

CHAPTER 264—S.F.No. 2493

An act relating to natural resources; appropriating money from the outdoor heritage fund, clean water fund, arts and cultural heritage fund, and environment and natural resources trust fund; modifying requirements for outdoor heritage fund appropriations; appropriating money for an Aquatic Invasive Species Cooperative Research Center; modifying prior appropriations; modifying certain parks and trails grant program provisions; changing provisions of grant management; changing control and oversight of the film production jobs program to the commissioner of administration; amending Minnesota Statutes 2010, sections 16B.98, subdivisions 5, 7; 85.535, subdivision 3; 97A.056, by adding subdivisions; 116U.26; Minnesota Statutes 2011 Supplement, sections 3.303, subdivision 10; 114D.30, subdivision 4; Laws 2009, chapter 172, article 2, section 4, as amended; article 3, section 3; Laws 2011, First Special Session chapter 2, article 3, section 2, subdivisions 4, 9; Laws 2011, First Special Session chapter 6, article 2, section 7; article 4, section 2, subdivision 5.

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

ARTICLE 1

OUTDOOR HERITAGE FUND

Section 1. **OUTDOOR HERITAGE APPROPRIATION.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the outdoor heritage fund and are available for the fiscal years indicated for each purpose. The figures "2012" and "2013" used in this article mean that the appropriations listed under the figure are available for the fiscal year ending June 30, 2012, or June 30, 2013, respectively. "The first year" is fiscal year 2012. "The second year" is fiscal year 2013. "The biennium" is fiscal years 2012 and 2013. The appropriations in this article are onetime.

APPROPRIATIONS
Available for the Year
Ending June 30
2012 **2013**

Sec. 2. **OUTDOOR HERITAGE**

Subdivision 1. Total Appropriation **\$** **-0-** **\$** **99,920,000**

This appropriation is from the outdoor heritage fund. The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. Prairies

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24,640,000

(a) Minnesota Buffers for Wildlife and Water - Phase II

\$2,090,000 in the second year is to the Board of Water and Soil Resources in cooperation with Pheasants Forever to acquire permanent conservation easements to enhance habitat by expanding clean water fund riparian wildlife buffers on private land. A list of proposed permanent conservation easements must be provided as part of the final report. The accomplishment plan must include an easement stewardship plan. Up to \$90,000 is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. An annual financial report is required for any monitoring and enforcement fund established, including expenditures from the fund and a description of annual monitoring and enforcement activities.

(b) Minnesota Prairie Recovery Project - Phase III

\$4,610,000 in the second year is to the commissioner of natural resources for an agreement with The Nature Conservancy to acquire native prairie and savanna and restore and enhance grasslands and savanna. A list of proposed land acquisitions must be provided as part of the required accomplishment plan. Annual income statements and balance sheets for income and expenses from land acquired with this appropriation must be submitted to the Lessard-Sams Outdoor Heritage Council no later than 180 days following the close of The Nature Conservancy's fiscal year.

(c) Cannon River Headwaters Habitat Complex - Phase II

\$1,760,000 in the second year is to the commissioner of natural resources for an agreement with The Trust for Public Land to acquire and restore lands in the Cannon River watershed for wildlife management area purposes under Minnesota Statutes, section 86A.05, subdivision 8, or aquatic management area purposes under Minnesota Statutes, sections 86A.05, subdivision 14, and 97C.02. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

(d) Wildlife Management Area Acquisition

\$2,900,000 in the second year is to the commissioner of natural resources to acquire land in fee for wildlife management area purposes under Minnesota Statutes, section 86A.05, subdivision 8. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

(e) Northern Tallgrass Prairie National Wildlife Refuge Land Acquisition - Phase IV

\$1,580,000 in the second year is to the commissioner of natural resources for an agreement with The Nature Conservancy in cooperation with the United States Fish and Wildlife Service to acquire land in fee or permanent conservation easements within the Northern Tallgrass Prairie Habitat Preservation Area in western Minnesota for addition to the Northern Tallgrass Prairie National Wildlife Refuge. A list of proposed land acquisitions must be provided as part of the required accomplishment plan. The accomplishment plan must include an easement monitoring and enforcement plan.

(f) Accelerating the Wildlife Management Area Program - Phase IV

\$3,300,000 in the second year is to the commissioner of natural resources for an agreement with Pheasants Forever to acquire land in fee for wildlife management area purposes under Minnesota Statutes, section

86A.05, subdivision 8. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

(g) Green Corridor Legacy Program - Phase IV

\$1,730,000 in the second year is to the commissioner of natural resources for an agreement with the Redwood Area Development Corporation to acquire land in fee for wildlife management area purposes under Minnesota Statutes, section 86A.05, subdivision 8, and for aquatic management areas under Minnesota Statutes, sections 86A.05, subdivision 14, and 97C.02. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

(h) Accelerated Prairie Restoration and Enhancement on DNR Lands - Phase IV

\$4,300,000 in the second year is to the commissioner of natural resources to accelerate the restoration and enhancement of wildlife management areas, scientific and natural areas, and land under native prairie bank easements. A list of proposed restorations and enhancements must be provided as part of the required accomplishment plan.

(i) Anoka Sand Plain Habitat Restoration and Enhancement - Phase II

\$1,050,000 in the second year is to the commissioner of natural resources for agreements to restore and enhance habitat on public lands in the Anoka Sand Plain and along the Rum River as follows: \$558,750 to Great River Greening; \$99,400 to the Anoka Conservation District; and \$391,850 to the National Wild Turkey Federation. A list of proposed restorations and enhancements must be provided as part of the required accomplishment plan.

(j) Enhanced Public Grasslands

\$1,320,000 in the second year is to the commissioner of natural resources for

an agreement with Pheasants Forever in cooperation with the Minnesota Prairie Chicken Society to restore and enhance habitat on public lands. The criteria for selection of projects must be included in the accomplishment plan. A list of proposed restorations and enhancements must be provided as part of the final report.

Subd. 3. Forests

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15,300,000

(a) Protecting Mississippi River Corridor Habitat ACUB Partnership - Phase II

\$480,000 in the second year is to the Board of Water and Soil Resources to acquire permanent conservation easements on land adjacent to the Nokasippi River and the boundaries of the Minnesota National Guard Army compatible use buffer (ACUB). A list of proposed land acquisitions must be provided as part of the required accomplishment plan. The accomplishment plan must include an easement stewardship plan. Up to \$4,800 is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. An annual financial report is required for any monitoring and enforcement fund established, including expenditures from the fund and a description of annual monitoring and enforcement activities.

(b) Mississippi Northwoods Habitat Complex Protection

\$11,040,000 in the second year is to the commissioner of natural resources for an agreement with Crow Wing County to acquire land in fee along the Mississippi River in Crow Wing County to be added to the county forest system. The purchase price must not exceed the appraised fair market value of the property as reviewed and approved under established procedures in compliance with the Uniform Standards of Professional Appraisal Practice and the Department of Natural Resources'

Supplemental Appraisal and Appraisal Review Guidelines (effective July 15, 2009). A land description must be provided as part of the required accomplishment plan. Development of a paved trail on land acquired under this paragraph constitutes an alteration of the intended use of the interest in real property and must be handled according to Minnesota Statutes, section 97A.056, subdivision 15. Any plan, including trail alignment, for the development of a paved trail must be submitted to the Lessard-Sams Outdoor Heritage Council for approval. No paved trail development or paved trail use is allowed unless it is specified in the plan for trail use and alignment approved by the Lessard-Sams Outdoor Heritage Council.

If additional money is needed to acquire the land under this paragraph, by December 15, 2012, the amount necessary to complete the acquisition shall be transferred from unspent appropriations under subdivision 5, paragraph (h), and added to this appropriation.

(c) Northeastern Minnesota Sharp-Tailed Grouse Habitat Partnership - Phase III

\$1,340,000 in the second year is to the commissioner of natural resources for an agreement with Pheasants Forever in cooperation with the Minnesota Sharp-Tailed Grouse Society to acquire and enhance lands for wildlife management area purposes under Minnesota Statutes, section 86A.05, subdivision 8. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

(d) Protect Key Forest Habitat Lands in Cass County - Phase III

\$480,000 in the second year is to the commissioner of natural resources for an agreement with Cass County to acquire land in fee in Cass County for forest wildlife habitat. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

(e) Minnesota Moose Habitat Collaborative

\$960,000 in the second year is to the commissioner of natural resources for an agreement with the Minnesota Deer Hunters Association to restore and enhance public forest lands in northeastern Minnesota for moose habitat purposes. A list of proposed restorations and enhancements must be provided as part of the required accomplishment plan.

(f) LaSalle Lake: Protecting Critical Minnesota Headwaters Habitat

\$1,000,000 in the second year is added to the appropriation in Laws 2011, First Special Session chapter 6, article 1, section 2, subdivision 3, paragraph (b).

Subd. 4. Wetlands

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31,140,000

(a) Reinvest in Minnesota Wetlands Reserve Program Partnership - Phase IV

\$13,810,000 in the second year is to the Board of Water and Soil Resources to acquire permanent conservation easements and restore wetlands and associated upland habitat in cooperation with the United States Department of Agriculture Wetlands Reserve Program. A list of land acquisitions must be provided as part of the final report. The accomplishment plan must include an easement stewardship plan. Up to \$180,000 is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. An annual financial report is required for any monitoring and enforcement fund established, including expenditures from the fund and a description of annual monitoring and enforcement activities.

(b) Accelerating the Waterfowl Production Area Program - Phase IV

\$5,400,000 in the second year is to the commissioner of natural resources for an

agreement with Pheasants Forever to acquire land in fee to be managed and designated as waterfowl production areas in Minnesota, in cooperation with the United States Fish and Wildlife Service. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

(c) Columbus Lake Conservation Area

\$940,000 in the second year is to the commissioner of natural resources for an agreement with Anoka County to acquire land in fee for conservation purposes that connect wetlands and shallow lakes to the Lamprey Pass Wildlife Management Area. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

(d) Living Shallow Lakes and Wetlands Initiative - Phase II

\$4,490,000 in the second year is to the commissioner of natural resources for an agreement with Ducks Unlimited to assess, restore, and enhance shallow lakes and wetlands, including technical assistance, survey, design, and engineering to develop new enhancement and restoration projects for future implementation. A list of proposed restorations and enhancements must be provided as part of the required accomplishment plan.

(e) Accelerated Shallow Lakes and Wetlands Enhancement - Phase IV

\$3,870,000 in the second year is to the commissioner of natural resources to develop engineering designs and complete construction to enhance shallow lakes and wetlands. A list of proposed restorations and enhancements must be provided as part of the required accomplishment plan. Work must be completed within three years of the effective date of this article.

(f) Marsh Lake Enhancement

\$2,630,000 in the second year is to the commissioner of natural resources to complete design and construction to modify the dam at Marsh Lake and return the historic outlet of the Pomme de Terre River to Lac Qui Parle.

Subd. 5. Habitats

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28,620,000

(a) DNR Aquatic Habitat - Phase IV

\$3,480,000 in the second year is to the commissioner of natural resources to acquire interests in land in fee or permanent conservation easements for aquatic management areas under Minnesota Statutes, sections 86A.05, subdivision 14, and 97C.02, and to restore and enhance aquatic habitat. A list of proposed land acquisitions must be provided as part of the required accomplishment plan. The accomplishment plan must include an easement stewardship plan. Up to \$25,000 is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. An annual financial report is required for any monitoring and enforcement fund established, including expenditures from the fund and a description of annual monitoring and enforcement activities.

(b) Metro Big Rivers Habitat - Phase III

\$3,680,000 in the second year is to the commissioner of natural resources for agreements to acquire interests in land in fee or permanent conservation easements and to restore and enhance natural systems associated with the Mississippi, Minnesota, and St. Croix Rivers as follows: \$1,000,000 to the Minnesota Valley National Wildlife Refuge Trust, Inc.; \$375,000 to the Friends of the Mississippi; \$375,000 to Great River Greening; \$930,000 to The Minnesota Land Trust; and \$1,000,000 to The Trust for Public Land. A list of proposed acquisitions, restorations, and enhancements must be provided as part of the required

accomplishment plan. The accomplishment plan must include an easement stewardship plan. Up to \$51,000 is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. An annual financial report is required for any monitoring and enforcement fund established, including expenditures from the fund and a description of annual monitoring and enforcement activities.

(c) Dakota County Riparian and Lakeshore Protection and Management - Phase III

\$480,000 in the second year is to the commissioner of natural resources for an agreement with Dakota County to acquire permanent conservation easements and restore and enhance habitats along the Mississippi, Cannon, and Vermillion Rivers. A list of proposed acquisitions, restorations, and enhancements must be provided as part of the required accomplishment plan. The accomplishment plan must include an easement stewardship plan. Up to \$20,000 is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. An annual financial report is required for any monitoring and enforcement fund established, including expenditures from the fund and a description of annual monitoring and enforcement activities.

(d) Lower St. Louis River Habitat Restoration

\$3,670,000 in the second year is to the commissioner of natural resources to restore habitat in the lower St. Louis River estuary. A list of proposed projects must be provided as part of the required accomplishment plan.

(e) Coldwater Fish Habitat Enhancement - Phase IV

\$2,120,000 in the second year is to the commissioner of natural resources for an

agreement with Minnesota Trout Unlimited to restore and enhance coldwater fish lake, river, and stream habitats in Minnesota. A list of proposed restorations and enhancements must be provided as part of the required accomplishment plan.

(f) Grand Marais Creek Outlet Restoration

\$2,320,000 in the second year is to the commissioner of natural resources for an agreement with the Red Lake Watershed District to restore and enhance stream and related habitat in Grand Marais Creek. A list of proposed restorations and enhancements must be provided as part of the required accomplishment plan.

(g) Knife River Habitat Restoration

\$380,000 in the second year is to the commissioner of natural resources for an agreement with the Lake Superior Steelhead Association to restore trout habitat in the Upper Knife River Watershed. A list of proposed restorations must be provided as part of the required accomplishment plan. Notwithstanding rules of the commissioner of natural resources, restorations conducted pursuant to this paragraph may be accomplished by excavation.

(h) Protect Aquatic Habitat from Asian Carp

\$7,500,000 in the second year is to the commissioner of natural resources to design, construct, operate, and evaluate structural deterrents for Asian carp to protect Minnesota's aquatic habitat. Use of this money requires a one-to-one match for projects on state boundary waters.

(i) Outdoor Heritage Conservation Partners Grant Program - Phase IV

\$4,990,000 in the second year is to the commissioner of natural resources for a program to provide competitive, matching grants of up to \$400,000 to local, regional, state, and national organizations for

enhancing, restoring, or protecting forests, wetlands, prairies, and habitat for fish, game, or wildlife in Minnesota. Grants shall not be made for activities required to fulfill the duties of owners of lands subject to conservation easements. Grants shall not be made from appropriations in this paragraph for projects that have a total project cost exceeding \$575,000. \$366,000 of this appropriation may be spent for personnel costs and other direct and necessary administrative costs. Grantees may acquire land or interests in land. Easements must be permanent. Land acquired in fee must be open to hunting and fishing during the open season unless otherwise provided by state law. The program shall require a match of at least ten percent from nonstate sources for all grants. The match may be cash or in-kind resources. For grant applications of \$25,000 or less, the commissioner shall provide a separate, simplified application process. Subject to Minnesota Statutes, the commissioner of natural resources shall, when evaluating projects of equal value, give priority to organizations that have a history of receiving or charter to receive private contributions for local conservation or habitat projects. If acquiring land or a conservation easement, priority shall be given to projects associated with existing wildlife management areas under Minnesota Statutes, section 86A.05, subdivision 8; scientific and natural areas under Minnesota Statutes, sections 84.033 and 86A.05, subdivision 5; and aquatic management areas under Minnesota Statutes, sections 86A.05, subdivision 14, and 97C.02. All restoration or enhancement projects must be on land permanently protected by a conservation easement or public ownership or in public waters as defined in Minnesota Statutes, section 103G.005, subdivision 15. Priority shall be given to restoration and enhancement projects on public lands. Minnesota Statutes, section 97A.056, subdivision 13, applies to grants awarded under this paragraph. This appropriation is available until June 30, 2016. No less than five percent of the amount of each grant must be held back from

reimbursement until the grant recipient has completed a grant accomplishment report by the deadline and in the form prescribed by and satisfactory to the Lessard-Sams Outdoor Heritage Council. The commissioner shall provide notice of the grant program in the game and fish law summaries that are prepared under Minnesota Statutes, section 97A.051, subdivision 2.

Subd. 6. Administration

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220,000

(a) Contract Management

\$175,000 in the second year is to the commissioner of natural resources for contract management duties assigned in this section. The commissioner shall provide a work program in the form specified by the Lessard-Sams Outdoor Heritage Council on the expenditure of this appropriation. No money may be expended prior to Lessard-Sams Outdoor Heritage Council approval of the work program.

(b) Technical Evaluation Panel

\$45,000 in the second year is to the commissioner of natural resources for a technical evaluation panel to conduct up to ten restoration evaluations under Minnesota Statutes, section 97A.056, subdivision 10.

Subd. 7. Availability of Appropriation

Money appropriated in this section may not be spent on activities unless they are directly related to and necessary for a specific appropriation and are specified in the accomplishment plan approved by the Lessard-Sams Outdoor Heritage Council. Money appropriated in this section must not be spent on indirect costs or other institutional overhead charges that are not directly related to and necessary for a specific appropriation. Unless otherwise provided, the amounts in this section are available until June 30, 2015, when projects must be completed and final accomplishments reported. Funds for restoration or enhancement are available

until June 30, 2017, or four years after acquisition, whichever is later, in order to complete initial restoration or enhancement work. If a project receives federal funds, the time period of the appropriation is extended to equal the availability of federal funding. Funds appropriated for fee title acquisition of land may be used to restore, enhance, and provide for public use of the land acquired with the appropriation. Public use facilities must have a minimal impact on habitat in acquired lands. If the purchase price for a fee title acquisition funded with an appropriation in this article falls below the estimated purchase price contained in the approved accomplishment plan and no other acquisitions are listed in the approved accomplishment plan, the difference between the purchase price and the estimated purchase price is canceled for the project and added to the appropriation under subdivision 5, paragraph (h).

Subd. 8. Payment Conditions and Capital Equipment Expenditures

All agreements 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 directly related to each appropriation's purpose made on or after July 1, 2012, or the date of accomplishment plan approval, whichever is later, are eligible for reimbursement unless otherwise provided in this section. Periodic reimbursement must be made upon receiving documentation that the items articulated in the accomplishment plan approved by the Lessard-Sams Outdoor Heritage Council have been achieved, including partial achievements as evidenced by progress reports approved by the Lessard-Sams Outdoor Heritage Council. Reasonable amounts may be advanced to projects to accommodate cash flow needs, support future management of acquired lands, or match a federal share. The advances must be approved as part of the accomplishment plan. Capital equipment expenditures for specific items in excess of

\$10,000 must be itemized in and approved as part of the accomplishment plan.

Sec. 3. Minnesota Statutes 2010, section 97A.056, is amended by adding a subdivision to read:

Subd. 12. **Accomplishment plans.** It is a condition of acceptance of money appropriated from the outdoor heritage fund that the agency or entity using the appropriation submits an accomplishment plan and periodic accomplishment reports to the Lessard-Sams Outdoor Heritage Council in the form determined by the council. The accomplishment plan must identify the project manager responsible for expending the appropriation and the final product. The accomplishment plan must account for the use of the appropriation and outcomes of the expenditure in measures of wetlands, prairies, forests, and fish, game, and wildlife habitat restored, protected, and enhanced. The plan must include an evaluation of results. If lands are acquired by fee with money from the outdoor heritage fund, the accomplishment plan must include a hunting and fishing management plan for the lands acquired by fee. No money appropriated from the outdoor heritage fund may be expended unless the council has approved the pertinent accomplishment plan.

Sec. 4. Minnesota Statutes 2010, section 97A.056, is amended by adding a subdivision to read:

Subd. 13. **Project requirements.** (a) As a condition of accepting money appropriated from the outdoor heritage fund, an agency or entity receiving money from an appropriation must comply with this subdivision for any project funded in whole or in part with funds from the appropriation.

(b) All conservation easements acquired with money appropriated from the outdoor heritage fund must:

- (1) be permanent;
- (2) specify the parties to the easement;
- (3) specify all of the provisions of an agreement that are permanent;
- (4) specify the habitat types and location being protected;
- (5) where appropriate for conservation or water protection outcomes, require the grantor to employ practices retaining water on the eased land as long as practicable;
- (6) specify the responsibilities of the parties for habitat enhancement and restoration and the associated costs of these activities;
- (7) be sent to the office of the Lessard-Sams Outdoor Heritage Council;
- (8) include a long-term stewardship plan and identify the sources and amount of funding for monitoring and enforcing the easement agreement; and
- (9) identify the parties responsible for monitoring and enforcing the easement agreement.

(c) For all restorations, a recipient must prepare and retain an ecological restoration and management plan that, to the degree practicable, is consistent with current conservation science and ecological goals for the restoration site. Consideration should be given to soil, geology, topography, and other relevant factors that would provide the

best chance for long-term success and durability of the restoration. The plan must include the proposed timetable for implementing the restoration, including, but not limited to, site preparation, establishment of diverse plant species, maintenance, and additional enhancement to establish the restoration; identify long-term maintenance and management needs of the restoration and how the maintenance, management, and enhancement will be financed; and use current conservation science to achieve the best restoration.

(d) For new lands acquired, a recipient must prepare a restoration and management plan in compliance with paragraph (c), including identification of sufficient funding for implementation.

(e) To ensure public accountability for the use of public funds, a recipient must provide to the Lessard-Sams Outdoor Heritage Council documentation of the process used to select parcels acquired in fee or as permanent conservation easements and must provide the council with documentation of all related transaction costs, including, but not limited to, appraisals, legal fees, recording fees, commissions, other similar costs, and donations. This information must be provided for all parties involved in the transaction. The recipient must also report to the Lessard-Sams Outdoor Heritage Council any difference between the acquisition amount paid to the seller and the state-certified or state-reviewed appraisal, if a state-certified or state-reviewed appraisal was conducted. Acquisition data such as appraisals may remain private during negotiations but must ultimately be made public according to chapter 13.

(f) Except as otherwise provided in the appropriation, all restoration and enhancement projects funded with money appropriated from the outdoor heritage fund must be on land permanently protected by a conservation easement or public ownership or in public waters as defined in section 103G.005, subdivision 15.

(g) To the extent an appropriation is used to acquire an interest in real property, a recipient of an appropriation from the outdoor heritage fund must provide to the Lessard-Sams Outdoor Heritage Council and the commissioner of management and budget an analysis of increased operation and maintenance costs likely to be incurred by public entities as a result of the acquisition and of how the costs are to be paid.

(h) A recipient of money appropriated from the outdoor heritage fund must give consideration to and make timely written contact with Conservation Corps Minnesota for possible use of the corps' services to contract for restoration and enhancement services. A copy of the written contact must be filed with the Lessard-Sams Outdoor Heritage Council within 15 days of execution.

(i) A recipient of money appropriated from the outdoor heritage fund must erect signage according to Laws 2009, chapter 172, article 5, section 10.

Sec. 5. Minnesota Statutes 2010, section 97A.056, is amended by adding a subdivision to read:

Subd. 14. **Purchase of recycled and recyclable materials.** A political subdivision, public or private corporation, or other entity that receives money appropriated from the outdoor heritage fund must use the money in compliance with sections 16B.121, regarding purchase of recycled, repairable, and durable materials, and 16B.122, regarding purchase and use of paper stock and printing.

Sec. 6. Minnesota Statutes 2010, section 97A.056, is amended by adding a subdivision to read:

Subd. 15. **Land acquisition restrictions.** (a) An interest in real property, including, but not limited to, an easement or fee title, that is acquired with money appropriated from the outdoor heritage fund must be used in perpetuity or for the specific term of an easement interest for the purpose for which the appropriation was made. The ownership of the interest in real property transfers to the state if: (1) the holder of the interest in real property fails to comply with the terms and conditions of the grant agreement or accomplishment plan; or (2) restrictions are placed on the land that preclude its use for the intended purpose as specified in the appropriation.

(b) A recipient of funding that acquires an interest in real property subject to this subdivision may not alter the intended use of the interest in real property or convey any interest in the real property acquired with the appropriation without the prior review and approval of the Lessard-Sams Outdoor Heritage Council or its successor. The council shall notify the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over the outdoor heritage fund at least 15 business days before approval under this paragraph. The council shall establish procedures to review requests from recipients to alter the use of or convey an interest in real property. These procedures shall allow for the replacement of the interest in real property with another interest in real property meeting the following criteria:

(1) the interest must be at least equal in fair market value, as certified by the commissioner of natural resources, to the interest being replaced; and

(2) the interest must be in a reasonably equivalent location and have a reasonably equivalent useful conservation purpose compared to the interest being replaced, taking into consideration all effects from fragmentation of the whole habitat.

(c) A recipient of funding who acquires an interest in real property under paragraph (a) must separately record a notice of funding restrictions in the appropriate local government office where the conveyance of the interest in real property is filed. The notice of funding agreement must contain:

(1) a legal description of the interest in real property covered by the funding agreement;

(2) a reference to the underlying funding agreement;

(3) a reference to this section; and

(4) the following statement: "This interest in real property shall be administered in accordance with the terms, conditions, and purposes of the grant agreement controlling the acquisition of the property. The interest in real property, or any portion of the interest in real property, shall not be sold, transferred, pledged, or otherwise disposed of or further encumbered without obtaining the prior written approval of the Lessard-Sams Outdoor Heritage Council or its successor. The ownership of the interest in real property transfers to the state if: (1) the holder of the interest in real property fails to comply with the terms and conditions of the grant agreement or accomplishment plan; or (2) restrictions are placed on the land that preclude its use for the intended purpose as specified in the appropriation."

Sec. 7. Minnesota Statutes 2010, section 97A.056, is amended by adding a subdivision to read:

Subd. 16. **Real property interest report.** (a) By December 1 each year, a recipient of money appropriated from the outdoor heritage fund that is used for the acquisition of an interest in real property, including, but not limited to, an easement or fee title, must submit annual reports on the status of the real property to the Lessard-Sams Outdoor Heritage Council or its successor in a form determined by the council. If lands are acquired by fee with money from the outdoor heritage fund, the real property interest report must include a verification of the status of the hunting and fishing management plan for the lands acquired by fee. The responsibility for reporting under this subdivision may be transferred by the recipient of the appropriation to another person or entity that 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 subdivision 15; and

(3) provide written notice to the council of the transfer of reporting responsibility, including contact information for the person to whom the responsibility is transferred.

(b) After the transfer, the person or entity that holds the interest in the real property is responsible for reporting requirements under this subdivision.

Sec. 8. Minnesota Statutes 2010, section 97A.056, is amended by adding a subdivision to read:

Subd. 17. **Easement monitoring and enforcement requirements.** Money appropriated from the outdoor heritage fund for easement monitoring and enforcement may be spent only on activities included in an easement monitoring and enforcement plan contained within the accomplishment plan. Money received for monitoring and enforcement, including earnings on the money received, shall be kept in a monitoring and enforcement fund held by the organization and is appropriated for monitoring and enforcing conservation easements in the state. Within 120 days after the close of the entity's fiscal year, an entity receiving appropriations for easement monitoring and enforcement must provide an annual financial report to the Lessard-Sams Outdoor Heritage Council on the easement monitoring and enforcement fund as specified in the accomplishment plan. Money appropriated from the outdoor heritage fund for monitoring and enforcement of easements and earnings on the money appropriated shall revert to the state if:

(1) the easement transfers to the state under subdivision 15;

(2) the holder of the easement fails to file an annual report and then fails to cure that default within 30 days of notification of the default by the state; or

(3) the holder of the easement fails to comply with the terms of the monitoring and enforcement plan contained within the accomplishment plan and fails to cure that default within 90 days of notification of the default by the state.

Sec. 9. Minnesota Statutes 2010, section 97A.056, is amended by adding a subdivision to read:

Subd. 18. **Successor organizations.** The Lessard-Sams Outdoor Heritage Council may approve the continuation of a project with an organization that has adopted a new

name. Continuation of a project with an organization that has undergone a significant change in mission, structure, or purpose requires:

(1) notice to the chairs of the legislative committees and divisions with jurisdiction over the outdoor heritage fund; and

(2) presentation by the council of proposed legislation either ratifying or rejecting continued involvement with the new organization.

Sec. 10. Minnesota Statutes 2010, section 97A.056, is amended by adding a subdivision to read:

Subd. 19. **Fee title acquisition; open season.** (a) Lands acquired by fee with money appropriated from the outdoor heritage fund that are held by the state must be open to the public taking of fish and game during the open season, unless otherwise provided by state law.

(b) Lands acquired by fee with money appropriated from the outdoor heritage fund that are held by the U.S. Fish and Wildlife Service must be open to the public taking of fish and game during the open season according to the National Wildlife Refuge System Improvement Act, United States Code, title 16, section 668dd, et seq.

(c) Except as provided in paragraph (b), lands acquired by fee with money appropriated from the outdoor heritage fund that are held by a nonstate entity must be open to the public taking of fish and game during the open season, unless otherwise prescribed by the commissioner of natural resources.

EFFECTIVE DATE. This section is effective retroactively from July 1, 2009.

Sec. 11. **LEGACY FUNDING REQUIREMENTS APPLY.**

Each direct recipient of money appropriated in this article, as well as each recipient of a grant awarded pursuant to this article, must satisfy all reporting and other requirements incumbent upon legacy funding recipients as provided in Laws 2011, First Special Session chapter 6, article 5.

ARTICLE 2

CLEAN WATER FUND

Section 1. Minnesota Statutes 2011 Supplement, section 114D.30, subdivision 4, is amended to read:

Subd. 4. **Terms; compensation; removal.** The terms of members representing the state agencies and the Metropolitan Council are four years and are coterminous with the governor. The terms of other nonlegislative members of the council shall be as provided in section 15.059, subdivision 2. Members may serve until their successors are appointed and qualify. Compensation and removal of nonlegislative council members is as provided in section 15.059, subdivisions 3 and 4. Compensation of legislative members is as determined by the appointing authority. The Pollution Control Agency may reimburse legislative members for expenses. A vacancy on the council may be filled by the appointing authority provided in subdivision 1 for the remainder of the unexpired term.

for subwatersheds that meet water quality standards, and development of reports that provide information necessary to complete TMDL studies for subwatersheds that do not meet water quality standards, but are not listed as impaired.

(b) \$500,000 the first year is for development of an enhanced TMDL database to manage and track progress. Of this amount, \$63,000 the first year is to promulgate rules. By November 1, 2010, the commissioner shall submit a report to the chairs of the house of representatives and senate committees with jurisdiction over environment and natural resources finance on the outcomes achieved with this appropriation.

(c) \$1,500,000 the first year and \$3,169,000 the second year are for grants under Minnesota Statutes, section 116.195, to political subdivisions for up to 50 percent of the costs to predesign, design, and implement capital projects that use storm water or treated municipal wastewater instead of groundwater from drinking water aquifers, in order to demonstrate the beneficial use of wastewater or storm water, including the conservation and protection of water resources. Of this amount, \$1,000,000 the first year is for grants to ethanol plants that are within one and one-half miles of a city for improvements that use storm water or reuse ~~greater than 300,000 gallons of wastewater per day.~~ This appropriation is available until June 30, 2016.

(d) \$1,125,000 the first year and \$1,125,000 the second year are for groundwater assessment and drinking water protection to include:

- (1) the installation and sampling of at least 30 new monitoring wells;
- (2) the analysis of samples from at least 40 shallow monitoring wells each year for the presence of endocrine disrupting compounds; and
- (3) the completion of at least four to five groundwater models for TMDL and watershed plans.

(e) \$2,500,000 the first year is for the clean water partnership program. Priority shall be given to projects preventing impairments and degradation of lakes, rivers, streams, and groundwater in accordance with Minnesota Statutes, section 114D.20, subdivision 2, clause (4). Any balance remaining in the first year does not cancel and is available for the second year.

(f) \$896,000 the first year is to establish a network of water monitoring sites, to include at least 20 additional sites, in public waters adjacent to wastewater treatment facilities across the state to assess levels of endocrine-disrupting compounds, antibiotic compounds, and pharmaceuticals as required in this article. The data must be placed on the agency's Web site.

(g) \$155,000 the first year is to provide notification of the potential for coal tar contamination, establish a storm water pond inventory schedule, and develop best management practices for treating and cleaning up contaminated sediments as required in this article. \$490,000 the second year is to provide grants to local units of government for up to 50 percent of the costs to implement best management practices to treat or clean up contaminated sediments in storm water ponds and other waters as defined under this article. Local governments must have adopted an ordinance for the restricted use of undiluted coal tar sealants in order to be eligible for a grant, unless a statewide restriction has been implemented. A grant awarded under this paragraph must not exceed \$100,000. Up to \$145,000 of the appropriation in the second year may be used to complete work required under section 28, paragraph (c).

(h) \$350,000 the first year and \$600,000 the second year are for a restoration project in the lower St. Louis River and Duluth harbor in order to improve water quality. This appropriation must be matched by nonstate money at a rate of at least \$2 for every \$1 of state money.

(i) \$150,000 the first year and \$196,000 the second year are for grants to the Red River Watershed Management Board to enhance and expand existing river watch activities in the Red River of the North. The Red River Watershed Management Board shall provide a report that includes formal evaluation results from the river watch program to the commissioners of education and the Pollution Control Agency and to the legislative natural resources finance and policy committees and K-12 finance and policy committees by February 15, 2011.

(j) \$200,000 the first year and \$300,000 the second year are for coordination with the state of Wisconsin and the National Park Service on comprehensive water monitoring and phosphorus reduction activities in the Lake St. Croix portion of the St. Croix River. The Pollution Control Agency shall work with the St. Croix Basin Water Resources Planning Team and the St. Croix River Association in implementing the water monitoring and phosphorus reduction activities. This appropriation is available to the extent matched by nonstate sources. Money not matched by November 15, 2010, cancels for this purpose and is available for the purposes of paragraph (a).

(k) \$7,500,000 the first year and \$7,500,000 the second year are for completion of 20 percent of the needed statewide assessments of surface water quality and trends. Of this amount, \$175,000 the first year and \$200,000 the second year are for monitoring and analyzing endocrine disruptors in surface waters.

(l) \$100,000 the first year and \$150,000 the second year are for civic engagement in TMDL development. The agency shall develop a plan for expenditures under this paragraph. The agency shall give consideration to civic engagement proposals from basin or sub-basin organizations, including the Mississippi Headwaters Board, the Minnesota River Joint Powers Board, Area II Minnesota River Basin Projects, and the Red River Basin Commission.

By November 15, 2009, the plan shall be submitted to the house and senate chairs and ranking minority members of the environmental finance divisions.

(m) \$5,000,000 the second year is for groundwater protection or prevention of groundwater degradation activities. By January 15, 2010, the commissioner, in consultation with the commissioner of natural resources, the Board of Water and Soil Resources, and other agencies, shall submit a report to the chairs of the house of representatives and senate committees with jurisdiction over the clean water fund on the intended use of these funds. The legislature must approve expenditure of these funds by law.

Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered on or before June 30, 2011, as grants or contracts in this section are available until June 30, 2013.

Sec. 3. Laws 2011, First Special Session chapter 6, article 2, section 7, is amended to read:

Sec. 7. BOARD OF WATER AND SOIL RESOURCES	\$	27,534,000	\$	27,534,000 <u>31,734,000</u>
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(a) \$13,750,000 the first year and ~~\$13,750,000~~ \$15,350,000 the second year are for pollution reduction and restoration grants to local government units and joint powers organizations of local government units to protect surface water and drinking water; to keep water on the land; to protect, enhance, and restore water quality in lakes, rivers, and streams; and to protect groundwater and drinking water, including feedlot water quality and subsurface sewage treatment system (SSTS) projects and stream bank, stream channel, and shoreline restoration projects. The projects must be of long-lasting public benefit, include a match, and be consistent with TMDL implementation plans or local water management plans.

(b) \$3,000,000 the first year and ~~\$3,000,000~~ \$3,600,000 the second year are for targeted local resource protection and enhancement grants. The board shall give priority

consideration to projects and practices that complement, supplement, or exceed current state standards for protection, enhancement, and restoration of water quality in lakes, rivers, and streams or that protect groundwater from degradation. Of this amount, at least \$1,500,000 each year is for county SSTS implementation.

(c) \$900,000 the first year and ~~\$900,000~~ \$1,200,000 the second year are to provide state oversight and accountability, evaluate results, and develop an electronic system to measure and track the value of conservation program implementation by local governments, including submission to the legislature by March 1 each year an annual report prepared by the board, in consultation with the commissioners of natural resources, health, agriculture, and the Pollution Control Agency, detailing the recipients and projects funded under this section. The board shall require grantees to specify the outcomes that will be achieved by the grants prior to any grant awards.

(d) \$1,000,000 the first year and ~~\$1,000,000~~ \$1,700,000 the second year are for technical assistance and grants for the conservation drainage program in consultation with the Drainage Work Group, created under Minnesota Statutes, section 103B.101, subdivision 13, ~~that consists of projects to~~ to facilitate the installation of conservation practices on drainage systems that will result in water quality improvements and evaluate the outcomes of these installations. ~~retrofit existing drainage systems with water quality improvement practices, evaluate outcomes, and provide outreach to landowners, public drainage authorities, drainage engineers and contractors, and others.~~ The board shall coordinate practice standards with the Natural Resources Conservation Service of the United States Department of Agriculture and seek to leverage federal funds as part of conservation drainage program implementation.

(e) \$6,000,000 the first year and \$6,000,000 the second year are to purchase and restore

permanent conservation easements on riparian buffers adjacent to public waters, excluding wetlands, to keep water on the land in order to decrease sediment, pollutant, and nutrient transport; reduce hydrologic impacts to surface waters; and increase infiltration for groundwater recharge. The riparian buffers must be at least 50 feet unless there is a natural impediment, a road, or other impediment beyond the control of the landowner. This appropriation may be used for restoration of riparian buffers protected by easements purchased with this appropriation and for stream bank restorations when the riparian buffers have been restored.

(f) \$1,300,000 the first year and ~~\$1,300,000~~ \$2,300,000 the second year are for permanent conservation easements on wellhead protection areas under Minnesota Statutes, section 103F.515, subdivision 2, paragraph (d). Priority must be placed on land that is located where the vulnerability of the drinking water supply is designated as high or very high by the commissioner of health. The board shall coordinate with the United States Geological Survey, the commissioners of health and natural resources, and local communities contained in the Decorah and St. Lawrence Edge areas of Winona, Goodhue, Olmsted, and Wabasha Counties to obtain easements in identified areas as having the most vulnerability to groundwater contamination.

(g) \$1,500,000 the first year and \$1,500,000 the second year are for community partners grants to local units of government for: (1) structural or vegetative management practices that reduce storm water runoff from developed or disturbed lands to reduce the movement of sediment, nutrients, and pollutants for restoration, protection, or enhancement of water quality in lakes, rivers, and streams and to protect groundwater and drinking water; and (2) installation of proven and effective water retention practices including, but not limited to, rain gardens and other vegetated infiltration basins and sediment control basins in order

to keep water on the land. The projects must be of long-lasting public benefit, include a local match, and be consistent with TMDL implementation plans or local water management plans. Local government unit staff and administration costs may be used as a match.

(h) \$84,000 the first year and \$84,000 the second year are for a technical evaluation panel to conduct up to ten restoration evaluations under Minnesota Statutes, section 114D.50, subdivision 6.

(i) The board shall contract for services with Conservation Corps Minnesota for restoration, maintenance, and other activities under this section for \$500,000 the first year and \$500,000 the second year.

(j) The board may shift grant or cost-share funds in this section and may adjust the technical and administrative assistance portion of the funds to leverage federal or other nonstate funds or to address oversight responsibilities or high-priority needs identified in local water management plans.

(k) The appropriations in this section are available until June 30, 2016.

Sec. 4. **AQUATIC INVASIVE SPECIES COOPERATIVE RESEARCH CENTER; APPROPRIATION.**

\$1,800,000 is appropriated in fiscal year 2013 from the clean water fund to the Board of Regents of the University of Minnesota to develop and implement an Aquatic Invasive Species Cooperative Research Center, including equipment and facility development. As a condition of receiving this appropriation, the University of Minnesota is requested to collaborate with the commissioner of natural resources in developing solutions to control aquatic invasive species. A portion of this appropriation may be used for educating and engaging citizens on preventing the spread of aquatic invasive species. Money appropriated in this section may not be spent on activities unless they are directly related to and necessary for the purposes of this section. Money appropriated in this section must not be spent on indirect costs or other institutional overhead charges that are not directly related to and necessary for the purposes of this section. This is a onetime appropriation and is available until June 30, 2018. Minnesota Statutes, section 116P.10, applies to this appropriation. For the purpose of this appropriation, the term "fund" means the clean water fund and the term "commission" means the Clean Water Council as used in Minnesota Statutes, section 116P.10.

Sec. 5. **LEGACY FUNDING REQUIREMENTS APPLY.**

All appropriations in this article are onetime and are subject to the requirements and availability provisions provided under Laws 2011, First Special Session chapter 6, articles 2 and 5. Each direct recipient of money appropriated in this article, as well as each recipient of a grant awarded pursuant to this article, must satisfy all reporting and other requirements incumbent upon legacy funding recipients as provided in Laws 2011, First Special Session chapter 6, articles 2 and 5.

ARTICLE 3

PARKS AND TRAILS FUND

Section 1. Minnesota Statutes 2010, section 85.535, subdivision 3, is amended to read:

Subd. 3. ~~**Match Grant amount.** Recipients must provide a nonstate cash match of at least 25 percent of the total eligible project costs. A grant amount is not subject to a maximum grant award limitation. Additional consideration shall be given to applicants who provide a nonstate cash match.~~

Sec. 2. Laws 2009, chapter 172, article 3, section 3, is amended to read:

Sec. 3. METROPOLITAN COUNCIL	\$	12,641,000	\$	15,140,000
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(a) \$12,641,000 the first year and \$15,140,000 the second year are from the parks and trails fund to be distributed as required under new Minnesota Statutes, section 85.535, subdivision 3, except that of this amount, \$40,000 the first year is for a grant to Hennepin County to plant trees along the Victory Memorial Parkway. For acquisition of an interest in real property, appropriations under this section are available until June 30, 2013.

(b) The Metropolitan Council shall submit a report on the expenditure and use of money appropriated under this section to the legislature as provided in Minnesota Statutes, section 3.195, by March 1 of each year. The report must detail the outcomes in terms of additional use of parks and trails resources, user satisfaction surveys, and other appropriate outcomes.

(c) Grant agreements entered into by the Metropolitan Council and recipients of money appropriated under this section shall ensure that the funds are used to supplement and not substitute for traditional sources of funding.

(d) The implementing agencies receiving appropriations under this section shall give consideration to contracting with the Minnesota Conservation Corps for contract restoration, maintenance, and other activities.

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

ARTICLE 4

ENVIRONMENT AND NATURAL RESOURCE TRUST FUND

Section 1. Laws 2011, First Special Session chapter 2, article 3, section 2, subdivision 4, is amended to read:

Subd. 4. Land, Habitat, and Recreation	14,629,000	13,755,000 <u>12,755,000</u>
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Summary by Fund

Environment and natural resources trust fund	13,879,000	13,755,000 <u>12,755,000</u>	
State land and water conservation account (LAWCON)	750,000	-0-	

(a) State Park and Recreation Area Operations and Improvements

\$1,877,000 the first year and \$1,750,000 the second year are from the trust fund to the commissioner of natural resources for state park and recreation area operations and improvements, including activities directly related to and necessary for this appropriation. This appropriation is not subject to Minnesota Statutes, sections 116P.05, subdivision 2, paragraph (b), and 116P.09, subdivision 4.

(b) State Parks and Trails Land Acquisition

\$1,500,000 the first year and \$1,500,000 the second year are from the trust fund to the commissioner of natural resources to acquire state trails and critical parcels within the statutory boundaries of state parks. State park land acquired with this appropriation must be sufficiently improved to meet at least minimum management standards, as

determined by the commissioner of natural resources. A list of proposed acquisitions must be provided as part of the required work program. This appropriation is available until June 30, 2014, by which time the project must be completed and final products delivered.

(c) Metropolitan Regional Park System Acquisition

\$1,125,000 the first year and \$1,125,000 the second year are from the trust fund to the Metropolitan Council for grants for the acquisition of lands within the approved park unit boundaries of the metropolitan regional park system. This appropriation may not be used for the purchase of residential structures. A list of proposed fee title and easement acquisitions must be provided as part of the required work program. This appropriation must be matched by at least 40 percent of nonstate money and must be committed by December 31, 2011, or the appropriation cancels. This appropriation is available until June 30, 2014, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

(d) Regional Park, Trail, and Connection Acquisition and Development Grants

\$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 provide matching grants to local units of government for acquisition and development of regional parks, regional trails, and trail connections. The local match required for a grant to acquire a regional park or regional outdoor recreation area is two dollars of nonstate money for each three dollars of state money. This appropriation is available until June 30, 2014, by which time the project must be completed and final products delivered.

(e) Scientific and Natural Area Acquisition and Restoration

\$820,000 the first year and \$820,000 the second year are from the trust fund to the commissioner of natural resources

to acquire lands with high-quality native plant communities and rare features to be established as scientific and natural areas as provided in Minnesota Statutes, section 86A.05, subdivision 5, restore parts of scientific and natural areas, and provide technical assistance and outreach. A list of proposed acquisitions must be provided as part of the required work program. 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, 2014, by which time the project must be completed and final products delivered.

(f) La Salle Lake State Recreation Area Acquisition

~~\$1,000,000 the first year and \$1,000,000 the second year are~~ is from the trust fund to the commissioner of natural resources for an agreement with The Trust for Public Land to acquire ~~approximately 190~~ land acres to be designated as a state recreation area as provided in Minnesota Statutes, section 86A.05, subdivision 3, on La Salle Lake adjacent to the upper Mississippi River. If this acquisition is not completed by July 15, 2012, then the appropriation is available to the Department of Natural Resources for other state park and recreation area acquisitions on the priority list. Up to \$10,000 may be retained by the Department of Natural Resources at the request of The Trust for Public Land for transaction costs, associated professional services, and restoration needs.

(g) Minnesota River Valley Green Corridor Scientific and Natural Area 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 for an agreement with the Redwood Area Communities Foundation to acquire lands with high-quality native plant communities and rare features to be established as scientific

and natural areas as provided in Minnesota Statutes, section 86A.05, subdivision 5. A list of proposed acquisitions must be provided as part of the required work program. Land acquired with this appropriation must be sufficiently improved to meet at least minimum management standards, as determined by the commissioner of natural resources. Up to \$54,000 may be retained by the Department of Natural Resources at the request of the Redwood Area Communities Foundation for transaction costs, associated professional services, and restoration needs. This appropriation is available until June 30, 2014, by which time the project must be completed and final products delivered.

(h) Native Prairie Stewardship and Native Prairie Bank Acquisition

\$500,000 the first year and \$500,000 the second year are from the trust fund to the commissioner of natural resources to acquire native prairie bank easements, prepare baseline property assessments, restore and enhance native prairie sites, and provide technical assistance to landowners. This appropriation is available until June 30, 2014, by which time the project must be completed and final products delivered.

(i) Metropolitan Conservation Corridors (MeCC) - Phase VI

\$1,737,000 the first year and \$1,738,000 the second year are from the trust fund to the commissioner of natural resources for the acceleration of agency programs and cooperative agreements. Of this appropriation, \$150,000 the first year and \$150,000 the second year are to the commissioner of natural resources for agency programs and \$3,175,000 is for the agreements as follows: \$100,000 the first year and \$100,000 the second year with Friends of the Mississippi River; \$517,000 the first year and \$518,000 the second year with Dakota County; \$200,000 the first year and \$200,000 the second year with Great River Greening; \$220,000 the first year and \$220,000 the second year with Minnesota Land Trust; \$300,000 the first year and

\$300,000 the second year with Minnesota Valley National Wildlife Refuge Trust, Inc.; and \$250,000 the first year and \$250,000 the second year with The Trust for Public Land for planning, restoring, and protecting priority natural areas in the metropolitan area, as defined under Minnesota Statutes, section 473.121, subdivision 2, and portions of the surrounding counties, through contracted services, technical assistance, conservation easements, and fee title 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 corridor areas as defined in the work program. This appropriation may not be used for the purchase of habitable residential structures, unless expressly approved in the work program. All conservation easements must be perpetual and have a natural resource management plan. Any land acquired in fee title by the commissioner of natural resources with money from this appropriation must be designated as an outdoor recreation unit under Minnesota Statutes, section 86A.07. The commissioner may similarly designate any lands acquired in less than fee title. A list of proposed restorations and fee title and easement acquisitions must be provided as part of the required work program. An entity that acquires a conservation easement with appropriations from the trust fund must have a long-term stewardship plan for the easement and a fund established for monitoring and enforcing the agreement. Money appropriated from the trust fund for easement acquisition may be used to establish a monitoring, management, and enforcement fund as approved in the work program. An annual financial report is required for any monitoring, management, and enforcement fund established, including expenditures from the fund. This appropriation is available until June 30, 2014, by which time the project must be completed and final products delivered.

**(j) Habitat Conservation Partnership
(HCP) - Phase VII**

\$1,737,000 the first year and \$1,738,000 the second year are from the trust fund to the commissioner of natural resources for the acceleration of agency programs and cooperative agreements. Of this appropriation, \$125,000 the first year and \$125,000 the second year are to the commissioner of natural resources for agency programs and \$3,225,000 is for agreements as follows: \$637,000 the first year and \$638,000 the second year with Ducks Unlimited, Inc.; \$38,000 the first year and \$37,000 the second year with Friends of Detroit Lakes Wetland Management District; \$25,000 the first year and \$25,000 the second year with Leech Lake Band of Ojibwe; \$225,000 the first year and \$225,000 the second year with Minnesota Land Trust; \$200,000 the first year and \$200,000 the second year with Minnesota Valley National Wildlife Refuge Trust, Inc.; \$242,000 the first year and \$243,000 the second year with Pheasants Forever, Inc.; and \$245,000 the first year and \$245,000 the second year with The Trust for Public Land to plan, restore, and acquire fragmented landscape corridors that connect areas of quality habitat to sustain fish, wildlife, and plants. The United States Department of Agriculture, Natural Resources Conservation Service, is an authorized cooperating partner in the appropriation. Expenditures are limited to the project corridor 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 habitable residential structures, unless expressly approved in the work program. All conservation easements must be perpetual and have a natural resource management plan. Any land acquired in fee title by the commissioner of natural resources with money from this appropriation must be designated as an outdoor recreation unit

under Minnesota Statutes, section 86A.07. The commissioner may similarly designate any lands acquired in less than fee title. A list of proposed restorations and fee title and easement acquisitions must be provided as part of the required work program. An entity who acquires a conservation easement with appropriations from the trust fund must have a long-term stewardship plan for the easement and a fund established for monitoring and enforcing the agreement. Money appropriated from the trust fund for easement acquisition may be used to establish a monitoring, management, and enforcement fund as approved in the work program. An annual financial report is required for any monitoring, management, and enforcement fund established, including expenditures from the fund. This appropriation is available until June 30, 2014, by which time the project must be completed and final products delivered.

(k) Natural and Scenic Area Acquisition Grants

\$500,000 the first year and \$500,000 the second year are from the trust fund to the commissioner of natural resources to provide matching grants to local governments for acquisition of natural and scenic areas, as provided in Minnesota Statutes, section 85.019, subdivision 4a. This appropriation is available until June 30, 2014, by which time the project must be completed and final products delivered.

(l) Acceleration of Minnesota Conservation Assistance

\$313,000 the first year and \$312,000 the second year are from the trust fund to the Board of Water and Soil Resources to provide grants to soil and water conservation districts to provide technical assistance to secure enrollment and retention of private lands in federal and state programs for conservation.

(m) Conservation Easement Stewardship and Enforcement Program - Phase II

\$250,000 the first year and \$250,000 the second year are from the trust fund to

the commissioner of natural resources to accelerate the implementation of the Phase I Conservation Easement Stewardship Plan being developed with an appropriation from Laws 2008, chapter 367, section 2, subdivision 5, paragraph (h).

(n) Recovery of At-Risk Native Prairie Species

\$73,000 the first year and \$74,000 the second year are from the trust fund to the Board of Water and Soil Resources for an agreement with the Martin County Soil and Water Conservation District to collect, propagate, and plant declining, at-risk native species on protected habitat and to enhance private market sources for local ecotype native seed. This appropriation is available until June 30, 2014, by which time the project must be completed and final products delivered.

(o) Understanding Threats, Genetic Diversity, and Conservation Options for Wild Rice

\$97,000 the first year and \$98,000 the second year are from the trust fund to the Board of Regents of the University of Minnesota to research the genetic diversity of wild rice population throughout Minnesota for use in related conservation and restoration efforts. This appropriation is contingent upon demonstration of review and cooperation with the Native American tribal nations in Minnesota. Equipment purchased with this appropriation must be available for future publicly funded projects at no charge except for typical operating expenses. This appropriation is available until June 30, 2014, by which time the project must be completed and final products delivered.

(p) Southeast Minnesota Stream Restoration

\$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 Trout Unlimited to restore at least four miles of riparian corridor for trout and nongame species in southeast Minnesota and increase local capacities to implement

stream restoration through training and technical assistance. This appropriation is available until June 30, 2014, by which time the project must be completed and final products delivered.

(q) Restoration Strategies for Ditched Peatland Scientific and Natural Areas

\$100,000 the first year and \$100,000 the second year are from the trust fund to the commissioner of natural resources to evaluate the hydrology and habitat of the Winter Road Lake peatland watershed protection area to determine the effects of ditch abandonment and examine the potential for restoration of patterned peatlands. This appropriation is available until June 30, 2014, by which time the project must be completed and final products delivered.

(r) Northeast Minnesota White Cedar Plant Community Restoration

\$125,000 for the first year and \$125,000 the second year are from the trust fund to the Board of Water and Soil Resources to assess the decline of northern white cedar plant communities in northeast Minnesota, prioritize cedar sites for restoration, and provide cedar restoration training to local units of government.

(s) Land and Water Conservation Account (LAWCON) Federal Reimbursement

\$750,000 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. This appropriation is available until June 30, 2014, by which time the project must be completed and final products delivered.

Sec. 2. Laws 2011, First Special Session chapter 2, article 3, section 2, subdivision 9, is amended to read:

		4,213,000
Subd. 9. Emerging Issues	4,522,000	<u>3,213,000</u>

(a) Minnesota Conservation Apprentice Academy

\$100,000 the first year and \$100,000 the second year are from the trust fund to the Board of Water and Soil Resources in cooperation with Conservation Corps Minnesota to train and mentor future conservation professionals by providing apprenticeship service opportunities to soil and water conservation districts. This appropriation is available until June 30, 2014, by which time the project must be completed and the final products delivered.

(b) Chronic Wasting Disease and Animal Health

\$600,000 the first year and \$600,000 the second year are from the trust fund to the commissioner of natural resources to address chronic wasting disease and accelerate wildlife health programs, including activities directly related to and necessary for this appropriation.

(c) Aquatic Invasive Species

\$2,177,000 the first year and ~~\$3,513,000~~ \$2,513,000 the second year are from the trust fund to the commissioner of natural resources to accelerate aquatic invasive species programs, including the development and implementation of best management practices for public water access facilities to implement aquatic invasive species prevention strategies, including activities directly related to and necessary for this appropriation. \$50,000 is for a grant to develop and produce a documentary identifying the challenges presented by aquatic invasive species. The documentary shall be available to the Department of Natural Resources to distribute to watercraft license purchasers and the general public through online and other media.

(d) Reinvest in Minnesota Wetlands Reserve Acquisition and Restoration Program Partnership

\$1,645,000 the first year is to the Board of Water and Soil Resources to acquire permanent conservation easements and restore wetlands and associated upland habitat in cooperation with the United States Department of Agriculture Wetlands Reserve Program. A list of proposed land acquisitions must be provided as part of the required work program.

(e) Limitation

Appropriations in paragraphs (b) and (c) are not subject to Minnesota Statutes, sections 116P.05, subdivision 2, paragraph (b), and 116P.09, subdivision 4.

Sec. 3. **AQUATIC INVASIVE SPECIES COOPERATIVE RESEARCH CENTER; APPROPRIATION.**

\$2,000,000 is appropriated in fiscal year 2013 from the environment and natural resources trust fund to the Board of Regents of the University of Minnesota to develop and implement an Aquatic Invasive Species Cooperative Research Center, including equipment and facility development. As a condition of receiving this appropriation, the University of Minnesota is requested to collaborate with the commissioner of natural resources in developing solutions to control aquatic invasive species. Money appropriated in this section may not be spent on activities unless they are directly related to and necessary for the purposes of this section. Money appropriated in this section must not be spent on indirect costs or other institutional overhead charges that are not directly related to and necessary for the purposes of this section. This is a onetime appropriation and is available until June 30, 2018.

ARTICLE 5

ARTS AND CULTURAL HERITAGE FUND

Section 1. Minnesota Statutes 2010, section 16B.98, subdivision 5, is amended to read:

Subd. 5. **Creation and validity of grant agreements.** (a) A grant agreement is not valid and the state is not bound by the grant unless:

(1) the grant has been executed by the head of the agency or a delegate who is party to the grant; ~~and~~

(2) the accounting system shows an encumbrance for the amount of the grant in accordance with policy approved by the commissioner; ~~and~~

(3) the grant agreement includes an effective date that references either section 16C.05, subdivision 2, or 16B.98, subdivisions 5 and 7, as determined by the granting agency.

(b) The combined grant agreement and amendments must not exceed five years without specific, written approval by the commissioner according to established policy,

procedures, and standards, or unless the commissioner determines that a longer duration is in the best interest of the state.

(c) A fully executed copy of the grant agreement with all amendments and other required records relating to the grant must be kept on file at the granting agency for a time equal to that required of grantees in subdivision 8.

(d) Grant agreements must comply with policies established by the commissioner for minimum grant agreement standards and practices.

(e) The attorney general may periodically review and evaluate a sample of state agency grants to ensure compliance with applicable laws.

Sec. 2. Minnesota Statutes 2010, section 16B.98, subdivision 7, is amended to read:

Subd. 7. **Grant payments.** Payments to the grantee may not be issued until the grant agreement is fully executed. Encumbrances for grants issued by June 30 may be certified for a period of one year beyond the year in which the funds were originally appropriated as provided by section 16A.28, subdivision 6.

Sec. 3. Minnesota Statutes 2010, section 116U.26, is amended to read:

116U.26 FILM PRODUCTION JOBS PROGRAM.

(a) The film production jobs program is created. The program shall be operated by the Minnesota Film and TV Board with administrative oversight and control by the ~~director of Explore Minnesota Tourism~~ commissioner of administration. The program shall make payment to producers of feature films, national television or Internet programs, documentaries, music videos, and commercials that directly create new film jobs in Minnesota. To be eligible for a payment, a producer must submit documentation to the Minnesota Film and TV Board of expenditures for production costs incurred in Minnesota that are directly attributable to the production in Minnesota of a film product.

The Minnesota Film and TV Board shall make recommendations to the ~~director of Explore Minnesota Tourism~~ commissioner of administration about program payment, but the ~~director~~ commissioner has the authority to make the final determination on payments. The ~~director's~~ commissioner's determination must be based on proper documentation of eligible production costs submitted for payments. No more than five percent of the funds appropriated for the program in any year may be expended for administration.

(b) For the purposes of this section:

(1) "production costs" means the cost of the following:

- (i) a story and scenario to be used for a film;
- (ii) salaries of talent, management, and labor, including payments to personal services corporations for the services of a performing artist;
- (iii) set construction and operations, wardrobe, accessories, and related services;
- (iv) photography, sound synchronization, lighting, and related services;
- (v) editing and related services;
- (vi) rental of facilities and equipment; or

(vii) other direct costs of producing the film in accordance with generally accepted entertainment industry practice; and

(2) "film" means a feature film, television or Internet show, documentary, music video, or television commercial, whether on film, video, or digital media. Film does not include news, current events, public programming, or a program that includes weather or market reports; a talk show; a production with respect to a questionnaire or contest; a sports event or sports activity; a gala presentation or awards show; a finished production that solicits funds; or a production for which the production company is required under United States Code, title 18, section 2257, to maintain records with respect to a performer portrayed in a single-media or multimedia program.

(c) Notwithstanding any other law to the contrary, the Minnesota Film and TV Board may make reimbursements of: (1) up to 20 percent of film production costs for films that locate production outside the metropolitan area, as defined in section 473.121, subdivision 2, or that incur production costs in excess of \$5,000,000 in the metropolitan area within a 12-month period; or (2) up to 15 percent of film production costs for films that incur production costs of \$5,000,000 or less in the metropolitan area within a 12-month period.

Sec. 4. Laws 2011, First Special Session chapter 6, article 4, section 2, subdivision 5, is amended to read:

		12,050,000
Subd. 5. Minnesota Historical Society	12,050,000	<u>12,950,000</u>

These amounts are appropriated to the governing board of the Minnesota Historical Society to preserve and enhance access to Minnesota's history and its cultural and historical resources. Grant agreements entered into by the Minnesota Historical Society and other recipients of appropriations in this subdivision shall ensure that these funds are used to supplement and not substitute for traditional sources of funding. Funds directly appropriated to the Minnesota Historical Society shall be used to supplement, and not substitute for, traditional sources of funding. Notwithstanding Minnesota Statutes, section 16A.28, for historic preservation projects that improve historic structures, the amounts are available until June 30, 2015.

Statewide Historic and Cultural Grants. \$5,250,000 the first year and ~~\$5,250,000~~ \$5,450,000 the second year are for history programs and projects operated or conducted by or through local, county, regional, or other historical or cultural organizations; or for activities to preserve significant historic and cultural resources. Funds are to be

distributed through a competitive grants process. The Minnesota Historical Society shall administer these funds using established grants mechanisms, with assistance from the advisory committee created under Laws 2009, chapter 172, article 4, section 2, subdivision 4, paragraph (b), item (ii).

Programs. \$4,800,000 the first year and ~~\$4,800,000~~ \$5,200,000 the second year are for programs and purposes related to the historical and cultural heritage of the state of Minnesota, conducted by the Minnesota Historical Society.

History Partnerships. \$1,500,000 the first year and ~~\$1,500,000~~ \$1,700,000 the second year are for partnerships involving multiple organizations, which may include the Minnesota Historical Society, to preserve and enhance access to Minnesota's history and cultural heritage in all regions of the state.

Statewide Survey of Historical and Archaeological Sites. \$250,000 the first year and \$250,000 the second year are for a contract or contracts to be let on a competitive basis to conduct statewide surveys of Minnesota's sites of historical, archaeological, and cultural significance. Results of this survey must be published in a searchable form, available to the public on a cost-free basis. The Minnesota Historical Society, the Office of the State Archaeologist, and the Indian Affairs Council shall each appoint a representative to an oversight board to select contractors and direct the conduct of these surveys. The oversight board shall consult with the Departments of Transportation and Natural Resources.

Digital Library. \$250,000 the first year and \$250,000 the second year are for a digital library project to preserve, digitize, and share Minnesota images, documents, and historical materials. The Minnesota Historical Society shall cooperate with the Minitex interlibrary loan system and shall jointly share this appropriation for these purposes.

Commemoration Activities. \$100,000
the second year is for activities that

commemorate the sesquicentennial of the American Civil War and the Dakota Conflict, as recommended by the Civil War Commemoration Task Force established in Executive Order 11-15 (2011).

Sec. 5. COMMEMORATION PROGRAMMING; APPROPRIATION.

\$80,000 is appropriated in fiscal year 2013 from the arts and cultural heritage fund to the commissioner of administration for grants to public broadcasting organizations to develop programming that commemorates the sesquicentennial. Of this appropriation, \$50,000 is for grants to the Minnesota Public Television Association and \$30,000 is for public radio grants.

Sec. 6. FILM PRODUCTION INCENTIVE PROGRAM; APPROPRIATION.

\$600,000 is appropriated in fiscal year 2013 from the arts and cultural heritage fund to the commissioner of administration for a grant to the Minnesota Film and TV Board for a new competitive film production incentive program. The Minnesota Film and TV Board in consultation with Independent Feature Project/Minnesota shall reimburse film producers for eligible production costs incurred to produce a film or documentary in Minnesota. Eligible production costs are expenditures incurred in Minnesota that are directly attributable to the production of a film or documentary in Minnesota. Eligible production costs include talent, management, labor, set construction and operation, wardrobe, sound synchronization, lighting, editing, rental facilities and equipment, and other direct costs of producing a film or documentary in accordance with generally accepted entertainment industry practices. A producer must agree, to the greatest extent possible, to procure all eligible production inputs in Minnesota. A producer must submit proper documentation of eligible production costs incurred. The commissioner of administration may use up to one percent of this appropriation for grant administration.

Sec. 7. HISTORICAL RULEMAKING WEB SITE; APPROPRIATION.

\$35,000 is appropriated in fiscal year 2013 from the arts and cultural heritage fund to the revisor of statutes to design and implement a Web site to provide the public searchable access to historical documents relating to state agency rulemaking. It is anticipated that the revisor of statutes will match this appropriation from carryforward funds and that the revisor will use the carryforward funds to design and implement a Web site that will provide the public searchable access to future state agency rulemaking documents.

Sec. 8. LEGACY FUNDING REQUIREMENTS APPLY.

All appropriations in this article are onetime and are subject to the requirements and availability provisions provided under Laws 2011, First Special Session chapter 6, articles 4 and 5. Each direct recipient of money appropriated in this article, as well as each recipient of a grant awarded pursuant to this article, must satisfy all reporting and other requirements incumbent upon legacy funding recipients as provided in Laws 2011, First Special Session chapter 6, articles 4 and 5.

ARTICLE 6**GENERAL**

Section 1. Minnesota Statutes 2011 Supplement, section 3.303, subdivision 10, is amended to read:

Subd. 10. **Constitutionally dedicated funding accountability.** (a) The Legislative Coordinating Commission shall develop and maintain a user-friendly, public-oriented Web site that informs, educates, and demonstrates to the public how the constitutionally dedicated funds in the arts and cultural heritage fund, outdoor heritage fund, clean water fund, parks and trails fund, and environment and natural resources trust fund are being expended to meet the requirements established for each fund in the state constitution. Information provided on the Web site must include, but is not limited to:

(1) information on all project proposals received by the Outdoor Heritage Council and the Legislative-Citizen Commission on Minnesota Resources;

(2) information on all projects receiving funding, including:

(i) the name of the project and a project description;

(ii) the name, telephone number, members of the board or equivalent governing body, and e-mail address of the funding recipient and, when applicable, the Web site address where the public can directly access detailed information on the recipient's receipt and use of money for the project;

(iii) the amount and source of funding, including the fiscal year of the appropriation;

(iv) the amount and source of any additional funding or leverage;

(v) the duration of the project;

(vi) the number of full-time equivalents funded under the project. For the purposes of this item, "full-time equivalent" means a position directly attributed to the receipt of money from one or more of the funds covered under this section, calculated as the total number of hours planned for the position divided by 2,088;

(vii) the direct expenses and administration costs of the project;

(viii) proposed measurable outcomes and the plan for measuring and evaluating the results;

(ix) for pass-through, noncompetitive grants, the entity acting as the fiscal agent or administering agency and a point of contact for additional information; and

(x) for competitive grants, the name and a brief description of the qualifications of all board members or members of an equivalent governing body ultimately responsible for awarding the grants, as well as any grant-making advisory group. In addition, an entity that awards competitive grants, including but not limited to a state agency or any statewide, regional, or local organization, must report whether an employee, decision maker, advisory group member, or other person involved in the grant process disclosed a conflict of interest or potential conflict of interest. If the entity reports that a conflict of interest or potential conflict of interest was disclosed, the entity must provide the Legislative Coordinating Commission with a contact person for additional information and the Legislative Coordinating Commission must post this information on the Web site. An entity that awards competitive grants must obtain and apply the conflict of interest policies

developed by the commissioner of administration under section 16B.98, subdivision 3, unless the entity maintains and applies its own documented conflict of interest policies which are substantially similar to the commissioner of administration's policies;

(3) actual measured outcomes and evaluation of projects as required under sections 85.53, subdivision 2; 114D.50, subdivision 4; and 129D.17, subdivision 2;

(4) education about the areas and issues the projects address, including, when feasible, maps of where projects have been undertaken;

(5) all frameworks developed for future uses of each fund; and

(6) methods by which members of the public may apply for project funds under any of the constitutionally dedicated funds.

Information that could be used to identify, contact, or locate an individual minor shall be withheld from the information required for the Web site.

(b) As soon as practicable or by January 15 of the applicable fiscal year, whichever comes first, a state agency or other recipient of a direct appropriation from a fund covered under this section shall submit the information required under paragraph (a) and, when applicable, compile and submit the same information for any grant recipient or other subrecipient of funding. All information for proposed and funded projects, including the proposed measurable outcomes, must be made available on the Web site as soon as practicable. Information on the measured outcomes and evaluation must be posted as soon as it becomes available. The costs of these activities shall be paid out of the arts and cultural heritage fund, outdoor heritage fund, clean water fund, parks and trails fund, and the environment and natural resources trust fund proportionately. For purposes of this section, "measurable outcomes" means outcomes, indicators, or other performance measures that may be quantified or otherwise measured in order to measure the effectiveness of a project or program in meeting its intended goal or purpose.

(c) The Legislative Coordinating Commission shall be responsible for receiving all ten-year plans and 25-year frameworks for each of the constitutionally dedicated funds. To the extent practicable, staff for the commission shall provide assistance and oversight to these planning efforts and shall coordinate public access to hearings and public meetings for all planning efforts.

Presented to the governor April 27, 2012

Signed by the governor May 1, 2012, 6:09 p.m.