivision 1a, paragraph (b), \$80 must be forwarded to the commissioner of finance to be deposited in the state treasury and credited to the general fund.

(13) Filing a motion or response to a motion for modification of child support, a fee fixed by rule or order of the Supreme Court.

(14) All other services required by law for which no fee is provided, such fee as compares favorably with those herein provided, or such as may be fixed by rule or order of the court.

(15) In addition to any other filing fees under this chapter, a surcharge in the amount of \$75 must be assessed in accordance with section 259.52, subdivision 14, for each adoption petition filed in district court to fund the fathers' adoption registry under section 259.52.

The fees in clauses (3) and (5) need not be paid by a public authority or the party the public authority represents.

Sec. 101. Minnesota Statutes 2004, section 373.40, subdivision 1, is amended to read:

Subdivision 1. **DEFINITIONS.** For purposes of this section, the following terms have the meanings given.

(a) "Bonds" means an obligation as defined under section 475.51.

(b) "Capital improvement" means acquisition or betterment of public lands, development rights in the form of conservation easements under chapter 84C, buildings, or other improvements within the county for the purpose of a county courthouse, administrative building, health or social service facility, correctional facility, jail, law enforcement center, hospital, morgue, library, park, qualified indoor ice arena, and roads and bridges. An improvement must have an expected useful life of five years or more to qualify. "Capital improvement" does not include light rail transit or any activity related to it or a recreation or sports facility building (such as, but not limited to, a gymnasium, ice arena, racquet sports facility, swimming pool, exercise room or health spa), unless the building is part of an outdoor park facility and is incidental to the primary purpose of outdoor recreation.

(c) "~~Commissioner~~" means the commissioner of employment and economic development.

(d) "Metropolitan county" means a county located in the seven-county metropolitan area as defined in section 473.121 or a county with a population of 90,000 or more.

(e) (d) "Population" means the population established by the most recent of the following (determined as of the date the resolution authorizing the bonds was adopted):

(1) the federal decennial census,

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(2) a special census conducted under contract by the United States Bureau of the Census, or

(3) a population estimate made either by the Metropolitan Council or by the state demographer under section 4A.02.

~~(f)~~ (e) "Qualified indoor ice arena" means a facility that meets the requirements of section 373.43.

~~(g)~~ (f) "Tax capacity" means total taxable market value, but does not include captured market value.

Sec. 102. Minnesota Statutes 2004, section 373.40, subdivision 3, is amended to read:

Subd. 3. **CAPITAL IMPROVEMENT PLAN.** (a) A county may adopt a capital improvement plan. The plan must cover at least the five-year period beginning with the date of its adoption. The plan must set forth the estimated schedule, timing, and details of specific capital improvements by year, together with the estimated cost, the need for the improvement, and sources of revenues to pay for the improvement. In preparing the capital improvement plan, the county board must consider for each project and for the overall plan:

- (1) the condition of the county's existing infrastructure, including the projected need for repair or replacement;
- (2) the likely demand for the improvement;
- (3) the estimated cost of the improvement;
- (4) the available public resources;
- (5) the level of overlapping debt in the county;
- (6) the relative benefits and costs of alternative uses of the funds;
- (7) operating costs of the proposed improvements; and
- (8) alternatives for providing services more efficiently through shared facilities with other counties or local government units.

(b) ~~The capital improvement plan and annual amendments to it must be~~ are not effective until approved by the county board after public hearing. The county must submit the capital improvement plan to the community development division of the Department of Employment and Economic Development. The plan is not effective if the commissioner disapproves the plan within 90 days after it was submitted. If the commissioner has not disapproved the plan within 90 days after its submission, the plan is deemed approved and effective. The commissioner shall disapprove a capital improvement plan only if the commissioner determines (1) ~~that the planned improvements cannot be financed within the limits specified in subdivision 4, or~~ (2) ~~the county in preparing the plan did not consider the factors listed in this subdivision or failed to gather the information necessary to evaluate the plan under the factors, or~~ (3) ~~the~~

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proposed improvements will result in unnecessary duplication of public facilities provided by other units of government in the region or there is insufficient demand for the facility. If the plan is disapproved by the commissioner and the county board does not withdraw the plan, the capital improvement plan must be submitted to the voters for approval. If a majority of the voters approve, the plan is approved and effective.

Sec. 103. Minnesota Statutes 2004, section 462A.05, subdivision 3a, is amended to read:

Subd. 3a. **REFINANCING NONPROFITS; RESIDENTIAL HOUSING.** It may refinance the existing indebtedness of nonprofit entities, as defined by the agency owners of rental property, secured by residential housing for occupancy by persons and families of low and moderate income, if refinancing is determined by the agency to be necessary to reduce housing costs to an affordable level or to maintain the supply of affordable low-income housing. The authority granted in this subdivision is in addition to and not in limitation of the authority granted in section 462A.05, subdivision 14.

Sec. 104. Minnesota Statutes 2004, section 462A.33, subdivision 2, is amended to read:

Subd. 2. **ELIGIBLE RECIPIENTS.** Challenge grants or loans may be made to a city, a federally recognized American Indian tribe or subdivision located in Minnesota, a tribal housing corporation, a private developer, a nonprofit organization, or the owner of the housing, including individuals. For the purpose of this section, "city" has the meaning given it in section 462A.03, subdivision 21. To the extent practicable, grants and loans shall be made so that an approximately equal number of housing units are financed in the metropolitan area and in the nonmetropolitan area.

Sec. 105. Minnesota Statutes 2004, section 469.050, subdivision 5, is amended to read:

Subd. 5. **PAY.** A commissioner, including the president, must be paid \$35 compensated as provided in section 15.0575, subdivision 3, for each regular or special port authority meeting attended and shall receive reimbursement for expenses incurred while performing duties. The advisory members of the Duluth authority from the legislature must not be paid for their service to the authority.

Sec. 106. Minnesota Statutes 2004, section 469.1082, subdivision 1, is amended to read:

Subdivision 1. **AUTHORITY TO CREATE.** A county located outside the metropolitan area may form a county economic development authority or grant a housing and redevelopment authority the powers specified in subdivision 4, clause (2), if it receives a recommendation to do so from a committee formed under subdivision 2. An economic development authority established under this section has all the powers and rights of an authority under sections 469.090 to 469.1081, except the authority granted under section 469.094 if so limited under subdivision 4. This section is in addition to any other authority to create a county economic development authority or service provider.

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

Nothing in this section shall alter or impair any grant of powers, or any other authority granted to a community development agency, a county housing and redevelopment authority, or any county as provided in section 383D.41, Laws 1974, chapter 473, as amended, or Laws 1980, chapter 482, as amended. Any county that has granted economic development powers to a community development agency or a county housing and redevelopment authority under any of these provisions may not form a county economic development authority or grant a housing and redevelopment authority the powers specified in subdivision 4, clause (2).

Sec. 107. Minnesota Statutes 2004, section 469.310, subdivision 11, is amended to read:

Subd. 11. **QUALIFIED BUSINESS.** (a) “Qualified business” means A person carrying on a trade or business at a place of business located within a job opportunity building zone is a qualified business for the purposes of sections 469.310 to 469.320 according to the criteria in paragraphs (b) to (f).

(b) A person is a qualified business only on those parcels of land for which the person has entered into a business subsidy agreement, as required under section 469.313, with the appropriate local government unit in which the parcels are located.

(c) Prior to execution of the business subsidy agreement, the local government unit must consider the following factors:

- (1) how wages compare to the regional industry average;
- (2) the number of jobs that will be provided relative to overall employment in the community;
- (3) the economic outlook for the industry the business will engage in;
- (4) sales that will be generated from outside the state of Minnesota;
- (5) how the business will build on existing regional strengths or diversify the regional economy;
- (6) how the business will increase capital investment in the zone; and
- (7) any other criteria the commissioner deems necessary.

(b) (d) A person that relocates a trade or business from outside a job opportunity building zone into a zone is not a qualified business, unless the business meets all of the requirements of paragraphs (b) and (c) and:

(1)(i) increases full-time employment in the first full year of operation within the job opportunity building zone by at least a minimum of five jobs or 20 percent, whichever is greater, measured relative to the operations that were relocated and maintains the required level of employment for each year the zone designation applies;
or

(ii) makes a capital investment in the property located within a zone equivalent to ten percent of the gross revenues of operation that were relocated in the immediately preceding taxable year; and

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

(2) enters a binding written agreement with the commissioner that:

(i) pledges the business will meet the requirements of clause (1);

(ii) provides for repayment of all tax benefits enumerated under section 469.315 to the business under the procedures in section 469.319, if the requirements of clause (1) are not met for the taxable year or for taxes payable during the year in which the requirements were not met; and

(iii) contains any other terms the commissioner determines appropriate.

(e) The commissioner may waive the requirements under paragraph (d), clause (1), if the commissioner determines that the qualified business will substantially achieve the factors under this subdivision.

(f) A business is not a qualified business if, at its location or locations in the zone, the business is primarily engaged in making retail sales to purchasers who are physically present at the business's zone location.

(g) A qualifying business must pay each employee 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.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to any business entering a business subsidy agreement for a job opportunity development zone after that date, except that paragraph (b) is effective retroactively from June 9, 2003.

Sec. 108. Minnesota Statutes 2004, section 469.319, subdivision 1, is amended to read:

Subdivision 1. **REPAYMENT OBLIGATION.** A business must repay the amount of the total tax reduction listed in section 469.315 and any refund under section 469.318 in excess of tax liability, received during the two years immediately before it ceased to operate in the zone, if the business:

(1) received tax reductions authorized by section 469.315; and

(2)(i) did not meet the goals specified in an agreement entered into with the applicant that states any obligation the qualified business must fulfill in order to be eligible for tax benefits. The commissioner of employment and economic development may extend for up to one year the period for meeting any goals provided in an agreement. The applicant may extend the period for meeting other goals by documenting in writing the reason for the extension and attaching a copy of the document to its next annual report to the commissioner of employment and economic development; or

(ii) ceased to operate its facility located within the job opportunity building zone or otherwise ceases to be or is not a qualified business.

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

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

Sec. 109. Minnesota Statutes 2004, section 469.319, is amended by adding a subdivision to read:

Subd. 6. RECONCILIATION. Where this section is inconsistent with section 116J.994, subdivision 3, paragraph (e), or 6, or any other provisions of sections 116J.993 to 116J.995, this section prevails.

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

Sec. 110. Minnesota Statutes 2004, section 469.320, subdivision 3, is amended to read:

Subd. 3. **REMEDIES.** If the commissioner determines, based on a report filed under subdivision 1 or other available information, that a zone or subzone is failing to meet its performance goals, the commissioner may take any actions the commissioner determines appropriate, including modification of the boundaries of the zone or a subzone or termination of the zone or a subzone. Before taking any action, the commissioner shall consult with the applicant and the affected local government units, including notifying them of the proposed actions to be taken. ~~The commissioner shall publish any order modifying a zone in the State Register and on the Internet.~~ The applicant may appeal the commissioner's order under the contested case procedures of chapter 14.

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

Sec. 111. Minnesota Statutes 2004, section 469.330, subdivision 11, is amended to read:

Subd. 11. **QUALIFIED BUSINESS.** (a) "Qualified business" means a person carrying on a trade or business at a biotechnology and health sciences industry facility located within a biotechnology and health sciences industry zone. A person is a qualified business only on those parcels of land for which it has entered into a business subsidy agreement, as required under section 469.333, with the appropriate local government unit in which the parcels are located.

(b) A person that relocates a biotechnology and health sciences industry facility from outside a biotechnology and health sciences industry zone into a zone is not a qualified business, unless the business:

(1)(i) increases full-time employment in the first full year of operation within the biotechnology and health sciences industry zone by at least 20 percent measured relative to the operations that were relocated and maintains the required level of employment for each year the zone designation applies; or

(ii) makes a capital investment in the property located within a zone equivalent to ten percent of the gross revenues of operation that were relocated in the immediately preceding taxable year; and

(2) enters a binding written agreement with the commissioner that:

(i) pledges the business will meet the requirements of clause (1);

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(ii) provides for repayment of all tax benefits enumerated under section 469.336 to the business under the procedures in section 469.340, if the requirements of clause (1) are not met; and

(iii) contains any other terms the commissioner determines appropriate.

EFFECTIVE DATE. This section is effective retroactively from June 9, 2003.

Sec. 112. Minnesota Statutes 2004, section 469.340, subdivision 1, is amended to read:

Subdivision 1. **REPAYMENT OBLIGATION.** A business must repay the amount of the tax reduction listed in section 469.336 and any refunds under sections 469.338 and 469.339 in excess of tax liability, received during the two years immediately before it ceased to operate in the zone, if the business:

(1) received tax reductions authorized by section 469.336; and

(2)(i) did not meet the goals specified in an agreement entered into with the applicant that states any obligation the qualified business must fulfill in order to be eligible for tax benefits. The commissioner of employment and economic development may extend for up to one year the period for meeting any goals provided in an agreement. The applicant may extend the period for meeting other goals by documenting in writing the reason for the extension and attaching a copy of the document to its next annual report to the commissioner of employment and economic development; or

(ii) ceased to operate its facility located within the biotechnology and health sciences industry zone or otherwise ceases to be or is not a qualified business.

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

Sec. 113. Minnesota Statutes 2004, section 471.999, is amended to read:

471.999 REPORT TO LEGISLATURE.

The commissioner of employee relations shall report to the legislature by January 1 of each year on the status of compliance with section 471.992, subdivision 1, by governmental subdivisions.

The report must include a list of the political subdivisions in compliance with section 471.992, subdivision 1, and the estimated cost of compliance. The report must also include a list of political subdivisions found by the commissioner to be not in compliance, the basis for that finding, recommended changes to achieve compliance, estimated cost of compliance, and recommended penalties, if any. The commissioner's report must include a list of subdivisions that did not comply with the reporting requirements of this section. The commissioner may request, and a subdivision shall provide, any additional information needed for the preparation of a report under this subdivision.

Notwithstanding any rule to the contrary, beginning in 2005, a political subdivision must report on its compliance with the requirements of sections 471.991 to

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471.999 no more frequently than once every ~~five~~ three years. No report from a political subdivision is required for 2003 and 2004.

Sec. 114. Minnesota Statutes 2004, section 517.08, subdivision 1b, is amended to read:

Subd. 1b. **TERM OF LICENSE; FEE; PREMARITAL EDUCATION.** (a) The local registrar 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 local registrar shall issue the license, containing the full names of the parties before and after marriage, and county and state of residence, with the county 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 local registrar shall collect from the applicant a fee of ~~\$85~~ \$100 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 local registrar for cancellation, and in that case a new license shall issue upon request of the parties of the original license without fee. A local registrar 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.

(b) The marriage license fee for parties who have completed at least 12 hours of premarital education is ~~\$20~~ \$30. 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. Notwithstand-

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ing 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 local registrar shall grant the marriage license without the requested name change. Alternatively, the local registrar 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. 115. Minnesota Statutes 2004, 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 local registrar must pay ~~\$70~~ \$85 to the commissioner of finance 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 education for parenting time centers under section 119A.37;

(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;

(4) ~~\$10~~ \$25 in the special revenue fund ~~to be~~ is appropriated to the commissioner of employment and economic development for the displaced homemaker program under section 116L.96; and

(5) \$5 in the special revenue fund ~~to be~~ is appropriated to the commissioner of human services for the Minnesota Healthy Marriage and Responsible Fatherhood Initiative under section 256.742.

(b) Of the ~~\$20~~ \$30 fee under subdivision 1b, paragraph (b), \$15 must be retained by the county. The local registrar must pay ~~\$5~~ \$15 to the commissioner of finance to be ~~distributed~~ deposited as follows:

(1) \$5 as provided in paragraph (a), clauses (2) and (3); and

(2) \$10 in the special revenue fund is appropriated to the commissioner of employment and economic development for the displaced homemaker program under section 116L.96.

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(c) The increase in the marriage license fee under paragraph (a) provided for in Laws 2004, chapter 273, and disbursement of the increase in that fee to the special fund for the Minnesota Healthy Marriage and Responsible Fatherhood Initiative under paragraph (a), clause (5), is contingent upon the receipt of federal funding under United States Code, title 42, section 1315, for purposes of the initiative.

Sec. 116. Minnesota Statutes 2004, section 609.849, as added by Laws 2005, chapter 136, article 17, section 50, is amended to read:

609.849 RAILROAD THAT OBSTRUCTS TREATMENT OF AN INJURED WORKER.

(a) It shall be unlawful for a railroad or person employed by a railroad ~~negligently or~~ intentionally to:

(1) deny, delay, or interfere with medical treatment or first aid treatment to an employee of a railroad who has been injured during employment; or

(2) discipline, harass, or intimidate an employee to discourage the employee from receiving medical attention or threaten to discipline an employee who has been injured during employment for requesting medical treatment or first aid treatment.

(b) Nothing in this section shall deny a railroad company or railroad employee from making a reasonable inquiry of an injured employee about the circumstance of an injury in order to gather information necessary to identify a safety hazard.

(c) It is not a violation under this section for a railroad company or railroad employee to enforce safety regulations.

(d) A railroad or a person convicted of a violation of paragraph (a), clause (1) or (2), is guilty of a ~~gross misdemeanor and may be sentenced to imprisonment for not more than one year or to payment of a fine of~~ fine of ~~not more than \$3,000, or both \$1,000 but is not subject to an incarcerative sanction.~~

EFFECTIVE DATE. This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 117. Laws 1999, chapter 224, section 7, as amended by Laws 2004, chapter 261, article 6, section 3, is amended to read:

Sec. 7. SUNSET.

Sections 2 and 4 expire on August 1, ~~2005~~ 2006, and Minnesota Statutes 1998, sections 237.63, 237.65, and 237.68, expire on December 31, 2004.

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

Sec. 118. Laws 2003, chapter 128, article 1, section 172, is amended to read:

Sec. 172. TEMPORARY PETROFUND FEE EXEMPTION FOR MINNESOTA COMMERCIAL AIRLINES.

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(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 2007, 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 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 2007. 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. 119. Laws 2005, chapter 97, article 13, section 1, subdivision 3, is amended to read:

Subd. 3. **HYDROGEN.** "Hydrogen" means hydrogen produced using native renewable energy sources.

Sec. 120. Laws 2005, chapter 97, article 13, section 2, subdivision 1, is amended to read:

Subdivision 1. **EARLY PURCHASE AND DEPLOYMENT OF HYDROGEN, FUEL CELLS, AND RELATED TECHNOLOGIES BY THE STATE.** The Department of Commerce in conjunction with the Department of Administration shall identify opportunities for demonstrating the use of hydrogen, fuel cells and related technologies within state-owned facilities, vehicle fleets, and operations.

The Department of Commerce shall recommend to the Department of Administration, when feasible, the purchase and demonstrate demonstration of hydrogen, fuel cells, and related technologies in ways that strategically contribute to realizing Minnesota's hydrogen economy goal as set forth in section 216B.013, and which contribute to the following nonexclusive list of objectives:

- (1) provide needed performance data to the marketplace;
- (2) identify code and regulatory issues to be resolved;
- (3) ~~advance or validate a critical area of research;~~
- (4) foster economic development and job creation in the state;
- (5) (4) raise public awareness of hydrogen, fuel cells, and related technologies; or
- (6) (5) reduce emissions of carbon dioxide and other pollutants.

EFFECTIVE DATE. This section is effective on the same date that Laws 2005, chapter 97, article 13, section 2, subdivision 1, is effective.

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Sec. 121. SESQUICENTENNIAL COMMISSION.

Subdivision 1. COMMISSION; PURPOSE. The Minnesota Sesquicentennial Commission is established to plan for activities relating to Minnesota's 150th anniversary of statehood. The commission shall create a plan for capital improvements, celebratory activities, and public engagement in every county in the state of Minnesota.

Subd. 2. MEMBERSHIP. The commission shall consist of 17 members who shall serve until the completion of the sesquicentennial year of statehood, appointed as follows:

(1) nine members appointed by the governor, representing major corporate, nonprofit, and public sectors of the state, selected from all parts of the state;

(2) two members appointed by the speaker of the house of representatives;

(3) two members appointed by the minority leader of the house of representatives;

(4) two members from the majority party in the senate, appointed by the Subcommittee on Committees; and

(5) two members from the minority party in the senate, appointed by the Subcommittee on Committees.

Subd. 3. COMPENSATION; OPERATION. Members shall select a chair from the membership of the commission. The chair shall convene all meetings and set the agenda for the commission. The Minnesota Historical Society shall provide office space and staff support for the commission, and shall cooperate with the University of Minnesota and Minnesota State Colleges and Universities to support the programs of the commission. Meetings shall be at the call of the chair. The commission may appoint an advisory council to advise and assist the commission with its duties. Members shall receive no compensation for service on the Sesquicentennial Commission. Members appointed by the governor may be reimbursed for expenses under Minnesota Statutes, section 15.059, subdivision 3.

Subd. 4. DUTIES. The commission shall have the following duties:

(1) to present to the governor and legislature a plan for capital grants to pay for capital improvements on Minnesota's historic public and private buildings, to be known as sesquicentennial grants;

(2) to seek funding for activities to celebrate the 150th anniversary of statehood, and to form partnerships with private parties to further this mission; and

(3) to present an annual report to the governor and legislature outlining progress made towards the celebration of the sesquicentennial.

Subd. 5. COMMEMORATIVE COIN. The commission may arrange for design, production, distribution, marketing, and sale of a commemorative coin. Proceeds from sale of the commemorative coin are appropriated to the commission.

Subd. 6. EXPIRATION. The commission shall continue to operate until January 30, 2009, at which time it shall expire.

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

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Sec. 122. SURPLUS STATE LAND; REDWOOD COUNTY.

Notwithstanding Minnesota Statutes, section 645.021, subdivision 3, the local approval requirement in Laws 2004, chapter 262, article 3, section 26, is revived and available until January 2, 2007.

Sec. 123. INSTRUCTION TO REVISOR.

The revisor of statutes shall renumber Minnesota Statutes, section 239.05, as section 239.051, alphabetize the definitions, and correct any cross-references to that section accordingly.

Sec. 124. REPEALER.

(a) Minnesota Statutes 2004, sections 45.0295; 116J.573; 116J.58, subdivision 3; 116L.05, subdivision 4; 178.12; 239.05, subdivisions 6a and 6b; and 462C.15, are repealed.

(b) Laws 1999, chapter 125, section 4, as amended by Laws 2002, chapter 398, section 7, is repealed.

ARTICLE 5**REGULATION OF SERVICE CONTRACTS****Section 1. [59B.01] SCOPE AND PURPOSE.**

(a) The purpose of this chapter is to create a legal framework within which service contracts may be sold in this state.

(b) The following are exempt from this chapter:

(1) warranties;

(2) maintenance agreements;

(3) warranties, service contracts, or maintenance agreements offered by public utilities, as defined in section 216B.02, subdivision 4, or an entity or operating unit owned by or under common control with a public utility;

(4) service contracts sold or offered for sale to persons other than consumers;

(5) service contracts on tangible property where the tangible property for which the service contract is sold has a purchase price of \$250 or less, exclusive of sales tax;

(6) motor vehicle service contracts as defined in section 65B.29, subdivision 1, paragraph (1);

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(7) service contracts for home security equipment installed by a licensed technology systems contractor; and

(8) motor club membership contracts that typically provide roadside assistance services to motorists stranded for reasons that include, but are not limited to, mechanical breakdown or adverse road conditions.

(c) The types of agreements referred to in paragraph (b) are not subject to chapters 60A to 79A, except as otherwise specifically provided by law.

Sec. 2. [59B.02] DEFINITIONS.

Subdivision 1. TERMS. For the purposes of this chapter, the terms defined in this section have the meanings given them.

Subd. 2. ADMINISTRATOR. "Administrator" means the person who is responsible for the administration of the service contracts or the service contracts plan or who is responsible for any filings required by this chapter.

Subd. 3. COMMISSIONER. "Commissioner" means the commissioner of commerce.

Subd. 4. CONSUMER. "Consumer" means a natural person who buys, other than for purposes of resale, any tangible personal property that is distributed in commerce and that is normally used for personal, family, or household purposes and not for business or research purposes.

Subd. 5. MAINTENANCE AGREEMENT. "Maintenance agreement" means a contract of limited duration that provides for scheduled maintenance only.

Subd. 6. PERSON. "Person" means an individual, partnership, corporation, incorporated or unincorporated association, joint stock company, reciprocal, syndicate, or any similar entity or combination of entities acting in concert.

Subd. 7. PREMIUM. "Premium" means the consideration paid to an insurer for a reimbursement insurance policy.

Subd. 8. PROVIDER. "Provider" means a person who is contractually obligated to the service contract holder under the terms of the service contract.

Subd. 9. PROVIDER FEE. "Provider fee" means the consideration paid for a service contract.

Subd. 10. REIMBURSEMENT INSURANCE POLICY. "Reimbursement insurance policy" means a policy of insurance issued to a provider to either provide reimbursement to the provider under the terms of the insured service contracts issued or sold by the provider or, in the event of the provider's nonperformance, to pay on behalf of the provider all covered contractual obligations incurred by the provider under the terms of the insured service contracts issued or sold by the provider.

Subd. 11. SERVICE CONTRACT. "Service contract" means a contract or agreement for a separately stated consideration for a specific duration to perform the

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repair, replacement, or maintenance of property or indemnification for repair, replacement, or maintenance, for the operational or structural failure due to a defect in materials, workmanship, or normal wear and tear, with or without additional provisions for incidental payment of indemnity under limited circumstances. Service contracts may provide for the repair, replacement, or maintenance of property for damage resulting from power surges and accidental damage from handling.

Subd. 12. SERVICE CONTRACT HOLDER OR CONTRACT HOLDER. “Service contract holder” or “contract holder” means a person who is the purchaser or holder of a service contract.

Subd. 13. WARRANTY. “Warranty” means a warranty made solely by the manufacturer, importer, or seller of property or services without consideration, that is not negotiated or separated from the sale of the product, and is incidental to the sale of the product, that guarantees indemnity for defective parts, mechanical or electrical breakdown, labor, or other remedial measures, such as repair or replacement of the property or repetition of services.

Sec. 3. [59B.03] REQUIREMENTS FOR TRANSACTING BUSINESS.

Subdivision 1. APPOINTMENT OF ADMINISTRATOR. A provider may, but is not required to, appoint an administrator or other designee to be responsible for any or all of the administration of service contracts and compliance with this chapter.

Subd. 2. CONTRACT COPIES AND RECEIPTS. Service contracts must not be issued, sold, or offered for sale in this state unless the provider has:

(1) provided a receipt for, or other written evidence of, the purchase of the service contract to the contract holder;

(2) provided a copy of the service contract to the service contract holder within a reasonable period of time from the date of purchase; and

(3) complied with this chapter.

Subd. 3. REGISTRATION. Each provider of service contracts sold in this state shall file a registration with the commissioner on a form prescribed by the commissioner. Each provider shall pay to the commissioner a fee in the amount of \$750 annually.

Subd. 4. FINANCIAL REQUIREMENTS. In order to ensure the faithful performance of a provider's obligations to its contract holders, each provider is responsible for complying with the requirements of one of the following:

(1) insure all service contracts under a reimbursement insurance policy issued by an insurer authorized to transact insurance in this state, a risk retention group, as that term is defined in United States Code, title 15, section 3901(A)(4), as long as that risk retention group is registered pursuant to section 60E.03 or 60E.04 as applicable, and is in full compliance with the federal Liability Risk Retention Act of 1986, United

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States Code, title 15, section 3901, et al., or issued pursuant to sections 60A.195 to 60A.209, and either:

(i) the insurer or risk retention group shall, at the time the policy is filed with the commissioner, and continuously thereafter, maintain surplus as to policyholders and paid-in capital of at least \$15,000,000, and annually file audited financial statements with the commissioner; or

(ii) the commissioner may authorize an insurer or risk retention group that has surplus as to policyholders and paid-in capital of less than \$15,000,000 but at least equal to \$10,000,000 to issue the insurance required by this section if the insurer or risk retention group demonstrates to the satisfaction of the commissioner that the company maintains a ratio of direct written premiums, wherever written, to surplus as to policyholders and paid-in capital of not greater than 3-to-1; or

(2)(i) maintain a funded reserve account for obligations under contracts issued and outstanding in this state. The reserves must not be less than 40 percent of gross consideration received, less claims paid, on the sale of the service contract for all in-force contracts. The reserve account is subject to examination and review by the commissioner; and

(ii) place in trust with the commissioner a financial security deposit, having a value of not less than five percent of the gross consideration received, less claims paid, on the sale of the service contract for all service contracts issued and in force, but not less than \$25,000, consisting of one of the following:

(A) a surety bond issued by an authorized surety;

(B) securities of the type eligible for deposit by authorized insurers in this state;

(C) cash;

(D) a letter of credit issued by a qualified financial institution containing an evergreen clause which prevents the expiration of the letter without due notice from the issuer; or

(E) another form of security prescribed by rules of the commissioner; or

(3)(i) maintain, or its parent company maintain, a net worth or stockholders' equity of \$100,000,000; and

(ii) upon request, provide the commissioner with a copy of the provider's or the provider's parent company's most recent Form 10-K or Form 20-F filed with the Securities and Exchange Commission (SEC) within the last calendar year, or if the company does not file with the SEC, a copy of the company's audited financial statements, which shows a net worth of the provider or its parent company of at least \$100,000,000. If the provider's parent company's Form 10-K, Form 20-F, or audited financial statements are filed to meet the provider's financial stability requirement, then the parent company shall agree to guarantee the obligations of the provider relating to service contracts sold by the provider in this state.

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Subd. 5. RIGHT OF RETURN. Service contracts must require the provider to permit the service contract holder to return the service contract within 20 days of the date the service contract was mailed to the service contract holder or within ten days of delivery if the service contract is delivered to the service contract holder at the time of sale or within a longer time period permitted under the service contract. Upon return of the service contract to the provider within the applicable time period, if no claim has been made under the service contract before its return to the provider, the service contract is void and the provider shall refund to the service contract holder, or credit the account of the service contract holder, with the full purchase price of the service contract. The right to void the service contract provided in this paragraph is not transferable and applies only to the original service contract purchaser, and only if no claim has been made before its return to the provider. A ten percent penalty per month must be added to a refund that is not paid or credited within 45 days after return of the service contract to the provider.

Subd. 6. PREMIUM TAXES. (a) Provider fees collected on service contracts are not subject to premium taxes.

(b) Premiums for reimbursement insurance policies are subject to applicable taxes.

Subd. 7. LICENSING EXEMPTION. Except for the registration requirements in subdivision 3, providers and related service contract sellers, administrators, and other persons marketing, selling, or offering to sell service contracts are exempt from any licensing requirements of this state.

Subd. 8. INSURANCE EXEMPTION. The marketing, sale, offering for sale, issuance, making, proposing to make, and administration of service contracts by providers and related service contract sellers, administrators, and other persons are exempt from all other provisions of the insurance laws of this state, except as provided in section 72A.20, subdivision 38.

Sec. 4. [59B.04] REQUIRED DISCLOSURES; REIMBURSEMENT INSURANCE POLICY.

Subdivision 1. RIGHT TO PAYMENT OR REIMBURSEMENT. Reimbursement insurance policies insuring service contracts issued, sold, or offered for sale in this state shall state that the insurer that issued the reimbursement insurance policy shall either reimburse or pay on behalf of the provider any covered sums the provider is legally obligated to pay or, in the event of the provider's nonperformance, shall provide the service which the provider is legally obligated to perform according to the provider's contractual obligations under the service contracts issued or sold by the provider.

Subd. 2. RIGHT TO APPLY TO COMPANY. In the event covered service is not provided by the service contract provider within 60 days of proof of loss by the service contract holder, the contract holder is entitled to apply directly to the reimbursement insurance company.

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Sec. 5. [59B.05] REQUIRED DISCLOSURE; SERVICE CONTRACTS.

Subdivision 1. READABILITY AND GENERAL DISCLOSURE. Service contracts marketed, sold, offered for sale, issued, made, proposed to be made, or administered in this state must be written, printed, or typed in clear, understandable language that is easy to read and must disclose the requirements set forth in this section, as applicable.

Subd. 2. IDENTITIES OF PARTIES. Service contracts must state the name and address of the provider, and must identify any administrator if different from the provider, the service contract seller, and the service contract holder to the extent that the name of the service contract holder has been furnished by the service contract holder. The identities of the parties are not required to be preprinted on the service contract and may be added to the service contract at the time of sale.

Subd. 3. TOTAL PURCHASE PRICE AND SALES TERMS. Service contracts must state the total purchase price and the terms under which the service contract is sold. The purchase price is not required to be preprinted on the service contract and may be negotiated at the time of sale with the service contract holder.

Subd. 4. DEDUCTIBLES. Service contracts must state the existence of any deductible amount, if applicable.

Subd. 5. COVERAGES, LIMITATIONS, AND EXCLUSIONS. No particular causes of loss or property are required to be covered, but service contracts must specify the merchandise and services to be provided and, with equal prominence, any limitations, exceptions, or exclusions including, but not limited to, any damage or breakdown not covered by the service contract.

Subd. 6. RESTRICTIONS ON TRANSFERABILITY. Service contracts must state any restrictions governing the transferability of the service contract, if applicable.

Subd. 7. CANCELLATION TERMS. Service contracts must state the terms, restrictions, or conditions governing cancellation of the service contract prior to the termination or expiration date of the service contract by either the provider or the service contract holder. The provider of the service contract shall mail a written notice to the contract holder at the last known address of the service contract holder contained in the records of the provider at least 15 days before cancellation by the provider. Five days' notice is required if the reason for cancellation is nonpayment of the provider fee, a material misrepresentation by the service contract holder to the provider, or a substantial breach of duties by the service contract holder relating to the covered product or its use. The notice must state the effective date of the cancellation and the reason for the cancellation.

Subd. 8. DUTIES OF CONTRACT HOLDER. Service contracts must set forth all of the obligations and duties of the service contract holder, such as the duty to protect against any further damage and any requirement to follow the owner's manual.

Subd. 9. EXCLUSIONS; CONSEQUENTIAL DAMAGES AND PREEXISTING CONDITIONS. Service contracts may exclude coverage for consequential

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damages or preexisting conditions. These exclusions, if applicable, must be stated in the contract.

Sec. 6. [59B.06] ADDITIONAL REQUIRED DISCLOSURE; SERVICE CONTRACTS.

Subdivision 1. INSURANCE DISCLOSURE. Service contracts insured under a reimbursement insurance policy pursuant to section 59B.03, subdivision 4, clause (1), must contain a statement in substantially the following form: "Obligations of the provider under this service contract are insured under a service contract reimbursement insurance policy." The service contract must also state the name and address of the insurer.

Subd. 2. DISCLOSURE OF NO INSURANCE. Service contracts not insured under a reimbursement insurance policy pursuant to section 59B.03, subdivision 4, clause (1), must contain a statement in substantially the following form: "Obligations of the provider under this service contract are backed by the full faith and credit of the provider."

Sec. 7. [59B.07] PROHIBITED ACTS.

Subdivision 1. DECEPTIVE NAMES. A provider shall not use in its name the words insurance, casualty, surety, mutual, or any other words descriptive of the insurance, casualty, or surety business; or a name deceptively similar to the name or description of any insurance or surety corporation, or to the name of any other provider. The word "guaranty" or similar word may be used by a provider. This section does not apply to a company that was using any of the prohibited language in its name before the effective date of this chapter. However, a company using the prohibited language in its name shall include in its service contracts a statement in substantially the following form: "This agreement is not an insurance contract."

Subd. 2. FALSE OR MISLEADING STATEMENTS. A provider or its representative shall not in its service contracts, literature, or otherwise make, permit, or cause to be made any false or misleading statement or omit any material statement that would be considered misleading if omitted.

Subd. 3. REQUIRED PURCHASE. A person, such as a bank, savings association, lending institution, manufacturer, or seller of any product shall not require the purchase of a service contract as a condition of a loan or a condition for the sale of any property.

Sec. 8. [59B.08] RECORD-KEEPING REQUIREMENTS.

Subdivision 1. GENERALLY. The provider shall keep accurate accounts, books, and records concerning transactions regulated under this chapter.

The provider's accounts, books, and records include the following:

- (1) copies of each type of service contracts sold;

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(2) the name and address of each service contract holder to the extent that the name and address have been furnished by the service contract holder;

(3) a list of the locations where service contracts are marketed, sold, or offered for sale; and

(4) written claims files which shall contain information regarding the services provided or claims payments for contracts that provide for payments or reimbursement, including at least the dates and description of claims related to the service contracts.

Subd. 2. RETENTION. (a) Except as provided in paragraph (b), the provider shall retain all records required to be maintained by this section for at least three years after the specified period of coverage has expired.

(b) A provider discontinuing business in this state shall maintain its records until it furnishes the commissioner satisfactory proof that it has discharged all obligations to contract holders in this state.

Subd. 3. MEDIUM. The records required by this chapter may be, but are not required to be, maintained on a computer disk or other record-keeping technology. If the records are maintained in other than hard copy, the records must be capable of duplication to legible hard copy at the request of the commissioner.

Sec. 9. [59B.09] TERMINATION OF REIMBURSEMENT INSURANCE POLICY.

An insurer that issued a reimbursement insurance policy may not terminate the policy unless the insurer mails or delivers written notice of the termination to the commissioner at least 30 days before the effective date of termination. The termination of a reimbursement insurance policy does not reduce the issuer's responsibility for service contracts issued by providers before the date of the termination.

Sec. 10. [59B.10] OBLIGATION OF REIMBURSEMENT INSURANCE POLICY INSURERS.

Insurers issuing reimbursement insurance to providers are deemed to have received the premiums for the insurance upon the payment of provider fees by consumers for service contracts issued by the insured providers.

Nothing in this chapter prevents or limits the right of an insurer that issued a reimbursement insurance policy to seek indemnification or subrogation against a provider if the issuer pays or is obligated to pay the service contract holder sums that the provider was obligated to pay pursuant to the provisions of the service contract.

Sec. 11. [59B.11] SEVERABILITY PROVISION.

If any provision of this chapter or the application of the provision to any person or circumstances are held invalid, the remainder of this chapter and the application of the provision to person or circumstances other than those as to which it is held invalid, must not be affected.

New language is indicated by underline, deletions by strikeout.

Sec. 12. Minnesota Statutes 2004, section 72A.20, is amended by adding a subdivision to read:

Subd. 38. UNFAIR CLAIMS SERVICE; SERVICE CONTRACTS. No person shall, in connection with a service contract regulated under chapter 59B:

(1) attempt to settle claims on the basis of an application or any other material document which was altered without notice to, or knowledge or consent of, the service contract holder;

(2) make a material misrepresentation to the service contract holder for the purpose and with the intent of effecting settlement of the claims, loss, or damage under the contract on less favorable terms than those provided in, and contemplated by, the contract; or

(3) commit or perform with such frequency as to indicate a general business practice any of the following practices:

(i) failure to properly investigate claims;

(ii) misrepresentation of pertinent facts or contract provisions relating to coverages at issue;

(iii) failure to acknowledge and act upon communications within a reasonable time with respect to claims;

(iv) denial of claims without conducting reasonable investigations based upon available information;

(v) failure to affirm or deny coverage of claims upon written request of the service contract holder within a reasonable time after proof-of-loss statements have been completed; or

(vi) failure to timely provide a reasonable explanation to the service contract holder of the basis in the contract in relation to the facts or applicable law for denial of a claim or for the offer of a compromise settlement.

Sec. 13. EFFECTIVE DATE.

Sections 1 to 12 are effective January 1, 2006, and apply to service contracts issued on or after that date. A provider transacting business in this state on or before the date of the enactment of this chapter, which submits an application for registration as a provider under Minnesota Statutes, section 59B.03, subdivision 3, within 30 days after the commissioner makes the application available, may continue to transact business in this state until final agency action is taken by the commissioner regarding the registration application and all rights to administrative and judicial review related to that final agency action have been exhausted or have expired.

Presented to the governor June 30, 2005

Signed by the governor June 30, 2005, 9:10 p.m.

New language is indicated by underline, deletions by strikethrough.