

CHAPTER 4--S.F.No. 5

An act relating to state government; appropriating money for agriculture, environment, and natural resources; modifying public entity purchasing requirements; modifying solid waste provisions; modifying subsurface sewage treatment systems provisions; modifying Dry Cleaner Environmental Response and Reimbursement Law; modifying environmental review; modifying structure of Minnesota Pollution Control Agency; modifying disposition of certain revenue; providing for temporary water surface use controls; providing for riparian buffers; providing for self-reporting of certain environmental violations; modifying compensable losses due to harmful substances; modifying invasive species provisions; modifying landowners' bill of rights; modifying state parks and trails provisions; modifying recreational vehicle provisions; modifying land sale and acquisition provisions; modifying forestry and timber provisions; modifying regulation of camper cabins and bunk houses; providing for all-terrain vehicle safety training indication on drivers' licenses and identification cards; creating accounts; modifying certain grant, permit, and fee provisions; modifying Water Law; modifying personal flotation device provisions; regulating wake surfing; modifying game and fish laws; modifying metropolitan area water supply planning provisions; regulating water quality standards; making policy and technical changes to various agricultural related provisions, including provisions related to pesticides, plant protection, fertilizers, nursery law, seeds, dairy, food handlers, food, farmland, farming, and loans; authorizing the Industrial Hemp Development Act; modifying license exclusions for the direct sale of certain prepared food; establishing the agriculture research, education, extension, and technology transfer grant program; providing incentive payments; providing a vocational training pilot program; establishing the farm opportunity loan program; requiring studies and reports; requiring rulemaking; providing criminal penalties; amending Minnesota Statutes 2014, sections 3.737, by adding a subdivision; 13.643, subdivision 1; 16A.152, subdivisions 1b, 2; 16C.073, subdivision 2; 18B.01, subdivisions 28, 29; 18B.05, subdivision 1; 18B.32, subdivision 1; 18B.33, subdivision 1; 18B.34, subdivision 1; 18C.425, subdivision 6; 18C.70, subdivision 2; 18G.10, subdivisions 3, 4, 5; 18H.02, subdivision 20, by adding subdivisions; 18H.06, subdivision 2; 18H.07; 18H.17; 18J.01; 18J.02; 18J.03; 18J.04, subdivisions 1, 2, 3, 4; 18J.05, subdivisions 1, 2, 6; 18J.06; 18J.07, subdivisions 3, 4, 5; 18J.09; 18J.11, subdivision 1, by adding a subdivision; 21.89, subdivision 2; 21.891, subdivisions 2, 5; 25.341, subdivision 2; 25.39, subdivisions 1, 1a; 32.075; 32.105; 41B.03, subdivision 6, by adding a subdivision; 41B.04, subdivision 17; 41B.043, subdivision 3; 41B.045, subdivisions 3, 4; 41B.046, subdivision 5; 41B.047, subdivisions 1, as amended, 3, as amended, 4; 41B.048, subdivision 6; 41B.049, subdivision 4; 41B.055, subdivision 3; 41B.056, subdivision 2; 41B.06; 84.027, subdivision 13a; 84.0274, subdivisions 3, 5; 84.415, subdivision 7; 84.788, subdivision 5, by adding a subdivision; 84.82, subdivisions 2a, 6; 84.84; 84.92, subdivisions 8, 9, 10; 84.922, subdivision 4; 84.925, subdivision 5; 84.9256, subdivision 1; 84.928, subdivision 1; 84D.01, subdivisions 13, 15, 17, 18, by adding a subdivision; 84D.03, subdivision 3; 84D.06; 84D.10, subdivision 3; 84D.11, subdivision 1; 84D.12, subdivisions 1, 3; 84D.13, subdivision 5; 84D.15, subdivision 3; 85.015, subdivisions 7, 28, by adding subdivisions; 85.054, subdivision 12; 85.32, subdivision 1; 86B.201, by adding a subdivision; 86B.313, subdivisions 1, 4; 86B.315; 86B.401, subdivision 3; 87A.10; 88.17, subdivision 3; 88.49, subdivisions 3, 4, 5, 6, 7, 8, 9, 11; 88.491, subdivision 2; 88.50; 88.51, subdivisions 1, 3; 88.52, subdivisions 2, 3, 4, 5, 6; 88.523; 88.53, subdivi-

sions 1, 2; 88.6435, subdivision 4; 90.14; 90.193; 94.10, subdivision 2; 94.16, subdivisions 2, 3; 97A.015, subdivision 49; 97A.045, subdivision 11; 97A.055, subdivision 4b; 97A.057, subdivision 1; 97A.211, subdivisions 1, 2; 97A.255, subdivision 4; 97A.411, subdivision 3; 97A.435, subdivision 4; 97A.465, by adding a subdivision; 97B.031, subdivision 5, by adding a subdivision; 97B.041; 97B.063; 97B.081, subdivision 3; 97B.085, subdivision 2; 97B.301, by adding a subdivision; 97B.668; 97C.301, by adding a subdivision; 97C.345, by adding a subdivision; 97C.501, subdivision 2; 103B.101, by adding subdivisions; 103B.3355; 103D.335, subdivision 21; 103F.421, subdivision 4, by adding a subdivision; 103F.612, subdivision 2; 103G.005, by adding a subdivision; 103G.222, subdivisions 1, 3; 103G.2242, subdivisions 1, 2, 3, 4, 12, 14; 103G.2251; 103G.245, subdivision 2; 103G.271, subdivisions 3, 5, 6a; 103G.287, subdivision 1; 103G.291, subdivision 3; 103G.301, subdivision 5a; 115.44, by adding a subdivision; 115.55, subdivision 1; 115.56, subdivision 2; 115A.03, subdivisions 25a, 32a; 115A.1314, subdivision 1; 115A.1415, subdivision 16; 115A.551, subdivision 2a; 115A.557, subdivision 2; 115A.93, subdivision 1; 115B.34, subdivision 2; 115B.48, by adding a subdivision; 116.02, subdivisions 1, 5; 116.03, subdivisions 1, 2a; 116.07, subdivisions 4d, 4j, 7; 116C.991; 116D.04, by adding a subdivision; 127A.353, subdivision 1; 135A.52, by adding a subdivision; 144.12, by adding a subdivision; 171.07, by adding a subdivision; 282.011, subdivision 3; 375.30, subdivision 2; 446A.073, subdivisions 1, 3, 4; 473.1565; 500.24, subdivision 4; 583.215; Laws 2010, chapter 215, article 3, section 5, subdivision 4; Laws 2014, chapter 312, article 12, sections 3; 6, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 18C; 28A; 41A; 41B; 84; 84D; 85; 92; 97A; 97B; 103B; 103F; 103G; 114C; 115; 115A; proposing coding for new law as Minnesota Statutes, chapter 18K; repealing Minnesota Statutes 2014, sections 17.115; 28A.15, subdivisions 9, 10; 84.68; 86B.13, subdivisions 2, 4; 88.47; 88.48; 88.49, subdivisions 1, 2, 10; 88.491, subdivision 1; 88.51, subdivision 2; 97A.475, subdivision 25; 103F.421, subdivision 5; 103F.451; 114D.50, subdivision 4a; 116.02, subdivisions 2, 3, 4, 6, 7, 8, 9, 10; 116V.03; 282.013; Laws 2010, chapter 215, article 3, section 3, subdivision 6, as amended; Minnesota Rules, part 6264.0400, subparts 27, 28.

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

ARTICLE 1

AGRICULTURE APPROPRIATIONS

Section 1. AGRICULTURE APPROPRIATIONS

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 general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2016" and "2017" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2016, or June 30, 2017, respectively. "The first year" is fiscal year 2016. "The second year" is fiscal year 2017. "The biennium" is fiscal years 2016 and 2017.

APPROPRIATIONS

Available for the Year

Ending June 30

2016

2017

Sec. 2. DEPARTMENT OF AGRICULTURE

Subdivision 1. Total Appropriation	\$	<u>41,485,000</u>	\$	<u>45,537,000</u>
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<u>Appropriations by Fund</u>				
	<u>2016</u>	<u>2017</u>		

<u>General</u>	<u>40,907,000</u>	<u>44,959,000</u>		
<u>Remediation</u>	<u>388,000</u>	<u>388,000</u>		
<u>Agricultural</u>	<u>190,000</u>	<u>190,000</u>		

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. Protection Services		<u>16,452,000</u>		<u>16,402,000</u>
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<u>Appropriations by Fund</u>				
	<u>2016</u>	<u>2017</u>		

<u>General</u>	<u>15,874,000</u>	<u>15,824,000</u>		
<u>Agricultural</u>	<u>190,000</u>	<u>190,000</u>		
<u>Remediation</u>	<u>388,000</u>	<u>388,000</u>		

\$25,000 the first year and \$25,000 the second year are to develop and maintain cottage food license exemption outreach and training materials.

\$75,000 the first year is for the commissioner, in consultation with the Northeast Regional Corrections Center and the United Food and Commercial Workers, to study and provide recommendations for upgrading the existing processing facility on the campus of the Northeast Regional Corrections Center into a USDA-certified food processing facility. The commissioner shall report these recommendations to the chairs of the house of representatives and senate committees with jurisdiction over agriculture finance by March 15, 2016.

\$75,000 the second year is for a coordinator for the correctional facility vocational training pilot program.

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

\$225,000 the first year and \$175,000 the second year are for compensation for destroyed or crippled animals under Minnesota Statutes, section 3.737. This appropriation may be spent to compensate for animals

that were destroyed or crippled during fiscal years 2014 and 2015. If the amount in the first year is insufficient, the amount in the second year is available in the first year.

\$125,000 the first year and \$125,000 the second year are for compensation for crop damage under Minnesota Statutes, section 3.7371. If the amount in the first year is insufficient, the amount in the second year is available in the first year.

If the commissioner determines that claims made under Minnesota Statutes, section 3.737 or 3.7371, are unusually high, amounts appropriated for either program may be transferred to the appropriation for the other program.

\$70,000 the first year and \$70,000 the second year are for additional cannery inspections.

\$100,000 the first year and \$100,000 the second year are for increased oversight of delegated local health boards.

\$100,000 the first year and \$100,000 the second year are to decrease the turnaround time for retail food handler plan reviews.

\$1,024,000 the first year and \$1,024,000 the second year are to streamline the retail food safety regulatory and licensing experience for regulated businesses and to decrease the inspection delinquency rate.

\$1,350,000 the first year and \$1,350,000 the second year are for additional inspections of food manufacturers and wholesalers.

\$150,000 the first year and \$150,000 the second year are for additional funding for dairy inspection services.

\$150,000 the first year and \$150,000 the second year are for additional funding for laboratory services operations.

\$250,000 the first year and \$250,000 the second year are for additional meat inspection services, including inspections provided under the correctional facility vocational training pilot program.

Notwithstanding Minnesota Statutes, section 18B.05, \$90,000 the first year and \$90,000 the second year are from the pesticide regulatory account in the agricultural fund for an increase in the operating budget for the Laboratory Services Division.

\$100,000 the first year and \$100,000 the second year are from the pesticide regulatory account in the agricultural fund to update and modify applicator education and training materials.

Subd. 3. Agricultural Marketing and Development

3,973,000

3,873,000

The commissioner may provide one-stop access for farmers in need of information or assistance to obtain or renew licenses, meet state regulatory requirements, or resolve disputes with state agencies.

The commissioner must provide outreach to urban farmers regarding the department's financial and technical assistance programs and must assist urban farmers in applying for assistance.

\$100,000 the first year is to (1) enhance the commissioner's efforts to identify existing and emerging opportunities for Minnesota's agricultural producers and processors to export their products to Cuba, consistent with federal law, and (2) effectively communicate these opportunities to the producers and processors.

\$186,000 the first year and \$186,000 the second year are for transfer to the Minnesota grown account and may be used as grants for Minnesota grown promotion under Minnesota Statutes, section 17.102. Grants may be made for one year. Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered under contract on or before June 30, 2017, for Minnesota grown grants in this paragraph are available until June 30, 2019.

\$634,000 the first year and \$634,000 the second year are for continuation of the dairy development and profitability enhancement and dairy business planning grant programs established under Laws 1997, chapter 216, section 7, subdivision 2, and Laws 2001, First Special Session chapter 2, section 9, subdivision 2.

The commissioner may allocate the available sums among permissible activities, including efforts to improve the quality of milk produced in the state, in the proportions that the commissioner deems most beneficial to Minnesota's dairy farmers. The commissioner must submit a detailed accomplishment report and a work plan detailing future plans for, and anticipated accomplishments from, expenditures under this program to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture policy and finance on or before the start of each fiscal year. If significant changes are made to the plans in the course of the year, the commissioner must notify the chairs and ranking minority members.

The commissioner may use funds appropriated in this subdivision for annual cost-share payments to resident farmers or entities that sell, process, or package agricultural products in this state for the costs of organic certification. The commissioner may allocate these funds for assistance for persons transitioning from conventional to organic agriculture.

Subd. 4. Agriculture, Bioenergy, and Bioproduct Advancement

14,993,000

19,010,000

\$4,483,000 the first year and \$8,500,000 the second year are for transfer to the agriculture research, education, extension, and technology transfer account under Minnesota Statutes, section 41A.14, subdivision 3. The transfer in this paragraph includes money for plant breeders at the University of Minnesota for wild rice, potatoes, and grapes. Of these amounts, at least \$600,000 each year is for agriculture rapid response under Minnesota Statutes, section 41A.14, subdivision 1, clause (2). Of the amount appropriated in this paragraph, \$1,000,000 each year is for transfer to the Board of Regents of the University of Minnesota for research to determine (1) what is causing avian influenza, (2) why some fowl are more susceptible, and (3) prevention measures that can be taken. Of the amount appropriated in this paragraph, \$2,000,000 each year is for grants to the Minnesota Agriculture Education Leadership Council to enhance agricultural education with priority given to Farm Business Management challenge grants.

To the extent practicable, funds expended under Minnesota Statutes, section 41A.14, subdivision 1, clauses (1) and (2), must supplement and not supplant existing sources and levels of funding. The commissioner may use up to 4.5 percent of this appropriation for costs incurred to administer the program.

\$10,235,000 the first year and \$10,235,000 the second year are for the agricultural growth, research, and innovation program in Minnesota Statutes, section 41A.12. No later than February 1, 2016, and February 1, 2017, the commissioner must report to the legislative committees with jurisdiction over agriculture policy and finance regarding the commissioner's accomplishments and anticipated accomplishments in the following areas: facilitating the start-up, modernization, or expansion of livestock operations including beginning and transitioning livestock operations; developing new markets for Minnesota farmers by providing more fruits, vegetables, meat, grain, and dairy for Minnesota school children; assisting value-added agricultural businesses to begin or expand, access new markets, or diversify products; developing urban agriculture; facilitating the start-up, modernization, or expansion of other beginning and transitioning farms including loans under Minnesota Statutes, section 41B.056; sustainable agriculture on farm research and demonstration; development or expansion of food hubs and other alternative community-based food distribution systems; and research on bioenergy, biobased content, or biobased formulated products and other renewable energy development. The commissioner may use up to 4.5 percent of this appropriation for costs incurred to administer the program. Any unencumbered balance does not cancel at the end of the first year and is available for the second year. Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered under contract on or before June 30, 2017, for agricultural growth, research, and innovation grants are available until June 30, 2019.

The commissioner may use funds appropriated for the agricultural growth, research, and innovation program as provided in this paragraph. The commissioner may award grants to owners of Minnesota facilities producing bioenergy, biobased content, or

a biobased formulated product; to organizations that provide for on-station, on-farm field scale research and outreach to develop and test the agronomic and economic requirements of diverse strands of prairie plants and other perennials for bioenergy systems; or to certain nongovernmental entities. For the purposes of this paragraph, "bioenergy" includes transportation fuels derived from cellulosic material, as well as the generation of energy for commercial heat, industrial process heat, or electrical power from cellulosic materials via gasification or other processes. Grants are limited to 50 percent of the cost of research, technical assistance, or equipment related to bioenergy, biobased content, or biobased formulated product production or \$500,000, whichever is less. Grants to nongovernmental entities for the development of business plans and structures related to community ownership of eligible bioenergy facilities together may not exceed \$150,000. The commissioner shall make a good-faith effort to select projects that have merit and, when taken together, represent a variety of bioenergy technologies, biomass feedstocks, and geographic regions of the state. Projects must have a qualified engineer provide certification on the technology and fuel source. Grantees must provide reports at the request of the commissioner.

Of the amount appropriated for the agricultural growth, research, and innovation program in this subdivision, \$1,000,000 the first year and \$1,000,000 the second year are for distribution in equal amounts to each of the state's county fairs to preserve and promote Minnesota agriculture.

Of the amount appropriated for the agricultural growth, research, and innovation program in this subdivision, \$500,000 in fiscal year 2016 and \$1,500,000 in fiscal year 2017 are for incentive payments under Minnesota Statutes, sections 41A.16, 41A.17, and 41A.18. If the appropriation exceeds the total amount for which all producers are eligible in a fiscal year, the balance of the appropriation is available to the commissioner for the agricultural growth, research, and innovation program. Notwithstanding Minnesota Statutes, section 16A.28, the first year appropriation is available until June 30, 2017, and the second year

appropriation is available until June 30, 2018. The commissioner may use up to 4.5 percent of the appropriation for administration of the incentive payment programs.

Of the amount appropriated for the agricultural growth, research, and innovation program in this subdivision, \$250,000 the first year is for grants to communities to develop or expand food hubs and other alternative community-based food distribution systems. Of this amount, \$50,000 is for the commissioner to consult with existing food hubs, alternative community-based food distribution systems, and University of Minnesota Extension to identify best practices for use by other Minnesota communities. No later than December 15, 2015, the commissioner must report to the legislative committees with jurisdiction over agriculture and health regarding the status of emerging alternative community-based food distribution systems in the state along with recommendations to eliminate any barriers to success. This is a onetime appropriation.

\$250,000 the first year and \$250,000 the second year are for grants that enable retail petroleum dispensers to dispense biofuels to the public in accordance with the biofuel replacement goals established under Minnesota Statutes, section 239.7911. A retail petroleum dispenser selling petroleum for use in spark ignition engines for vehicle model years after 2000 is eligible for grant money under this paragraph if the retail petroleum dispenser has no more than 15 retail petroleum dispensing sites and each site is located in Minnesota. The grant money received under this paragraph must be used for the installation of appropriate technology that uses fuel dispensing equipment appropriate for at least one fuel dispensing site to dispense gasoline that is blended with 15 percent of agriculturally derived, denatured ethanol, by volume, and appropriate technical assistance related to the installation. A grant award must not exceed 85 percent of the cost of the technical assistance and appropriate technology, including remetering of and retrofits for retail petroleum dispensers and replacement of petroleum dispenser projects. The commissioner may use up to \$35,000 of this appropriation for admin-

istrative expenses. The commissioner shall cooperate with biofuel stakeholders in the implementation of the grant program. The commissioner must report to the legislative committees with jurisdiction over agriculture policy and finance by February 1 each year, detailing the number of grants awarded under this paragraph and the projected effect of the grant program on meeting the biofuel replacement goals under Minnesota Statutes, section 239.7911. These are onetime appropriations.

\$25,000 the first year and \$25,000 the second year are for grants to the Southern Minnesota Initiative Foundation to promote local foods through an annual event that raises public awareness of local foods and connects local food producers and processors with potential buyers.

Subd. 5. Administration and Financial Assistance

6,067,000

6,252,000

\$150,000 the first year and \$150,000 the second year are for grants to the Center for Rural Policy and Development.

The base for the farm-to-foodshelf program in fiscal years 2018 and 2019 is \$1,100,000 each year.

\$25,000 the first year is for the livestock industry study.

\$47,000 the first year and \$47,000 the second year are for the Northern Crops Institute. These appropriations may be spent to purchase equipment.

\$18,000 the first year and \$18,000 the second year are for grants to the Minnesota Livestock Breeders Association.

\$235,000 the first year and \$235,000 the second year are for grants to the Minnesota Agricultural Education and Leadership Council for programs of the council under Minnesota Statutes, chapter 41D.

\$474,000 the first year and \$474,000 the second year are for payments to county and district agricultural societies and associations under Minnesota Statutes, section 38.02, subdivision 1. Aid payments to county and district agricultural societies and associations

shall be disbursed no later than July 15 of each year. These payments are the amount of aid from the state for an annual fair held in the previous calendar year.

\$1,000 the first year and \$1,000 the second year are for grants to the Minnesota State Poultry Association.

\$108,000 the first year and \$108,000 the second year are for annual grants to the Minnesota Turf Seed Council for basic and applied research on: (1) the improved production of forage and turf seed related to new and improved varieties; and (2) native plants, including plant breeding, nutrient management, pest management, disease management, yield, and viability. The grant recipient may subcontract with a qualified third party for some or all of the basic or applied research.

\$550,000 the first year and \$550,000 the second year are for grants to Second Harvest Heartland on behalf of Minnesota's six Second Harvest food banks for the purchase of milk for distribution to Minnesota's food shelves and other charitable organizations that are eligible to receive food from the food banks. Milk purchased under the grants must be acquired from Minnesota milk processors and based on low-cost bids. The milk must be allocated to each Second Harvest food bank serving Minnesota according to the formula used in the distribution of United States Department of Agriculture commodities under The Emergency Food Assistance Program (TEFAP). Second Harvest Heartland must submit quarterly reports to the commissioner on forms prescribed by the commissioner. The reports must include, but are not limited to, information on the expenditure of funds, the amount of milk purchased, and the organizations to which the milk was distributed. Second Harvest Heartland may enter into contracts or agreements with food banks for shared funding or reimbursement of the direct purchase of milk. Each food bank receiving money from this appropriation may use up to two percent of the grant for administrative expenses.

\$113,000 the first year and \$113,000 the second year are for transfer to the Board of Trustees of the Minnesota State Colleges and Universities

for statewide mental health counseling support to farm families and business operators. South Central College shall serve as the fiscal agent.

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

Sec. 3. <u>BOARD OF ANIMAL HEALTH</u>	\$	<u>5,318,000</u>	\$	<u>5,384,000</u>
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Sec. 4. <u>AGRICULTURAL UTILIZATION RESEARCH INSTITUTE</u>	\$	<u>3,643,000</u>	\$	<u>3,643,000</u>
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Sec. 5. AVIAN INFLUENZA RESPONSE ACTIVITIES; APPROPRIATIONS AND TRANSFERS.

(a) \$3,619,000 is appropriated from the general fund in fiscal year 2016 to the commissioner of agriculture for avian influenza emergency response activities. The commissioner may use money appropriated under this paragraph to purchase necessary euthanasia and composting equipment and to reimburse costs incurred by local units of government directly related to avian influenza emergency response activities that are not eligible for federal reimbursement. This appropriation is available the day following final enactment until June 30, 2017.

(b) \$1,853,000 is appropriated from the general fund in fiscal year 2016 to the Board of Animal Health for avian influenza emergency response activities. The Board may use money appropriated under this paragraph to purchase necessary euthanasia and composting equipment. This appropriation is available the day following final enactment until June 30, 2017.

(c) \$103,000 is appropriated from the general fund in fiscal year 2016 to the commissioner of health for avian influenza emergency response activities. This appropriation is available the day following final enactment until June 30, 2017.

(d) \$350,000 is appropriated from the general fund in fiscal year 2016 to the commissioner of natural resources for sampling wild animals to detect and monitor the avian influenza virus. This appropriation may also be used to conduct serology sampling, in consultation with the Board of Animal Health and the University of Minnesota Pomeroy Chair in Avian Health, from birds within a control zone and outside of a control zone. This appropriation is available the day following final enactment until June 30, 2017.

(e) \$544,000 is appropriated from the general fund in fiscal year 2016 to the commissioner of public safety to operate the State Emergency Operation Center in coordination with the statewide avian influenza response activities. Appropriations under this paragraph may also be used to support a staff person at the state's agricultural incident command post in Willmar. This appropriation is available the day following final enactment until June 30, 2017.

(f) The commissioner of management and budget may transfer unexpended balances from the appropriations in this section to any state agency for operating expenses related to avian influenza emergency response activities. The commissioner of management and budget must report each transfer to the chairs and ranking minority members of the senate Committee on Finance and the house of representatives Committee on Ways and Means.

(g) In addition to the transfers required under Laws 2015, chapter 65, article 1, section 17, no later than September 30, 2015, the commissioner of management and budget must transfer \$4,400,000 from the fiscal year 2015 closing balance in the general fund to the disaster assistance contingency account in Minnesota Statutes, section 12.221, subdivision 6. This amount is available for avian influenza emergency response activities as provided in Laws 2015, chapter 65, article 1, section 18.

Sec. 6. RURAL FINANCE AUTHORITY; APPROPRIATION.

\$10,000,000 is appropriated in fiscal year 2016 from the general fund to the commissioner of agriculture for transfer to the rural finance authority revolving loan account under Minnesota Statutes, section 41B.06, for the purposes of disaster recovery loans under Minnesota Statutes, section 41B.047. This appropriation is available the day following final enactment until June 30, 2017.

Sec. 7. AVIAN INFLUENZA; FEDERAL FUNDS APPROPRIATION AND REPORTING.

All federal money received in fiscal years 2015 through 2017 by the Board of Animal Health or the commissioner of agriculture, health, natural resources, or public safety to address avian influenza is appropriated in the fiscal year when it is received. Before spending federal funds appropriated in this section, the commissioner of management and budget shall report the anticipated federal funds appropriated under this section and their intended purpose to the Legislative Advisory Commission, consistent with the urgent federal funds request procedure under Minnesota Statutes, section 3.3005, subdivision 4. By January 15, 2018, the commissioner of management and budget shall report the actual federal funds received and appropriated under this section and their actual use to the Legislative Advisory Commission.

Sec. 8. EFFECTIVE DATE.

Sections 5 to 7 are effective the day following final enactment.

ARTICLE 2

AGRICULTURE POLICY

Section 1. Minnesota Statutes 2014, section 3.737, is amended by adding a subdivision to read:

Subd. 6. **Federal reimbursement.** The commissioner must pursue federal reimbursement for any compensation payment issued under this section while:

(1) the United States Fish and Wildlife Service lists the Minnesota population of gray wolves as endangered and threatened wildlife under the federal Endangered Species Act; or

(2) the federal government otherwise prohibits livestock producers from protecting their livestock from wolf depredation.

Sec. 2. Minnesota Statutes 2014, section 13.643, subdivision 1, is amended to read:

Subdivision 1. **Department of Agriculture data.** (a) **Loan and grant applicant data.** The following data on applicants, collected by the Department of Agriculture in its sustainable agriculture revolving loan and grant programs program under sections ~~17.115 and~~ section 17.116, are private or nonpublic: nonfarm

income; credit history; insurance coverage; machinery and equipment list; financial information; and credit information requests.

(b) **Farm advocate data.** The following data supplied by farmer clients to Minnesota farm advocates and to the Department of Agriculture are private data on individuals: financial history, including listings of assets and debts, and personal and emotional status information.

Sec. 3. Minnesota Statutes 2014, section 18B.01, subdivision 28, is amended to read:

Subd. 28. **Structural pest.** "Structural pest" means a an invertebrate pest, other than a plant, or commensal rodent in, on, under, or near a structure such as a residential or commercial building.

Sec. 4. Minnesota Statutes 2014, section 18B.01, subdivision 29, is amended to read:

Subd. 29. **Structural pest control.** "Structural pest control" means the control of any structural pest through the use of a device, a procedure, or application of pesticides or through other means in or around a building or other structures, including trucks, boxcars, ships, aircraft, docks, and fumigation vaults, and the business activity related to use of a device, a procedure, or application of a pesticide.

Sec. 5. Minnesota Statutes 2014, section 18B.05, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** A pesticide regulatory account is established in the agricultural fund. Fees, assessments, and penalties collected under this chapter must be deposited in the agricultural fund and credited to the pesticide regulatory account. Money in the account, including interest, is appropriated to the commissioner for the administration and enforcement of this chapter and up to \$20,000 per fiscal year may also be used by the commissioner for purposes of section 18H.14, paragraph (e).

Sec. 6. Minnesota Statutes 2014, section 18B.32, subdivision 1, is amended to read:

Subdivision 1. **Requirement.** (a) A person may not engage in structural pest control applications:

- (1) for hire without a structural pest control license; and
- (2) as a sole proprietorship, company, partnership, or corporation unless the person is or employs a licensed master in structural pest control operations.

(b) A structural pest control licensee must have a valid license identification card when applying to purchase a restricted use pesticide or apply pesticides for hire and must display it upon demand by an authorized representative of the commissioner or a law enforcement officer. The license identification card must contain information required by the commissioner.

(c) Notwithstanding the licensing requirements of this subdivision, a person may control the following nuisance or economically damaging wild animals, by trapping, without a structural pest control license:

- (1) fur-bearing animals, as defined in section 97A.015, with a valid trapping license or special permit from the commissioner of natural resources; and
- (2) skunks, woodchucks, gophers, porcupines, coyotes, moles, and weasels.

Sec. 7. Minnesota Statutes 2014, section 18B.33, subdivision 1, is amended to read:

Subdivision 1. **Requirement.** (a) A person may not apply a pesticide for hire without a commercial applicator license for the appropriate use categories or a structural pest control license.

(b) A commercial applicator licensee must have a valid license identification card ~~when applying to purchase a restricted use pesticide or apply pesticides~~ for hire and must display it upon demand by an authorized representative of the commissioner or a law enforcement officer. The commissioner shall prescribe the information required on the license identification card.

Sec. 8. Minnesota Statutes 2014, section 18B.34, subdivision 1, is amended to read:

Subdivision 1. **Requirement.** (a) Except for a licensed commercial applicator, certified private applicator, or licensed structural pest control applicator, a person, including a government employee, may not purchase or use a restricted use pesticide in performance of official duties without having a noncommercial applicator license for an appropriate use category.

(b) A licensee must have a valid license identification card when applying pesticides and must display it upon demand by an authorized representative of the commissioner or a law enforcement officer. The license identification card must contain information required by the commissioner.

Sec. 9. Minnesota Statutes 2014, section 18C.425, subdivision 6, is amended to read:

Subd. 6. **Payment of inspection fee.** (a) The person who registers and distributes in the state a specialty fertilizer, soil amendment, or plant amendment under section 18C.411 shall pay the inspection fee to the commissioner.

(b) The person licensed under section 18C.415 who distributes a fertilizer to a person not required to be so licensed shall pay the inspection fee to the commissioner, except as exempted under section 18C.421, subdivision 1, paragraph (b).

(c) The person responsible for payment of the inspection fees for fertilizers, soil amendments, or plant amendments sold and used in this state must pay an inspection fee of ~~30~~ 39 cents per ton, and until June 30, 2019, an additional 40 cents per ton, of fertilizer, soil amendment, and plant amendment sold or distributed in this state, with a minimum of \$10 on all tonnage reports. Notwithstanding section 18C.131, the commissioner must deposit all revenue from the additional 40 cent per ton fee in the agricultural fertilizer research and education account in section 18C.80. Products sold or distributed to manufacturers or exchanged between them are exempt from the inspection fee imposed by this subdivision if the products are used exclusively for manufacturing purposes.

(d) A registrant or licensee must retain invoices showing proof of fertilizer, plant amendment, or soil amendment distribution amounts and inspection fees paid for a period of three years.

Sec. 10. Minnesota Statutes 2014, section 18C.70, subdivision 2, is amended to read:

Subd. 2. **Powers and duties.** The council must review applications and select projects to receive agricultural fertilizer research and education program grants, as authorized in section 18C.71. The council must establish a program to provide grants to research, education, and technology transfer projects related to agricultural fertilizer, soil amendments, and plant amendments. For the purpose of this section, "fertilizer"

includes soil amendments and plant amendments, but does not include vegetable or animal manures that are not manipulated. The commissioner is responsible for all fiscal and administrative duties ~~in the first year and may use up to eight percent of program revenue to offset costs incurred. No later than October 1, 2007, the commissioner must provide the council with an estimate of the annual costs the commissioner would incur in administering the program.~~

Sec. 11. [18C.80] AGRICULTURAL FERTILIZER RESEARCH AND EDUCATION ACCOUNT.

Subdivision 1. **Account; appropriation.** An agricultural fertilizer research and education account is established in the agricultural fund. Money in the account, including interest earned, is appropriated to the commissioner for grants determined by the Minnesota Agricultural Fertilizer Research and Education Council under section 18C.71. The commissioner may use up to \$80,000 each fiscal year for direct costs incurred to provide fiscal and administrative support to the council as required under section 18C.70, subdivision 2. The commissioner may also recover associated indirect costs from the account as required under section 16A.127.

Subd. 2. **Expiration.** This section expires June 30, 2020.

Sec. 12. Minnesota Statutes 2014, section 18G.10, subdivision 3, is amended to read:

Subd. 3. **Cooperative agreements.** The commissioner may enter into cooperative agreements with federal and state agencies for administration of the export certification program. ~~An exporter of plants or plant products desiring to originate shipments from Minnesota to a foreign country requiring a phytosanitary certificate or export certificate must submit an application to the commissioner.~~

Sec. 13. Minnesota Statutes 2014, section 18G.10, subdivision 4, is amended to read:

Subd. 4. **Phytosanitary and export certificates.** An exporter of plants or plant products desiring to originate shipments from Minnesota to a foreign country requiring a phytosanitary certificate or export certificate must submit an application to the commissioner. Application for phytosanitary certificates or export certificates must be made on forms provided or approved by the commissioner. The commissioner shall may conduct inspections of plants, plant products, or facilities for persons that have applied for or intend to apply for a phytosanitary certificate or export certificate from the commissioner. Inspections must include one or more of the following as requested or required:

~~(1) an inspection of the plants or plant products intended for export under a phytosanitary certificate or export certificate;~~

~~(2) field inspections of growing plants to determine presence or absence of plant diseases, if necessary;~~

~~(3) laboratory diagnosis for presence or absence of plant diseases, if necessary;~~

~~(4) observation and evaluation of procedures and facilities utilized in handling plants and plant products, if necessary; and~~

~~(5) review of United States Department of Agriculture, Federal Grain Inspection Service Official Export Grain Inspection Certificate logs.~~

The commissioner may issue a phytosanitary certificate or export certificate if the plants or plant products satisfactorily meet the requirements of the importing foreign country and the United States Department of Agriculture requirements. The requirements of the destination countries must be met by the applicant.

Sec. 14. Minnesota Statutes 2014, section 18G.10, subdivision 5, is amended to read:

Subd. 5. **Certificate fees.** (a) The commissioner shall assess ~~the fees in paragraphs (b) to (f) fees sufficient to recover all costs~~ for the inspection, service, and work performed in carrying out the issuance of a phytosanitary certificate or export certificate. ~~The inspection fee must be based on mileage and inspection time.~~

~~(b) Mileage charge: current United States Internal Revenue Service mileage rate.~~

~~(c) Inspection time: \$50 per hour minimum or fee necessary to cover department costs. Inspection time includes the driving time to and from the location in addition to the time spent conducting the inspection.~~

~~(d) (b) If laboratory analysis or other technical analysis is required to issue a certificate, the commissioner must set and collect the fee to recover this additional cost.~~

~~(e) (c) The certificate fee for product value greater than \$250: is \$75 or a fee amount, not to exceed \$300, that is sufficient to recover all processing costs for each phytosanitary or export certificate issued for any single shipment valued at more than \$250 in addition to any mileage or inspection time charges that are assessed.~~

~~(f) Certificate fee for product value less than \$250: \$25 for each phytosanitary or export certificate issued for any single shipment valued at less than \$250 in addition to any mileage or inspection time charges that are assessed.~~

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

Sec. 15. Minnesota Statutes 2014, section 18H.02, subdivision 20, is amended to read:

Subd. 20. **Nursery stock.** "Nursery stock" means a plant intended for planting or propagation, including, but not limited to, trees, shrubs, vines, perennials, biennials, grafts, cuttings, and buds that may be sold for propagation, whether cultivated or wild, and all viable parts of these plants. Nursery stock does not include:

- (1) field and forage crops or sod;
- (2) the seeds of grasses, cereal grains, vegetable crops, and flowers;
- (3) vegetable plants, bulbs, or tubers;
- (4) cut flowers, unless stems or other portions are intended for propagation;
- (5) annuals; or
- (6) Christmas trees.

Sec. 16. Minnesota Statutes 2014, section 18H.02, is amended by adding a subdivision to read:

Subd. 32a. **Sod.** "Sod" means the upper portion of soil that contains the roots of grasses and the living grass plants.

Sec. 17. Minnesota Statutes 2014, section 18H.02, is amended by adding a subdivision to read:

Subd. 35. **Tropical plant.** "Tropical plant" means a plant that has a United States Department of Agriculture hardiness zone designation of zone 6 or greater, or an annual minimum hardiness temperature of -9 degrees Fahrenheit.

Sec. 18. Minnesota Statutes 2014, section 18H.06, subdivision 2, is amended to read:

Subd. 2. **Occasional sales.** (a) An individual may offer nursery stock for sale and be exempt from the requirement to obtain a nursery stock dealer certificate if:

- (1) the gross sales of all nursery stock in a calendar year do not exceed \$2,000;
 - (2) all nursery stock sold or distributed by the individual is intended for planting in Minnesota;
 - (3) all nursery stock purchased or procured for resale or distribution was grown in Minnesota and has been certified by the commissioner; and
 - (4) the individual conducts sales or distributions of nursery stock on ten or fewer days in a calendar year.
- (b) The commissioner may prescribe the conditions of the exempt nursery sales under this subdivision and may conduct routine inspections of the nursery stock offered for sale.

Sec. 19. Minnesota Statutes 2014, section 18H.07, is amended to read:

18H.07 FEE SCHEDULE.

Subdivision 1. **Establishment of fees.** The commissioner shall establish fees sufficient to allow for the administration and enforcement of this chapter and rules adopted under this chapter, including the portion of general support costs and statewide indirect costs of the agency attributable to that function, with a reserve sufficient for up to six months. The commissioner shall review the fee schedule annually in consultation with the Minnesota Nursery and Landscape Advisory Committee. For the certificate year beginning January 1, 2006, the fees are as described in this section.

Subd. 2. **Nursery stock grower certificate.** (a) A nursery stock grower must pay an annual fee based on the area of all acreage on which nursery stock is grown ~~for certification~~ as follows:

- (1) less than one-half acre, \$150;
- (2) from one-half acre to two acres, \$200;
- (3) over two acres up to five acres, \$300;
- (4) over five acres up to ten acres, \$350;
- (5) over ten acres up to 20 acres, \$500;

- (6) over 20 acres up to 40 acres, \$650;
- (7) over 40 acres up to 50 acres, \$800;
- (8) over 50 acres up to 200 acres, \$1,100;
- (9) over 200 acres up to 500 acres, \$1,500; and
- (10) over 500 acres, \$1,500 plus \$2 for each additional acre.

(b) In addition to the fees in paragraph (a), a penalty of ten percent of the fee due must be charged for each month, or portion thereof, that the fee is delinquent up to a maximum of 30 percent for any application for renewal not postmarked by December 31 of the current year.

(c) A nursery stock grower found operating without a valid nursery stock grower certificate cannot offer for sale or sell nursery stock until: (1) payment is received by the commissioner for (i) the certificate fee due, and (ii) a penalty equal to the certificate fee owed; and (2) a new certificate is issued to the nursery stock grower by the commissioner.

Subd. 3. **Nursery stock dealer certificate.** (a) A nursery stock dealer must pay an annual fee based on the dealer's gross sales of certified nursery stock per location during the most recent certificate year. A certificate applicant operating for the first time must pay the minimum fee. The fees per sales location are:

- (1) gross sales up to \$5,000, \$150;
- (2) gross sales over \$5,000 up to \$20,000, \$175;
- (3) gross sales over \$20,000 up to \$50,000, \$300;
- (4) gross sales over \$50,000 up to \$75,000, \$425;
- (5) gross sales over \$75,000 up to \$100,000, \$550;
- (6) gross sales over \$100,000 up to \$200,000, \$675; and
- (7) gross sales over \$200,000, \$800.

(b) In addition to the fees in paragraph (a), a penalty of ten percent of the fee due must be charged for each month, or portion thereof, that the fee is delinquent up to a maximum of 30 percent for any application for renewal not postmarked by December 31 of the current year.

(c) A nursery stock dealer found operating without a valid nursery stock dealer certificate cannot offer for sale or sell nursery stock until: (1) payment is received by the commissioner for (i) the certificate fee due, and (ii) a penalty equal to the certificate fee owed; and (2) a new certificate is issued to the nursery stock dealer by the commissioner.

Subd. 4. **Reinspection; additional or optional inspection fees.** If a reinspection is required or an additional inspection is needed or requested a fee must be assessed based on mileage and inspection time as follows:

- (1) mileage must be charged at the current United States Internal Revenue Service reimbursement rate; and

(2) inspection time must be charged at ~~the rate of \$50 per hour~~ a rate sufficient to recover all inspection costs, including the driving time to and from the location in addition to the time spent conducting the inspection.

Sec. 20. Minnesota Statutes 2014, section 18H.17, is amended to read:

18H.17 NURSERY AND PHYTOSANITARY ACCOUNT.

A nursery and phytosanitary account is established in the state treasury. The fees and penalties collected under this chapter and interest attributable to money in the account must be deposited in the state treasury and credited to the nursery and phytosanitary account in the agricultural fund. Money in the account, including interest earned, is annually appropriated to the commissioner for the administration and enforcement for this chapter. The commissioner may spend no more than \$20,000 from the account each fiscal year for purposes of section 18H.14, paragraph (e).

Sec. 21. Minnesota Statutes 2014, section 18J.01, is amended to read:

18J.01 DEFINITIONS.

(a) The definitions in sections 18G.02, 18H.02, 18K.02, 27.01, 223.16, 231.01, and 232.21 apply to this chapter.

(b) For purposes of this chapter, "associated rules" means rules adopted under this chapter, chapter 18G, 18H, 18K, 27, 223, 231, or 232, or sections 21.80 to 21.92.

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

Sec. 22. Minnesota Statutes 2014, section 18J.02, is amended to read:

18J.02 DUTIES OF COMMISSIONER.

The commissioner shall administer and enforce this chapter, chapters 18G, 18H, 18K, 27, 223, 231, and 232; sections 21.80 to 21.92; and associated rules.

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

Sec. 23. Minnesota Statutes 2014, section 18J.03, is amended to read:

18J.03 CIVIL LIABILITY.

A person regulated by this chapter, chapter 18G, 18H, 18K, 27, 223, 231, or 232, or sections 21.80 to 21.92, is civilly liable for any violation of one of those statutes or associated rules by the person's employee or agent.

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

Sec. 24. Minnesota Statutes 2014, section 18J.04, subdivision 1, is amended to read:

Subdivision 1. **Access and entry.** The commissioner, upon presentation of official department credentials, must be granted immediate access at reasonable times to sites where a person manufactures, distributes, uses, handles, disposes of, stores, or transports seeds, plants, grain, household goods, general mer-

chandise, produce, or other living or nonliving products or other objects regulated under chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.80 to 21.92; or associated rules.

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

Sec. 25. Minnesota Statutes 2014, section 18J.04, subdivision 2, is amended to read:

Subd. 2. **Purpose of entry.** (a) The commissioner may enter sites for:

(1) inspection of inventory and equipment for the manufacture, storage, handling, distribution, disposal, or any other process regulated under chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.80 to 21.92; or associated rules;

(2) sampling of sites, seeds, plants, products, grain, household goods, general merchandise, produce, or other living or nonliving objects that are manufactured, stored, distributed, handled, or disposed of at those sites and regulated under chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.80 to 21.92; or associated rules;

(3) inspection of records related to the manufacture, distribution, storage, handling, or disposal of seeds, plants, products, grain, household goods, general merchandise, produce, or other living or nonliving objects regulated under chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.80 to 21.92; or associated rules;

(4) investigating compliance with chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.80 to 21.92; or associated rules; or

(5) other purposes necessary to implement chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.80 to 21.92; or associated rules.

(b) The commissioner may enter any public or private premises during or after regular business hours without notice of inspection when a suspected violation of chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.80 to 21.92; or associated rules may threaten public health or the environment.

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

Sec. 26. Minnesota Statutes 2014, section 18J.04, subdivision 3, is amended to read:

Subd. 3. **Notice of inspection samples and analyses.** (a) The commissioner shall provide the owner, operator, or agent in charge with a receipt describing any samples obtained. If requested, the commissioner shall split any samples obtained and provide them to the owner, operator, or agent in charge. If an analysis is made of the samples, a copy of the results of the analysis must be furnished to the owner, operator, or agent in charge within 30 days after an analysis has been performed. If an analysis is not performed, the commissioner must notify the owner, operator, or agent in charge within 30 days of the decision not to perform the analysis.

(b) The sampling and analysis must be done according to methods provided for under applicable provisions of chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.80 to 21.92; or associated rules. In cases not covered by those sections and methods or in cases where methods are available in which improved applicability has been demonstrated the commissioner may adopt appropriate methods from other sources.

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

Sec. 27. Minnesota Statutes 2014, section 18J.04, subdivision 4, is amended to read:

Subd. 4. **Inspection requests by others.** (a) A person who believes that a violation of chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.80 to 21.92; or associated rules has occurred may request an inspection by giving notice to the commissioner of the violation. The notice must be in writing, state with reasonable particularity the grounds for the notice, and be signed by the person making the request.

(b) If after receiving a notice of violation the commissioner reasonably believes that a violation has occurred, the commissioner shall make a special inspection in accordance with the provisions of this section as soon as practicable, to determine if a violation has occurred.

(c) An inspection conducted pursuant to a notice under this subdivision may cover an entire site and is not limited to the portion of the site specified in the notice. If the commissioner determines that reasonable grounds to believe that a violation occurred do not exist, the commissioner must notify the person making the request in writing of the determination.

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

Sec. 28. Minnesota Statutes 2014, section 18J.05, subdivision 1, is amended to read:

Subdivision 1. **Enforcement required.** (a) A violation of chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.80 to 21.92; or an associated rule is a violation of this chapter.

(b) Upon the request of the commissioner, county attorneys, sheriffs, and other officers having authority in the enforcement of the general criminal laws must take action to the extent of their authority necessary or proper for the enforcement of chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.80 to 21.92; or associated rules or valid orders, standards, stipulations, and agreements of the commissioner.

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

Sec. 29. Minnesota Statutes 2014, section 18J.05, subdivision 2, is amended to read:

Subd. 2. **Commissioner's discretion.** If minor violations of chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.80 to 21.92; or associated rules occur or the commissioner believes the public interest will be best served by a suitable notice of warning in writing, this section does not require the commissioner to:

- (1) report the violation for prosecution;
- (2) institute seizure proceedings; or
- (3) issue a withdrawal from distribution, stop-sale, or other order.

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

Sec. 30. Minnesota Statutes 2014, section 18J.05, subdivision 6, is amended to read:

Subd. 6. **Agent for service of process.** All persons licensed, permitted, registered, or certified under chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.80 to 21.92; or associated rules must appoint the

commissioner as the agent upon whom all legal process may be served and service upon the commissioner is deemed to be service on the licensee, permittee, registrant, or certified person.

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

Sec. 31. Minnesota Statutes 2014, section 18J.06, is amended to read:

18J.06 FALSE STATEMENT OR RECORD.

A person must not knowingly make or offer a false statement, record, or other information as part of:

(1) an application for registration, license, certification, or permit under chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.80 to 21.92; or associated rules;

(2) records or reports required under chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.80 to 21.92; or associated rules; or

(3) an investigation of a violation of chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.80 to 21.92; or associated rules.

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

Sec. 32. Minnesota Statutes 2014, section 18J.07, subdivision 3, is amended to read:

Subd. 3. **Cancellation of registration, permit, license, certification.** The commissioner may cancel or revoke a registration, permit, license, or certification provided for under chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.80 to 21.92; or associated rules or refuse to register, permit, license, or certify under provisions of chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.80 to 21.92; or associated rules if the registrant, permittee, licensee, or certified person has used fraudulent or deceptive practices in the evasion or attempted evasion of a provision of chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.80 to 21.92; or associated rules.

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

Sec. 33. Minnesota Statutes 2014, section 18J.07, subdivision 4, is amended to read:

Subd. 4. **Service of order or notice.** (a) If a person is not available for service of an order, the commissioner may attach the order to the facility, site, seed or seed container, plant or other living or nonliving object regulated under chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.80 to 21.92; or associated rules and notify the owner, custodian, other responsible party, or registrant.

(b) The seed, seed container, plant, or other living or nonliving object regulated under chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.80 to 21.92; or associated rules may not be sold, used, tampered with, or removed until released under conditions specified by the commissioner, by an administrative law judge, or by a court.

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

Sec. 34. Minnesota Statutes 2014, section 18J.07, subdivision 5, is amended to read:

Subd. 5. **Unsatisfied judgments.** (a) An applicant for a license, permit, registration, or certification under provisions of this chapter, chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.80 to 21.92; or

associated rules may not allow a final judgment against the applicant for damages arising from a violation of those statutes or rules to remain unsatisfied for a period of more than 30 days.

(b) Failure to satisfy, within 30 days, a final judgment resulting from a violation of this chapter results in automatic suspension of the license, permit, registration, or certification.

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

Sec. 35. Minnesota Statutes 2014, section 18J.09, is amended to read:

18J.09 CREDITING OF PENALTIES, FEES, AND COSTS.

Penalties, cost reimbursements, fees, and other money collected under this chapter must be deposited into the state treasury and credited to the appropriate nursery and phytosanitary, industrial hemp, or seed account.

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

Sec. 36. Minnesota Statutes 2014, section 18J.11, subdivision 1, is amended to read:

Subdivision 1. **General violation.** Except as provided in subdivisions 2 ~~and~~ 3, and 4, a person is guilty of a misdemeanor if the person violates this chapter or an order, standard, stipulation, agreement, or schedule of compliance of the commissioner.

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

Sec. 37. Minnesota Statutes 2014, section 18J.11, is amended by adding a subdivision to read:

Subd. 4. **Controlled substance offenses.** Prosecution under this section does not preclude prosecution under chapter 152.

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

Sec. 38. **[18K.01] SHORT TITLE.**

This chapter may be referred to as the "Industrial Hemp Development Act."

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

Sec. 39. **[18K.02] DEFINITIONS.**

Subdivision 1. **Scope.** The definitions in this section apply to this chapter.

Subd. 2. **Commissioner.** "Commissioner" means the commissioner of agriculture.

Subd. 3. **Industrial hemp.** "Industrial hemp" means the plant *Cannabis sativa* L. and any part of the plant, whether growing or not, with a delta-9 tetrahydrocannabinol concentration of not more than 0.3 percent on a dry weight basis. Industrial hemp is not marijuana as defined in section 152.01, subdivision 9.

Subd. 4. **Marijuana.** "Marijuana" has the meaning given in section 152.01, subdivision 9.

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

Sec. 40. **[18K.03] AGRICULTURAL CROP; POSSESSION AUTHORIZED.**

Industrial hemp is an agricultural crop in this state. A person may possess, transport, process, sell, or buy industrial hemp that is grown pursuant to this chapter.

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

Sec. 41. **[18K.04] LICENSING.**

Subdivision 1. **Requirement; issuance; presumption.** (a) A person must obtain a license from the commissioner before growing industrial hemp for commercial purposes. A person must apply to the commissioner in the form prescribed by the commissioner and must pay the annual registration and inspection fee established by the commissioner in accordance with section 16A.1285, subdivision 2. The license application must include the name and address of the applicant and the legal description of the land area or areas where industrial hemp will be grown by the applicant.

(b) When an applicant has paid the fee and completed the application process to the satisfaction of the commissioner, the commissioner must issue a license which is valid until December 31 of the year of application.

(c) A person licensed under this section is presumed to be growing industrial hemp for commercial purposes.

Subd. 2. **Background check; data classification.** The commissioner must require each first-time applicant for a license to submit to a background investigation conducted by the Bureau of Criminal Apprehension as a condition of licensure. As part of the background investigation, the Bureau of Criminal Apprehension must conduct criminal history checks of Minnesota records and is authorized to exchange fingerprints with the United States Department of Justice, Federal Bureau of Investigation for the purpose of a criminal background check of the national files. The cost of the investigation must be paid by the applicant. Criminal history records provided to the commissioner under this section must be treated as private data on individuals, as defined in section 13.02, subdivision 12.

Subd. 3. **Federal requirements.** The applicant must demonstrate to the satisfaction of the commissioner that the applicant has complied with all applicable federal requirements pertaining to the production, distribution, and sale of industrial hemp.

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

Sec. 42. **[18K.05] ANNUAL REPORT; SALES NOTIFICATION.**

(a) Annually, a licensee must file with the commissioner:

(1) documentation demonstrating to the commissioner's satisfaction that the seeds planted by the licensee are of a type and variety that contain no more than three-tenths of one percent delta-9 tetrahydrocannabinol; and

(2) a copy of any contract to grow industrial hemp.

(b) Within 30 days, a licensee must notify the commissioner of each sale or distribution of industrial hemp grown by the licensee including, but not limited to, the name and address of the person receiving the industrial hemp and the amount of industrial hemp sold or distributed.

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

Sec. 43. **[18K.06] RULEMAKING.**

(a) The commissioner shall adopt rules governing the production, testing, and licensing of industrial hemp.

(b) Rules adopted under paragraph (a) must include, but not be limited to, provisions governing:

(1) the supervision and inspection of industrial hemp during its growth and harvest;

(2) the testing of industrial hemp to determine delta-9 tetrahydrocannabinol levels;

(3) the use of background checks results required under section 18K.04 to approve or deny a license application; and

(4) any other provision or procedure necessary to carry out the purposes of this chapter.

(c) Rules issued under this section must be consistent with federal law regarding the production, distribution, and sale of industrial hemp.

EFFECTIVE DATE. This section is effective the day after the federal government authorizes the commercial production of industrial hemp in this country.

Sec. 44. **[18K.07] FEES.**

Fees collected under this chapter must be credited to the industrial hemp account, which is hereby established in the agricultural fund in the state treasury. Interest earned in the account accrues to the account. Funds in the industrial hemp account are annually appropriated to the commissioner to implement and enforce this chapter.

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

Sec. 45. **[18K.08] DEFENSE FOR POSSESSION OF MARIJUANA.**

It is an affirmative defense to a prosecution for the possession of marijuana under chapter 152 if:

(1) the defendant possesses industrial hemp grown pursuant to this chapter; or

(2) the defendant has a valid controlled substance registration from the United States Department of Justice, Drug Enforcement Administration, if required under federal law.

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

Sec. 46. **[18K.09] PILOT PROGRAM; OTHER RESEARCH AUTHORIZED.**

Subdivision 1. **Authorized activity.** The commissioner may grow or cultivate industrial hemp pursuant to a pilot program administered by the commissioner to study the growth, cultivation, or marketing of industrial hemp. The commissioner may: (1) authorize institutions of higher education to grow or cultivate industrial hemp as part of the commissioner's pilot program or as is necessary to perform other agricultural, renewable energy, or academic research; and (2) contract with public or private entities for testing or other activities authorized under this subdivision. Authorized activity under this section may include collecting seed from wild hemp sources.

Subd. 2. **Site registration.** Before growing or cultivating industrial hemp pursuant to this section, each site must be registered with and certified by the commissioner. A person must register each site annually in the form prescribed by the commissioner and must pay the annual registration and certification fee established by the commissioner in accordance with section 16A.1285, subdivision 2.

Subd. 3. **Rulemaking.** The commissioner may adopt rules that govern the pilot program pursuant to this section and Public Law 113-79.

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

Sec. 47. Minnesota Statutes 2014, section 21.89, subdivision 2, is amended to read:

Subd. 2. **Permits; issuance and revocation.** The commissioner shall issue a permit to the initial labeler of agricultural, vegetable, flower, and wildflower seeds which are sold for use in Minnesota and which conform to and are labeled under sections 21.80 to 21.92. The categories of permits are as follows:

(1) for initial labelers who sell 50,000 pounds or less of agricultural seed each calendar year, an annual permit issued for a fee established in section 21.891, subdivision 2, paragraph (b);

(2) for initial labelers who sell vegetable, flower, and wildflower seed packed for use in home gardens or household plantings, and initial labelers who sell native grasses and wildflower seed in commercial or agricultural quantities, an annual permit issued for a fee established in section 21.891, subdivision 2, paragraph (c), based upon the gross sales from the previous year; and

(3) for initial labelers who sell more than 50,000 pounds of agricultural seed each calendar year, a permanent permit issued for a fee established in section 21.891, subdivision 2, paragraph (d).

In addition, the person shall furnish to the commissioner an itemized statement of all seeds sold in Minnesota for the periods established by the commissioner. This statement shall be delivered, along with the payment of the fee, based upon the amount and type of seed sold, to the commissioner no later than 30 days after the end of each reporting period. Any person holding a permit shall show as part of the analysis labels or invoices on all agricultural, vegetable, flower, wildflower, tree, or shrub seeds all information the commissioner requires. The commissioner may revoke any permit in the event of failure to comply with applicable laws and rules.

Sec. 48. Minnesota Statutes 2014, section 21.891, subdivision 2, is amended to read:

Subd. 2. **Seed fee permits.** (a) An initial labeler who wishes to sell seed in Minnesota must comply with section 21.89, subdivisions 1 and 2, and the procedures in this subdivision. Each initial labeler who

wishes to sell seed in Minnesota must apply to the commissioner to obtain a permit. The application must contain the name and address of the applicant, the application date, and the name and title of the applicant's contact person.

(b) The application for a seed permit covered by section 21.89, subdivision 2, clause (1), must be accompanied by an application fee of ~~\$50~~ \$75.

(c) The application for a seed permit covered by section 21.89, subdivision 2, clause (2), must be accompanied by an application fee based on the level of annual gross sales as follows:

- (1) for gross sales of \$0 to \$25,000, the annual permit fee is ~~\$50~~ \$75;
- (2) for gross sales of \$25,001 to \$50,000, the annual permit fee is ~~\$100~~ \$150;
- (3) for gross sales of \$50,001 to \$100,000, the annual permit fee is ~~\$200~~ \$300;
- (4) for gross sales of \$100,001 to \$250,000, the annual permit fee is ~~\$500~~ \$750;
- (5) for gross sales of \$250,001 to \$500,000, the annual permit fee is ~~\$1,000~~ \$1,500; and
- (6) for gross sales of \$500,001 ~~and above~~ to \$1,000,000, the annual permit fee is ~~\$2,000~~ \$3,000; and
- (7) for gross sales of \$1,000,001 and above, the annual permit fee is \$4,500.

(d) The application for a seed permit covered by section 21.89, subdivision 2, clause (3), must be accompanied by an application fee of ~~\$50~~ \$75. Initial labelers holding seed fee permits covered under this paragraph need not apply for a new permit or pay the application fee. Under this permit category, the fees for the following kinds of agricultural seed sold either in bulk or containers are:

- (1) oats, wheat, and barley, ~~6-3~~ 9 cents per hundredweight;
- (2) rye, field beans, ~~soybeans~~, buckwheat, and flax, ~~8-4~~ 12 cents per hundredweight;
- (3) field corn, ~~29-4~~ 17 cents per ~~hundredweight~~ 80,000 seed unit;
- (4) forage, lawn and turf grasses, and legumes, ~~49~~ 69 cents per hundredweight;
- (5) sunflower, ~~\$1-40~~ \$1.96 per hundredweight;
- (6) sugar beet, ~~\$3-29~~ 12 cents per ~~hundredweight~~ 100,000 seed unit; and
- (7) soybeans, 7.5 cents per 140,000 seed unit; and

~~(7)~~ (8) for any agricultural seed not listed in clauses (1) to ~~(6)~~ (7), the fee for the crop most closely resembling it in normal planting rate applies.

(e) If, for reasons beyond the control and knowledge of the initial labeler, seed is shipped into Minnesota by a person other than the initial labeler, the responsibility for the seed fees are transferred to the shipper. An application for a transfer of this responsibility must be made to the commissioner. Upon approval by the commissioner of the transfer, the shipper is responsible for payment of the seed permit fees.

(f) Seed permit fees may be included in the cost of the seed either as a hidden cost or as a line item cost on each invoice for seed sold. To identify the fee on an invoice, the words "Minnesota seed permit fees" must be used.

(g) All seed fee permit holders must file semiannual reports with the commissioner, even if no seed was sold during the reporting period. Each semiannual report must be submitted within 30 days of the end of each reporting period. The reporting periods are October 1 to March 31 and April 1 to September 30 of each year or July 1 to December 31 and January 1 to June 30 of each year. Permit holders may change their reporting periods with the approval of the commissioner.

(h) The holder of a seed fee permit must pay fees on all seed for which the permit holder is the initial labeler and which are covered by sections 21.80 to 21.92 and sold during the reporting period.

(i) If a seed fee permit holder fails to submit a semiannual report and pay the seed fee within 30 days after the end of each reporting period, the commissioner shall assess a penalty of \$100 or eight percent, calculated on an annual basis, of the fee due, whichever is greater, but no more than \$500 for each late semiannual report. A \$15 penalty must be charged when the semiannual report is late, even if no fee is due for the reporting period. Seed fee permits may be revoked for failure to comply with the applicable provisions of this paragraph or the Minnesota seed law.

Sec. 49. Minnesota Statutes 2014, section 21.891, subdivision 5, is amended to read:

Subd. 5. **Brand name registration fee.** The fee is \$25 ~~\$50~~ for each variety registered for sale by brand name.

Sec. 50. Minnesota Statutes 2014, section 25.341, subdivision 2, is amended to read:

Subd. 2. **Application; fee; term.** A person who is required to have a commercial feed license shall submit an application on a form provided or approved by the commissioner accompanied by a fee of ~~\$25~~ \$75 paid to the commissioner for each location. A license is not transferable from one person to another, from one ownership to another, or from one location to another. The license year is the calendar year. A license expires on December 31 of the year for which it is issued, except that a license is valid through January 31 of the next year or until the issuance of the renewal license, whichever comes first, if the licensee has filed a renewal application with the commissioner on or before December 31 of the year for which the current license was issued. Any person who is required to have, but fails to obtain a license or a licensee who fails to comply with license renewal requirements, shall pay a ~~\$50~~ \$100 late fee in addition to the license fee.

Sec. 51. Minnesota Statutes 2014, section 25.39, subdivision 1, is amended to read:

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

(1) no fee need be paid on:

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

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

(2) a Minnesota feed distributor who can substantiate that greater than 50 percent of the distribution of commercial feed is to purchasers outside the state may purchase commercial feeds without payment of the inspection fee under a tonnage fee exemption permit issued by the commissioner. Such location specific permits shall be issued on a calendar year basis to commercial feed distributors who submit a \$100 nonrefundable application fee and comply with rules adopted by the commissioner relative to record keeping, tonnage of commercial feed distributed in Minnesota, total of all commercial feed tonnage distributed, and all other information which the commissioner may require so as to ensure that proper inspection fee payment has been made.

(b) In the case of pet food distributed in the state only in packages of ten pounds or less, a listing of each product and a current label for each product must be submitted annually on forms provided by the commissioner and accompanied by an annual fee of ~~\$50~~ \$100 for each product in lieu of the inspection fee. This annual fee is due by July 1. The inspection fee required by paragraph (a) applies to pet food distributed in packages exceeding ten pounds.

(c) In the case of specialty pet food distributed in the state only in packages of ten pounds or less, a listing of each product and a current label for each product must be submitted annually on forms provided by the commissioner and accompanied by an annual fee of ~~\$25~~ \$100 for each product in lieu of the inspection fee. This annual fee is due by July 1. The inspection fee required by paragraph (a) applies to specialty pet food distributed in packages exceeding ten pounds.

(d) The minimum inspection fee is ~~\$10~~ \$75 per annual reporting period.

Sec. 52. Minnesota Statutes 2014, section 25.39, subdivision 1a, is amended to read:

Subd. 1a. **Containers of ten pounds or less.** A distributor who is subject to the annual fee specified in subdivision 1, paragraph (b) or (c), shall do the following:

(1) before beginning distribution, file with the commissioner a listing of pet and specialty pet foods to be distributed in the state only in containers of ten pounds or less, on forms provided by the commissioner. The listing under this clause must be renewed annually before July 1 and is the basis for the payment of the annual fee. New products added during the year must be submitted to the commissioner as a supplement to the annual listing before distribution; and

(2) if the annual renewal of the listing is not received before July 1 or if an unlisted product is distributed, pay a late filing fee of ~~\$10~~ \$100 per product in addition to the normal charge for the listing. The late filing fee under this clause is in addition to any other penalty under this chapter.

Sec. 53. **[28A.152] COTTAGE FOODS EXEMPTION.**

Subdivision 1. **Licensing provisions applicability.** (a) The licensing provisions of sections 28A.01 to 28A.16 do not apply to the following:

(1) an individual who prepares and sells food that is not potentially hazardous food, as defined in Minnesota Rules, part 4626.0020, subpart 62, if the following requirements are met:

(i) the prepared food offered for sale under this clause is labeled to accurately reflect the name and address of the individual preparing and selling the food, the date on which the food was prepared, and the ingredients and any possible allergens; and

(ii) the individual displays at the point of sale a clearly legible sign or placard stating: "These products are homemade and not subject to state inspection."; and

(2) an individual who prepares and sells home-processed and home-canned food products if the following requirements are met:

(i) the products are pickles, vegetables, or fruits having an equilibrium pH value of 4.6 or lower;

(ii) the products are home-processed and home-canned in Minnesota;

(iii) the individual displays at the point of sale a clearly legible sign or placard stating: "These canned goods are homemade and not subject to state inspection."; and

(iv) each container of the product sold or offered for sale under this clause is accurately labeled to provide the name and address of the individual who processed and canned the goods, the date on which the goods were processed and canned, and ingredients and any possible allergens.

(b) An individual who qualifies for an exemption under paragraph (a), clause (2), is also exempt from the provisions of sections 31.31 and 31.392.

Subd. 2. **Direct sales to consumers.** (a) An individual qualifying for an exemption under subdivision 1 may sell the exempt food:

(1) directly to the ultimate consumer;

(2) at a community event or farmers' market; or

(3) directly from the individual's home to the consumer, to the extent allowed by local ordinance.

(b) If an exempt food product will be delivered to the ultimate consumer upon sale of the food product, the individual who prepared the food product must be the person who delivers the food product to the ultimate consumer.

(c) Food products exempt under subdivision 1, paragraph (a), clause (2), may not be sold outside of Minnesota.

(d) Food products exempt under subdivision 1 may be sold over the Internet but must be delivered directly to the ultimate consumer by the individual who prepared the food product. The statement "These products are homemade and not subject to state inspection." must be displayed on the Web site that offers the exempt foods for purchase.

Subd. 3. **Limitation on sales.** An individual selling exempt foods under this section is limited to total sales with gross receipts of \$18,000 or less in a calendar year.

Subd. 4. **Registration.** An individual who prepares and sells exempt food under subdivision 1 must register annually with the commissioner. The annual registration fee is \$50. An individual with \$5,000 or less in annual gross receipts from the sale of exempt food under this section is not required to pay the registration fee.

Subd. 5. **Training.** (a) An individual with gross receipts between \$5,000 and \$18,000 in a calendar year from the sale of exempt food under this section must complete a safe food handling training course that is

approved by the commissioner before registering under subdivision 4. The training shall not exceed eight hours and must be completed every three years while the individual is registered under subdivision 4.

(b) An individual with gross receipts of less than \$5,000 in a calendar year from the sale of exempt food under this section must satisfactorily complete an online course and exam as approved by the commissioner before registering under subdivision 4. The commissioner shall offer the online course and exam under this paragraph at no cost to the individual.

Subd. 6. **Local ordinances.** This section does not preempt the application of any business licensing requirement or sanitation, public health, or zoning ordinance of a political subdivision.

Subd. 7. **Account established.** A cottage foods account is created as a separate account in the agricultural fund in the state treasury for depositing money received by the commissioner under this section. Money in the account, including interest, is appropriated to the commissioner for purposes of this section.

Sec. 54. Minnesota Statutes 2014, section 32.075, is amended to read:

32.075 TERM OF LICENSE; TRANSFERABILITY; FEES AND PENALTIES.

Every ~~An initial~~ license issued by the commissioner ~~shall be for a period ending~~ expires on the following ~~December 31st day of December next following~~, and ~~shall is not~~ be transferable. A renewal license is valid for two years and expires on December 31 of the second year. The fee for each such an initial or renewal license shall be \$50 and each renewal thereof shall be \$25 and is \$60. The fee shall be paid to the commissioner before any the commissioner issues an initial or renewal license or renewal thereof is issued. If a license renewal is not applied for on or before January 1 of each year, a penalty of \$10 \$30 shall be imposed. A person who does not renew a license within one year following its December 31 expiration date, except those persons who do not renew such license while engaged in active military service, shall be required to prove competency and qualification pursuant to section 32.073, before a license is issued. The commissioner may require any other person who renews a license to prove competency and qualification in the same manner. All license fees and penalties received by the commissioner shall be paid into the state treasury deposited in the dairy services account in the agricultural fund.

Sec. 55. Minnesota Statutes 2014, section 32.105, is amended to read:

32.105 MILK PROCUREMENT FEE.

Each dairy plant operator within the state must pay to the commissioner on or before the 18th of each month a fee of ~~.74~~ 1.1 cents per hundredweight of milk purchased the previous month. If a milk producer within the state ships milk out of the state for sale, the producer must pay the fee to the commissioner unless the purchaser voluntarily pays the fee.

Producers who ship milk out of state or processors must submit monthly reports as to milk purchases along with the appropriate procurement fee to the commissioner. The commissioner may have access to all relevant purchase or sale records as necessary to verify compliance with this section and may require the producer or purchaser to produce records as necessary to determine compliance.

The fees collected under this section must be deposited in the dairy services account in the agricultural fund. Money in the account, including interest earned, is appropriated to the commissioner to administer this chapter.

Sec. 56. [41A.14] AGRICULTURE RESEARCH, EDUCATION, EXTENSION, AND TECHNOLOGY TRANSFER GRANT PROGRAM.

Subdivision 1. **Duties; grants.** The agriculture research, education, extension, and technology transfer grant program is created. The purpose of the grant program is to provide investments that will most efficiently achieve long-term agricultural productivity increases through improved infrastructure, vision, and accountability. The scope and intent of the grants, to the extent possible, shall provide for a long-term base funding that allows the research grantee to continue the functions of the research, education, and extension efforts to a practical conclusion. Priority for grants shall be given to human infrastructure. The commissioner shall provide grants for:

(1) agricultural research and technology transfer needs and recipients including agricultural research and extension at the University of Minnesota, research and outreach centers, the College of Food, Agricultural and Natural Resource Sciences, the Minnesota Agricultural Experiment Station, University of Minnesota Extension Service, the University of Minnesota Veterinary School, the Veterinary Diagnostic Laboratory, the Stakman-Borlaug Center, and the Minnesota Agriculture Fertilizer Research and Education Council;

(2) agriculture rapid response for plant and animal diseases and pests; and

(3) agricultural education including but not limited to the Minnesota Agriculture Education Leadership Council, farm business management, mentoring programs, graduate debt forgiveness, and high school programs.

Subd. 2. **Advisory panel.** In awarding grants under this section, the commissioner must consult with an advisory panel consisting of the following stakeholders:

(1) a representative of the College of Food, Agricultural and Natural Resource Sciences at the University of Minnesota;

(2) a representative of the Minnesota State Colleges and Universities system;

(3) a representative of the Minnesota Farm Bureau;

(4) a representative of the Minnesota Farmers Union;

(5) a person representing agriculture industry statewide;

(6) a representative of each of the state commodity councils organized under section 17.54 and the Minnesota Pork Board;

(7) a person representing an association of primary manufacturers of forest products;

(8) a person representing organic or sustainable agriculture; and

(9) a person representing statewide environment and natural resource conservation organizations.

Subd. 3. **Account.** An agriculture research, education, extension, and technology transfer account is created in the agricultural fund in the state treasury. The account consists of money received in the form

of gifts, grants, reimbursement, or appropriations from any source for any of the purposes provided in subdivision 1, and any interest or earnings of the account. Money in the account is appropriated to the commissioner of agriculture for the purposes under subdivision 1.

Sec. 57. **[41A.15] DEFINITIONS.**

Subdivision 1. **Scope.** For the purposes of sections 41A.15 to 41A.18, the terms defined in this section have the meanings given them.

Subd. 2. **Advanced biofuel.** "Advanced biofuel" has the meaning given in section 239.051, subdivision 1a.

Subd. 3. **Biomass thermal production.** "Biomass thermal production" means the generation of energy for commercial heat or industrial process heat from a cellulosic material or other material composed of forestry or agricultural feedstocks for a new or expanding capacity facility or a facility that is displacing existing use of fossil fuel after the effective date of this section.

Subd. 4. **Cellulosic biomass.** "Cellulosic biomass" means material primarily made up of cellulose, hemicellulose, or lignin, or a combination of those ingredients.

Subd. 5. **Cellulosic sugar.** "Cellulosic sugar" means sugar derived from cellulosic biomass from agricultural or forestry resources.

Subd. 6. **Commissioner.** "Commissioner" means the commissioner of agriculture.

Subd. 7. **Cover crops.** "Cover crops" means grasses, legumes, forbs, or other herbaceous plants that are known to be noninvasive and not listed as a noxious weed in Minnesota and that are either interseeded into living cash crops or planted on agricultural fields during fallow periods for seasonal cover and conservation purposes.

Subd. 8. **MMbtu.** "MMbtu" means 1,000,000 British thermal units.

Subd. 9. **Perennial crops.** "Perennial crops" means agriculturally produced plants that are known to be noninvasive and not listed as a noxious weed in Minnesota and that have a life cycle of at least three years at the location where the plants are being cultivated. Biomass from alfalfa produced in a two-year rotation shall be considered a perennial crop.

Subd. 10. **Renewable chemical.** "Renewable chemical" means a chemical with biobased content as defined in section 41A.105, subdivision 1a.

Sec. 58. **[41A.16] ADVANCED BIOFUEL PRODUCTION INCENTIVE.**

Subdivision 1. **Eligibility.** (a) A facility eligible for payment under this section must source at least 80 percent raw materials from Minnesota. If a facility is sited 50 miles or less from the state border, raw materials may be sourced from within a 100-mile radius. Raw materials must be from agricultural or forestry sources or from solid waste. The facility must be located in Minnesota, must begin production at a specific location by June 30, 2025, and must not begin operating above 95,000 MMbtu of annual biofuel production before July 1, 2015. Eligible facilities include existing companies and facilities that are adding

advanced biofuel production capacity, or retrofitting existing capacity, as well as new companies and facilities. Production of conventional corn ethanol and conventional biodiesel is not eligible. Eligible advanced biofuel facilities must produce at least 95,000 MMBtu a year.

(b) No payments shall be made for advanced biofuel production that occurs after June 30, 2035, for those eligible biofuel producers under paragraph (a).

(c) An eligible producer of advanced biofuel shall not transfer the producer's eligibility for payments under this section to an advanced biofuel facility at a different location.

(d) A producer that ceases production for any reason is ineligible to receive payments under this section until the producer resumes production.

(e) Renewable chemical production for which payment has been received under section 41A.17, and biomass thermal production for which payment has been received under section 41A.18, are not eligible for payment under this section.

Subd. 2. Payment amounts; limits. (a) The commissioner shall make payments to eligible producers of advanced biofuel. The amount of the payment for each eligible producer's annual production is \$2.1053 per MMBtu for advanced biofuel production from cellulosic biomass, and \$1.053 per MMBtu for advanced biofuel production from sugar or starch at a specific location for ten years after the start of production.

(b) Total payments under this section to an eligible biofuel producer in a fiscal year may not exceed the amount necessary for 2,850,000 MMBtu of biofuel production. Total payments under this section to all eligible biofuel producers in a fiscal year may not exceed the amount necessary for 17,100,000 MMBtu of biofuel production. The commissioner shall award payments on a first-come, first-served basis within the limits of available funding.

(c) For purposes of this section, an entity that holds a controlling interest in more than one advanced biofuel facility is considered a single eligible producer.

Subd. 3. Perennial and cover crops required. To be eligible for payment under this section, a producer that produces advanced biofuel from agricultural cellulosic biomass other than corn kernel fiber or biogas must derive at least the following portions of the producer's total eligible MMBtus from perennial crop or cover crop biomass:

- (1) ten percent during the first two years of eligible production;
- (2) 30 percent during the third and fourth years of eligible production; and
- (3) 50 percent during the fifth through tenth years of eligible production.

Subd. 4. Cellulosic forestry biomass requirements. All forestry-derived cellulosic biomass must be produced using Minnesota state biomass harvesting guidelines or the equivalent. All biomass from brushlands must be produced using Minnesota brushland harvesting biomass harvest guidelines or the equivalent. Forestry-derived cellulosic biomass that comes from land parcels greater than 160 acres must be certified by the Forest Stewardship Council, Sustainable Forestry Initiative, or American Tree Farm System. Uncertified land from parcels of 160 acres or less and federal land must be harvested by a logger who has

completed training for biomass harvesting from the Minnesota logger education program or the equivalent and have a forest stewardship plan.

Subd. 5. Agricultural cellulosic biomass sourcing plan. (a) An eligible producer who utilizes agricultural cellulosic biomass must submit a responsible biomass sourcing plan for approval by the commissioner prior to applying for payments under this section. The commissioner shall make the plan publicly available. The plan must:

(1) provide a detailed explanation of how agricultural cellulosic biomass will be produced and managed in a way that preserves soil quality, does not increase soil and nutrient runoff, avoids introduction of harmful invasive species, limits negative impacts on wildlife habitat, and reduces greenhouse gas emissions;

(2) include the producer's approach to verifying that biomass suppliers are following the plan;

(3) discuss how new technologies and practices that are not yet commercially viable may be encouraged and adopted during the life of the facility, and how the producer will encourage continuous improvement during the life of the project;

(4) include specific numeric goals and timelines for making progress;

(5) require agronomic practices that result in a positive Natural Resources Conservation Service Soil Conditioning Index score for acres from which biomass from corn stover will be harvested; and

(6) include biennial soil sampling to verify maintained or increased levels of soil organic matter.

(b) An eligible producer who utilizes agricultural cellulosic biomass and receives payments under this section shall submit an annual report on the producer's responsible biomass sourcing plan to the commissioner by January 15 each year. The report must include data on progress made by the producer in meeting specific goals laid out in the plan. The commissioner shall make the report publicly available. The commissioner shall perform an annual review of submitted reports and may make a determination that the producer is not following the plan based on the reports submitted. The commissioner may take appropriate steps, including reducing or ceasing payments, until the producer is in compliance with the plan.

Subd. 6. Claims. (a) By the last day of October, January, April, and July, each eligible biofuel producer shall file a claim for payment for advanced biofuel production during the preceding three calendar months. An eligible biofuel producer that files a claim under this subdivision shall include a statement of the eligible biofuel producer's total advanced biofuel production in Minnesota during the quarter covered by the claim. For each claim and statement of total advanced biofuel production filed under this subdivision, the volume of advanced biofuel production must be examined by a CPA firm with a valid permit to practice under chapter 326A, in accordance with Statements on Standards for Attestation Engagements established by the American Institute of Certified Public Accountants.

(b) The commissioner must issue payments by November 15, February 15, May 15, and August 15. A separate payment must be made for each claim filed.

Sec. 59. **[41A.17] RENEWABLE CHEMICAL PRODUCTION INCENTIVE.**

Subdivision 1. Eligibility. (a) A facility eligible for payment under this program must source at least 80 percent biobased content, as defined in section 41A.105, subdivision 1a, clause (1), from Minnesota. If

a facility is sited 50 miles or less from the state border, biobased content must be sourced from within a 100-mile radius. Biobased content must be from agricultural or forestry sources or from solid waste. The facility must be located in Minnesota, must begin production at a specific location by June 30, 2025, and must not begin production of 3,000,000 pounds of chemicals annually before January 1, 2015. Eligible facilities include existing companies and facilities that are adding production capacity, or retrofitting existing capacity, as well as new companies and facilities. Eligible renewable chemical facilities must produce at least 3,000,000 pounds per year. Renewable chemicals produced through processes that are fully commercial before January 1, 2000, are not eligible.

(b) No payments shall be made for renewable chemical production that occurs after June 30, 2035, for those eligible renewable chemical producers under paragraph (a).

(c) An eligible producer of renewable chemicals shall not transfer the producer's eligibility for payments under this section to a renewable chemical facility at a different location.

(d) A producer that ceases production for any reason is ineligible to receive payments under this section until the producer resumes production.

(e) Advanced biofuel production for which payment has been received under section 41A.16, and biomass thermal production for which payment has been received under section 41A.18, are not eligible for payment under this section.

Subd. 2. Payment amounts; bonus; limits. (a) The commissioner shall make payments to eligible producers of renewable chemicals located in the state. The amount of the payment for each producer's annual production is \$0.03 per pound of sugar-derived renewable chemical, \$0.03 per pound of cellulosic sugar, and \$0.06 per pound of cellulosic-derived renewable chemical produced at a specific location for ten years after the start of production.

(b) An eligible facility producing renewable chemicals using agricultural cellulosic biomass is eligible for a 20 percent bonus payment for each MMBtu produced from agricultural biomass that is derived from perennial crop or cover crop biomass.

(c) Total payments under this section to an eligible renewable chemical producer in a fiscal year may not exceed the amount necessary for 99,999,999 pounds of renewable chemical production. Total payments under this section to all eligible renewable chemical producers in a fiscal year may not exceed the amount necessary for 599,999,999 pounds of renewable chemical production. The commissioner shall award payments on a first-come, first-served basis within the limits of available funding.

(d) For purposes of this section, an entity that holds a controlling interest in more than one renewable chemical production facility is considered a single eligible producer.

Subd. 3. Cellulosic biomass requirements. All forestry-derived cellulosic biomass must be produced using Minnesota state biomass harvesting guidelines or the equivalent. All cellulosic biomass from brushlands must be produced using Minnesota brushland harvesting biomass harvest guidelines or the equivalent. Forestry-derived cellulosic biomass that comes from land parcels greater than 160 acres must be certified by the Forest Stewardship Council, Sustainable Forestry Initiative, or American Tree Farm System. Uncertified land from parcels of 160 acres or less and federal land must be harvested by a logger who has completed training for biomass harvesting from the Minnesota logger education program or the equivalent and have a forest stewardship plan.

Subd. 4. Agricultural cellulosic biomass sourcing plan. (a) An eligible producer who utilizes agricultural cellulosic biomass must submit a responsible biomass sourcing plan to the commissioner prior to applying for payments under this section. The plan must:

(1) provide a detailed explanation of how agricultural cellulosic biomass will be produced and managed in a way that preserves soil quality, does not increase soil and nutrient runoff, avoids introduction of harmful invasive species, limits negative impacts on wildlife habitat, and reduces greenhouse gas emissions;

(2) include the producer's approach to verifying that biomass suppliers are following the plan;

(3) discuss how new technologies and practices that are not yet commercially viable may be encouraged and adopted during the life of the facility, and how the producer will encourage continuous improvement during the life of the project; and

(4) include specific numeric goals and timelines for making progress.

(b) An eligible producer who utilizes agricultural cellulosic biomass and receives payments under this section shall submit an annual report on the producer's responsible biomass sourcing plan to the commissioner by January 15 each year. The report must include data on progress made by the producer in meeting specific goals laid out in the plan. The commissioner shall make the report publicly available. The commissioner shall perform an annual review of submitted reports and may make a determination that the producer is not following the plan based on the reports submitted. The commissioner may take appropriate steps, including reducing or ceasing payments, until the producer is in compliance with the plan.

Subd. 5. Claims. (a) By the last day of October, January, April, and July, each eligible renewable chemical producer shall file a claim for payment for renewable chemical production during the preceding three calendar months. An eligible renewable chemical producer that files a claim under this subdivision shall include a statement of the eligible producer's total renewable chemical production in Minnesota during the quarter covered by the claim. For each claim and statement of total renewable chemical production filed under this paragraph, the volume of renewable chemical production must be examined by a CPA firm with a valid permit to practice under chapter 326A, in accordance with Statements on Standards for Attestation Engagements established by the American Institute of Certified Public Accountants.

(b) The commissioner must issue payments by November 15, February 15, May 15, and August 15. A separate payment must be made for each claim filed.

Sec. 60. [41A.18] BIOMASS THERMAL PRODUCTION INCENTIVE.

Subdivision 1. Eligibility. (a) A facility eligible for payment under this section must source at least 80 percent raw materials from Minnesota. If a facility is sited 50 miles or less from the state border, raw materials should be sourced from within a 100-mile radius. Raw materials must be from agricultural or forestry sources. The facility must be located in Minnesota, must have begun production at a specific location by June 30, 2025, and must not begin before July 1, 2015. Eligible facilities include existing companies and facilities that are adding production capacity, or retrofitting existing capacity, as well as new companies and facilities. Eligible biomass thermal production facilities must produce at least 1,000 MMbtu per year.

(b) No payments shall be made for biomass thermal production that occurs after June 30, 2035, for those eligible biomass thermal producers under paragraph (a).

(c) An eligible producer of biomass thermal production shall not transfer the producer's eligibility for payments under this section to a biomass thermal production facility at a different location.

(d) A producer that ceases production for any reason is ineligible to receive payments under this section until the producer resumes production.

(e) Biofuel production for which payment has been received under section 41A.16, and renewable chemical production for which payment has been received under section 41A.17, are not eligible for payment under this section.

Subd. 2. Payment amounts; bonus; limits; blending. (a) The commissioner shall make payments to eligible producers of biomass thermal located in the state. The amount of the payment for each producer's annual production is \$5.00 per MMBtu of biomass thermal production produced at a specific location for ten years after the start of production.

(b) An eligible facility producing biomass thermal using agricultural cellulosic biomass is eligible for a 20 percent bonus payment for each MMBtu produced from agricultural biomass that is derived from perennial crop or cover crop biomass.

(c) Total payments under this section to an eligible thermal producer in a fiscal year may not exceed the amount necessary for 30,000 MMBtu of thermal production. Total payments under this section to all eligible thermal producers in a fiscal year may not exceed the amount necessary for 150,000 MMBtu of total thermal production. The commissioner shall award payments on a first-come, first-served basis within the limits of available funding.

(d) An eligible facility may blend a cellulosic feedstock with other fuels in the biomass thermal production facility, but only the percentage attributable to cellulosic material is eligible to receive payment.

(e) For purposes of this section, an entity that holds a controlling interest in more than one biomass thermal production facility is considered a single eligible producer.

Subd. 3. Cellulosic biomass requirements. All forestry-derived cellulosic biomass must be produced using Minnesota state biomass harvesting guidelines or the equivalent. All biomass from brushland must be produced using Minnesota brushland harvesting biomass guidelines or the equivalent. Forestry-derived cellulosic biomass that comes from land parcels greater than 160 acres must be certified by the Forest Stewardship Council, the Sustainable Forestry Initiative, or American Tree Farm. Uncertified land from parcels of 160 acres or less and federal land must be harvested by a logger who has completed training for biomass harvesting from the Minnesota logger education program or the equivalent and have a forest stewardship plan.

Subd. 4. Agricultural cellulosic biomass sourcing plan. (a) An eligible producer who utilizes agricultural cellulosic biomass must submit a responsible biomass sourcing plan to the commissioner prior to applying for payments under this section. The plan must:

(1) provide a detailed explanation of how agricultural cellulosic biomass will be produced and managed in a way that preserves soil quality, does not increase soil and nutrient runoff, avoids introduction of harmful invasive species, limits negative impacts on wildlife habitat, and reduces greenhouse gas emissions;

(2) include the producer's approach to verifying that biomass suppliers are following the plan;

(3) discuss how new technologies and practices that are not yet commercially viable may be encouraged and adopted during the life of the facility, and how the producer will encourage continuous improvement during the life of the project; and

(4) include specific numeric goals and timelines for making progress.

(b) An eligible producer who utilizes agricultural cellulosic biomass and receives payments under this section shall submit an annual report on the producer's responsible biomass sourcing plan to the commissioner by January 15 each year. The report must include data on progress made by the producer in meeting specific goals laid out in the plan. The commissioner shall make the report publicly available. The commissioner shall perform an annual review of submitted reports and may make a determination that the producer is not following the plan based on the reports submitted. The commissioner may take appropriate steps, including reducing or ceasing payments, until the producer is in compliance with the plan.

Subd. 5. **Claims.** (a) By the last day of October, January, April, and July, each producer shall file a claim for payment for biomass thermal production during the preceding three calendar months. A producer that files a claim under this subdivision shall include a statement of the producer's total biomass thermal production in Minnesota during the quarter covered by the claim. For each claim and statement of total biomass thermal production filed under this paragraph, the volume of biomass thermal production must be examined by a CPA firm with a valid permit to practice under chapter 326A, in accordance with Statements on Standards for Attestation Engagements established by the American Institute of Certified Public Accountants.

(b) The commissioner must issue payments by November 15, February 15, May 15, and August 15. A separate payment shall be made for each claim filed.

Sec. 61. **[41A.19] REPORT; INCENTIVE PROGRAMS.**

By January 15 each year, the commissioner shall report on the incentive programs under sections 41A.16, 41A.17, and 41A.18 to the legislative committees with jurisdiction over environment and agriculture policy and finance. The report shall include information on production and incentive expenditures under the programs.

Sec. 62. Minnesota Statutes 2014, section 41B.03, subdivision 6, is amended to read:

Subd. 6. **Application fee.** The authority may impose a reasonable nonrefundable application fee for each application submitted for a beginning farmer loan or a seller-sponsored loan. The application fee is initially \$50. The authority may review the fee annually and make adjustments as necessary. The fee must be deposited in the state treasury and credited to an account in the special revenue fund. Money in the account is appropriated to the commissioner for administrative expenses of the beginning farmer and seller-sponsored loan programs the Rural Finance Authority administrative account established in subdivision 7.

Sec. 63. Minnesota Statutes 2014, section 41B.03, is amended by adding a subdivision to read:

Subd. 7. **Rural Finance Authority administrative account.** There is established in the agricultural fund a Rural Finance Authority administrative account. Money in the account, including interest, is appropriated to the commissioner of agriculture for the administrative expenses of the loan programs administered by the Rural Finance Authority.

Sec. 64. Minnesota Statutes 2014, section 41B.04, subdivision 17, is amended to read:

Subd. 17. **Application and origination fee.** The authority may impose a reasonable nonrefundable application fee for each application and an origination fee for each loan issued under the loan restructuring program. The origination fee is 1.5 percent of the authority's participation interest in the loan and the application fee is \$50. The authority may review the fees annually and make adjustments as necessary. The fees must be deposited in the state treasury and credited to ~~an account in the special revenue fund. Money in the account is appropriated to the commissioner for administrative expenses of the loan restructuring program~~ the Rural Finance Authority administrative account established in section 41B.03.

Sec. 65. Minnesota Statutes 2014, section 41B.043, subdivision 3, is amended to read:

Subd. 3. **Application and origination fee.** The authority may impose a reasonable nonrefundable application fee for each application submitted for a participation issued under the agricultural improvement loan program. The application fee is initially \$50. The authority may review the fees annually and make adjustments as necessary. The fees must be deposited in the state treasury and credited to ~~an account in the special revenue fund. Money in this account is appropriated to the commissioner for administrative expenses of the agricultural improvement loan program~~ the Rural Finance Authority administrative account established in section 41B.03.

Sec. 66. Minnesota Statutes 2014, section 41B.045, subdivision 3, is amended to read:

Subd. 3. **Specifications.** ~~No loan may be made to refinance an existing debt.~~ Each loan participation must be secured by a mortgage on real property and such other security as the authority may require.

Sec. 67. Minnesota Statutes 2014, section 41B.045, subdivision 4, is amended to read:

Subd. 4. **Application and origination fee.** The authority may impose a reasonable nonrefundable application fee for each application for a loan participation and an origination fee for each loan issued under the livestock expansion loan program. The origination fee initially shall be set at 1.5 percent and the application fee at \$50. The authority may review the fees annually and make adjustments as necessary. The fees must be deposited in the state treasury and credited to ~~an account in the special revenue fund. Money in this account is appropriated to the commissioner for administrative expenses of the livestock expansion loan program~~ the Rural Finance Authority administrative account established in section 41B.03.

Sec. 68. Minnesota Statutes 2014, section 41B.046, subdivision 5, is amended to read:

Subd. 5. **Loans.** (a) The authority may participate in a stock loan with an eligible lender to a farmer who is eligible under subdivision 4. Participation is limited to 45 percent of the principal amount of the loan or \$40,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may differ from the interest rates and repayment terms of the lender's retained portion of the loan, but the authority's interest rate must not exceed 50 percent of the lender's interest rate.

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

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

(d) The authority may impose a reasonable nonrefundable application fee for each application for a stock loan. The authority may review the fee annually and make adjustments as necessary. The application fee

is initially \$50. Application fees received by the authority must be deposited in the revolving loan account established in section 41B.06 Rural Finance Authority administrative account established in section 41B.03.

(e) Stock loans under this program will be made using money in the revolving loan account established in section 41B.06.

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

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

Sec. 69. Minnesota Statutes 2014, section 41B.047, subdivision 1, as amended by Laws 2015, chapter 44, section 27, is amended to read:

Subdivision 1. **Establishment.** The authority shall establish and implement a disaster recovery loan program to help farmers:

(1) clean up, repair, or replace farm structures and septic and water systems, as well as replace seed, other crop inputs, feed, and livestock, when damaged by high winds, hail, tornado, or flood;

(2) purchase watering systems, irrigation systems, and other drought mitigation systems and practices when drought is the cause of the purchase;

(3) restore farmland; or

(4) replace flocks, make building improvements, or ~~obtain an operating line of credit if the loss or damage cover the loss of revenue when the replacement, improvements, or loss of revenue is due to the confirmed presence of the highly pathogenic avian influenza in a commercial poultry or game flock located in Minnesota.~~

Sec. 70. Minnesota Statutes 2014, section 41B.047, subdivision 3, as amended by Laws 2015, chapter 44, section 28, is amended to read:

Subd. 3. **Eligibility.** To be eligible for this program, a borrower must:

(1) meet the requirements of section 41B.03, subdivision 1;

(2) certify that the damage or loss was (i) sustained within a county that was the subject of (†) a state or federal disaster declaration or (ii) ~~a peacetime emergency declaration made by the governor under section 12.31~~ due to the confirmed presence of the highly pathogenic avian influenza in a commercial poultry or game flock located in Minnesota;

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

(4) ~~for loans under subdivision 1, clauses (1) to (3), have a total net worth, including assets and liabilities of the borrower's spouse and dependents, of less than \$660,000 in 2004 and an amount in subsequent years which is adjusted for inflation by multiplying that amount by the cumulative inflation rate as determined by the Consumer Price Index; and~~

~~(5)~~ (4) have received at least 50 percent of average annual gross income from farming for the past three years.

Sec. 71. Minnesota Statutes 2014, section 41B.047, subdivision 4, is amended to read:

Subd. 4. **Loans.** (a) The authority may participate in a disaster recovery loan with an eligible lender to a farmer who is eligible under subdivision 3. Participation is limited to 45 percent of the principal amount of the loan or ~~\$50,000~~ \$200,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may differ from the interest rates and repayment terms of the lender's retained portion of the loan, but the authority's interest rate must not exceed four percent.

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

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

(d) The authority may impose a reasonable nonrefundable application fee for a disaster recovery loan. The authority may review the fee annually and make adjustments as necessary. The application fee is initially \$50. Application fees received by the authority must be deposited in the ~~revolving loan account established under section 41B.06~~ Rural Finance Authority administrative account established in section 41B.03.

(e) Disaster recovery loans under this program will be made using money in the revolving loan account established under section 41B.06.

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

Sec. 72. Minnesota Statutes 2014, section 41B.048, subdivision 6, is amended to read:

Subd. 6. **Loans.** (a) The authority may disburse loans through a fiscal agent to farmers and agricultural landowners who are eligible under subdivision 5. The total accumulative loan principal must not exceed \$75,000 per loan.

(b) The fiscal agent may impose a loan origination fee in the amount of one percent of the total approved loan. This fee is to be paid by the borrower to the fiscal agent at the time of loan closing.

(c) The loan may be disbursed over a period not to exceed 12 years.

(d) A borrower may receive loans, depending on the availability of funds, for planted areas up to 160 acres for up to:

(1) the total amount necessary for establishment of the crop;

(2) the total amount of maintenance costs, including weed control, during the first three years; and

(3) 70 percent of the estimated value of one year's growth of the crop for years four through 12.

(e) Security for the loan must be the crop, a personal note executed by the borrower, an interest in the land upon which the crop is growing, and whatever other security is required by the fiscal agent or the authority. All recording fees must be paid by the borrower.

(f) The authority may prescribe forms and establish an application process for applicants to apply for a loan.

(g) The authority may impose a reasonable, nonrefundable application fee for each application for a loan under this program. The application fee is initially \$50. Application fees received by the authority must be deposited in the ~~revolving loan account established under section 41B.06~~ Rural Finance Authority administrative account established in section 41B.03.

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

(i) All repayments of financial assistance granted under this section, including principal and interest, must be deposited into the revolving loan account established under section 41B.06.

(j) The interest payable on loans made by the authority for the agroforestry loan program must, if funded by revenue bond proceeds, be at a rate not less than the rate on the revenue bonds, and may be established at a higher rate necessary to pay costs associated with the issuance of the revenue bonds and a proportionate share of the cost of administering the program. The interest payable on loans for the agroforestry loan program funded from sources other than revenue bond proceeds must be at a rate determined by the authority.

(k) Loan principal balance outstanding plus all assessed interest must be repaid within 120 days of harvest, but no later than 15 years from planting.

Sec. 73. Minnesota Statutes 2014, section 41B.049, subdivision 4, is amended to read:

Subd. 4. **Loans.** (a) The authority may make a direct loan or participate in a loan with an eligible lender to a farmer who is eligible under subdivision 3. Repayment terms of the authority's participation interest may differ from repayment terms of the lender's retained portion of the loan. Loans made under this section must be no-interest loans.

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

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

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

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

(f) The authority may impose a reasonable nonrefundable application fee for each application for a direct loan or a loan participation. The authority may review the application fees annually and make adjustments as necessary. The application fee is initially set at \$100 for a loan under subdivision 1. The fees received by the authority must be deposited in the ~~revolving loan account established in section 41B.06~~ Rural Finance Authority administrative account established in section 41B.03.

Sec. 74. Minnesota Statutes 2014, section 41B.055, subdivision 3, is amended to read:

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

Participation is limited to 45 percent of the principal amount of the loan or \$40,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may differ from the interest rates and repayment terms of the lender's retained portion of the loan, but the authority's interest rate must not exceed three percent. The authority may review the interest annually and make adjustments as necessary.

(b) Standards for loan amortization must be set by the Rural Finance Authority and must not exceed ten years.

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

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

(e) The authority may impose a reasonable, nonrefundable application fee for a livestock equipment loan. The authority may review the fee annually and make adjustments as necessary. The initial application fee is \$50. Application fees received by the authority must be deposited in the revolving loan account established in section 41B.06 Rural Finance Authority administrative account established in section 41B.03.

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

Sec. 75. Minnesota Statutes 2014, section 41B.056, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "Intermediary" means any lending institution or other organization of a for-profit or nonprofit nature that is in good standing with the state of Minnesota that has the appropriate business structure and trained personnel suitable to providing efficient disbursement of loan funds and the servicing and collection of loans.

(c) "Specialty crops" means agricultural crops, such as annuals, flowers, perennials, and other horticultural products, that are intensively cultivated.

(d) "Eligible livestock" means ~~poultry that has been allowed access to the outside, sheep, or goats~~ beef cattle, dairy cattle, swine, poultry, goats, mules, farmed cervidae, ratitae, bison, sheep, horses, and llamas.

Sec. 76. **[41B.057] FARM OPPORTUNITY LOAN PROGRAM.**

Subdivision 1. **Establishment.** The authority shall establish a farm opportunity loan program to provide loans that enable farmers to:

- (1) add value to crops or livestock produced in Minnesota;
- (2) adopt best management practices that emphasize sufficiency and self-sufficiency;
- (3) reduce or improve management of agricultural inputs resulting in environmental improvements; or
- (4) increase production of on-farm energy.

Subd. 2. **Loan criteria.** (a) The farm opportunity loan program shall provide loans for purchase of new or used equipment and installation of equipment for projects that make environmental improvements and enhance farm profitability. The loan program shall also be used to add value to crops or livestock produced in

Minnesota by, but not limited to, initiating or expanding livestock product processing; purchasing equipment to initiate, upgrade, or modernize value-added agricultural businesses; or increasing farmers' processing and aggregating capacity facilitating entry into farm-to-institution and other markets. Eligible loan uses do not include expenses related to seeds, fertilizer, fuel, or other operating expenses.

(b) The authority may impose a reasonable, nonrefundable application fee for a farm opportunity loan. The authority may review the fee annually and make adjustments as necessary. The initial application fee is \$50. Application fees received by the authority must be deposited in the Rural Finance Authority administrative account established in section 41B.03.

(c) Loans may only be made to Minnesota residents engaged in farming. Standards for loan amortization must be set by the Rural Finance Authority and must not exceed ten years.

(d) The borrower must show the ability to repay the loan.

(e) Refinancing of existing debt is not an eligible expense.

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

Subd. 3. **Loan participation.** The authority may participate in a farm opportunity loan with an eligible lender, as defined in section 41B.02, subdivision 8, to a farmer or a group of farmers on joint projects who are eligible under subdivision 2, paragraph (c), and who are actively engaged in farming. Participation is limited to 45 percent of the principal amount of the loan or \$45,000 per individual, whichever is less. For loans to a group made up of four or more individuals, participation is limited to 45 percent of the principal amount of the loan or \$180,000, whichever is less. The interest rate on the loans must not exceed six percent.

Sec. 77. Minnesota Statutes 2014, section 41B.06, is amended to read:

41B.06 RURAL FINANCE AUTHORITY REVOLVING LOAN ACCOUNT.

There is established in the rural finance administration fund a Rural Finance Authority revolving loan account that is eligible to receive appropriations and the transfer of loan funds from other programs. All repayments of financial assistance granted from this account, including principal and interest, must be deposited into this account. Interest earned on money in the account accrues to the account, and the money in the account is appropriated to the commissioner of agriculture for purposes of the Rural Finance Authority livestock equipment, methane digester, disaster recovery, value-added agricultural product, agroforestry, and agricultural microloan, and farm opportunity loan programs, including costs incurred by the authority to establish and administer the programs.

Sec. 78. Minnesota Statutes 2014, section 135A.52, is amended by adding a subdivision to read:

Subd. 6. **Farm business management.** Minnesota State Colleges and Universities campuses that offer farm business management may specify space availability in the delivery of farm business management courses.

Sec. 79. Minnesota Statutes 2014, section 375.30, subdivision 2, is amended to read:

Subd. 2. **Wild hemp.** A county board, by resolution, may appropriate and spend money as necessary to spray and otherwise eradicate wild hemp, commonly known as marijuana, on private property within the

county. The county board may authorize the use of county equipment, personnel and supplies and materials to spray or otherwise eradicate wild hemp on private property, and may pro rate the expenses involved between the county and owner or occupant of the property. Industrial hemp grown by a person licensed under chapter 18K is not wild hemp.

Sec. 80. Minnesota Statutes 2014, section 500.24, subdivision 4, is amended to read:

Subd. 4. **Reports.** (a) The chief executive officer of every pension or investment fund, corporation, limited partnership, limited liability company, or entity that is seeking to qualify for an exemption from the commissioner, and the trustee of a family farm trust that holds any interest in agricultural land or land used for the breeding, feeding, pasturing, growing, or raising of livestock, dairy or poultry, or products thereof, or land used for the production of agricultural crops or fruit or other horticultural products, other than a bona fide encumbrance taken for purposes of security, or which is engaged in farming or proposing to commence farming in this state after May 20, 1973, shall file with the commissioner a report containing the following information and documents:

(1) the name of the pension or investment fund, corporation, limited partnership, or limited liability company and its place of incorporation, certification, or registration;

(2) the address of the pension or investment plan headquarters or of the registered office of the corporation in this state, the name and address of its registered agent in this state and, in the case of a foreign corporation, limited partnership, or limited liability company, the address of its principal office in its place of incorporation, certification, or registration;

(3) the acreage and location listed by quarter-quarter section, township, and county of each lot or parcel of agricultural land or land used for the keeping or feeding of poultry in this state owned or leased by the pension or investment fund, limited partnership, corporation, or limited liability company;

(4) the names and addresses of the officers, administrators, directors, or trustees of the pension or investment fund, or of the officers, shareholders owning more than ten percent of the stock, including the percent of stock owned by each such shareholder, the members of the board of directors of the corporation, and the members of the limited liability company, and the general and limited partners and the percentage of interest in the partnership by each partner;

(5) the farm products which the pension or investment fund, limited partnership, corporation, or limited liability company produces or intends to produce on its agricultural land;

(6) with the first report, a copy of the title to the property where the farming operations are or will occur indicating the particular exception claimed under subdivision 3; and

(7) with the first or second report, a copy of the conservation plan proposed by the soil and water conservation district, and with subsequent reports a statement of whether the conservation plan was implemented.

The report of a corporation, trust, limited liability company, or partnership seeking to qualify hereunder as a family farm corporation, an authorized farm corporation, an authorized livestock farm corporation, a family farm partnership, an authorized farm partnership, a family farm limited liability company, an authorized farm limited liability company, or a family farm trust or under an exemption from the commissioner shall contain the following additional information: the number of shares, partnership interests, or governance

and financial rights owned by persons or current beneficiaries of a family farm trust residing on the farm or actively engaged in farming, or their relatives within the third degree of kindred according to the rules of the civil law or their spouses; the name, address, and number of shares owned by each shareholder, partnership interests owned by each partner or governance and financial rights owned by each member, and a statement as to percentage of gross receipts of the corporation derived from rent, royalties, dividends, interest, and annuities. No pension or investment fund, limited partnership, corporation, or limited liability company shall commence farming in this state until the commissioner has inspected the report and certified that its proposed operations comply with the provisions of this section.

(b) Every pension or investment fund, limited partnership, trust, corporation, or limited liability company as described in paragraph (a) shall, prior to April 15 of each year, file with the commissioner a report containing the information required in paragraph (a), based on its operations in the preceding calendar year and its status at the end of the year. A pension or investment fund, limited partnership, corporation, or limited liability company that does not file the report by April 15 must pay a \$500 civil penalty. The penalty is a lien on the land being farmed under subdivision 3 until the penalty is paid.

(c) The commissioner may, for good cause shown, issue a written waiver or reduction of the civil penalty for failure to make a timely filing of the annual report required by this subdivision. The waiver or reduction is final and conclusive with respect to the civil penalty, and may not be reopened or modified by an officer, employee, or agent of the state, except upon a showing of fraud or malfeasance or misrepresentation of a material fact. The report required under paragraph (b) must be completed prior to a reduction or waiver under this paragraph. The commissioner may enter into an agreement under this paragraph only once for each corporation or partnership.

(d) A report required under paragraph (a) or (b) must be submitted with a filing fee of \$15. The fee must be deposited in the state treasury and credited to an account in the agricultural fund. Money in the account, including interest, is appropriated to the commissioner for the administrative expenses of this section.

~~(d)~~ (e) Failure to file a required report or the willful filing of false information is a gross misdemeanor.

Sec. 81. Minnesota Statutes 2014, section 583.215, is amended to read:

583.215 EXPIRATION.

Sections 336.9-601, subsections (h) and (i); 550.365; 559.209; 582.039; and 583.20 to 583.32, expire June 30, ~~2016~~ 2017.

EFFECTIVE DATE. This section is effective May 23, 2016, if the legislature does not meet in regular session in calendar year 2016 before May 23, 2016. If the legislature meets in regular session in calendar year 2016 before May 23, 2016, this section is void.

Sec. 82. Laws 2014, chapter 312, article 12, section 3, is amended to read:

Sec. 3. AGRICULTURE.	\$	-0-	\$	2,750,000
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\$2,000,000 in 2015 is for a grant to Second Harvest Heartland on behalf of the six Feeding America food banks that serve Minnesota to compensate agricultural producers and processors for costs incurred to harvest

and package for transfer surplus fruits, vegetables, or other agricultural commodities that would otherwise go unharvested ~~or~~, be discarded, or be sold in a secondary market. Surplus commodities must be distributed statewide to food shelves and other charitable organizations that are eligible to receive food from the food banks. Surplus food acquired under this appropriation must be from Minnesota producers and processors. Second Harvest Heartland must report when required by, and in the form prescribed by, the commissioner. ~~For fiscal year 2015, Second Harvest Heartland may use up to 11 percent of any grant received for administrative expenses and up to four percent of the grant for transportation expenses. For fiscal years 2016 and 2017, Second Harvest Heartland may use up to five percent of any grant received for administrative expenses.~~ This is a onetime appropriation and is available until June 30, 2017.

The commissioner shall examine how other states are implementing the industrial hemp research authority provided in Public Law 113-79 and gauge the interest of Minnesota higher education institutions. No later than January 15, 2015, the commissioner must report the information and items for legislative consideration to the legislative committees with jurisdiction over agriculture policy and finance.

\$350,000 in 2015 is for an increase in retail food handler inspections.

\$200,000 in 2015 is added to the appropriation in Laws 2013, chapter 114, article 1, section 3, subdivision 4, for distribution to the state's county fairs. This is a onetime appropriation.

\$200,000 in 2015 is for a grant as determined by the commissioner to a public higher education institution to research porcine epidemic diarrhea virus. This is a onetime appropriation and is available until June 30, 2017.

Sec. 83. **LIVESTOCK INDUSTRY STUDY.**

The commissioner of agriculture must identify causes of the relative growth or decline in the number of head of poultry and livestock produced in Minnesota, Iowa, North Dakota, South Dakota, Wisconsin, and Nebraska over the last ten years, including but not limited to the impact of nuisance conditions and

lawsuits filed against poultry or livestock farms. No later than February 1, 2016, the commissioner must report findings by poultry and livestock sector and provide recommendations on how to strengthen and expand Minnesota animal agriculture to the legislative committees with jurisdiction over agriculture policy and finance.

Sec. 84. **CORRECTIONAL FACILITY VOCATIONAL TRAINING PILOT PROGRAM.**

Subdivision 1. **Pilot program.** The commissioner of agriculture must coordinate a pilot program operated by the Northeast Regional Corrections Center to train inmates for careers as meat cutters upon release. The commissioner must facilitate program development and ensure that the program prepares inmates to meet applicable food safety and licensure requirements.

Subd. 2. **Program development.** In facilitating development of the pilot program, the commissioner must consult with the commissioner of employment and economic development and a representative of each of the following organizations:

- (1) Northeast Regional Corrections Center; and
- (2) United Food and Commercial Workers.

Subd. 3. **Report required.** No later than February 1, 2017, the commissioner must report on the progress and outcomes of the program to the legislative committees with jurisdiction over agriculture, economic development, higher education, and public safety.

Subd. 4. **Expiration.** This section expires on June 30, 2017.

Sec. 85. **URBAN AGRICULTURE DEVELOPMENT PROPOSAL.**

The commissioner of agriculture must convene interested stakeholders and develop a proposal to effectively and efficiently promote urban agriculture in Minnesota cities. For purposes of this section, "urban agriculture" means producing agricultural plants, poultry, or livestock on public or private property within city limits. No later than January 15, 2016, the commissioner must report to the legislative committees with jurisdiction over agriculture policy and finance and submit proposed legislation that includes a new definition of urban agriculture if the commissioner and stakeholders determine that a different definition more accurately defines urban agriculture.

Sec. 86. **BALANCES TRANSFERRED; ACCOUNTS ABOLISHED.**

The balances in the accounts created under Minnesota Statutes, sections 41B.03, subdivision 6; 41B.04, subdivision 17; 41B.043, subdivision 3; and 41B.045, subdivision 4, are transferred to the Rural Finance Authority administrative account established under Minnesota Statutes, section 41B.03, subdivision 7, and the original accounts are abolished.

The balance in the account created under Minnesota Statutes, section 17.115, is transferred to the Rural Finance Authority revolving loan account established under Minnesota Statutes, section 41B.06, and the original account is abolished.

Sec. 87. **REPEALER.**

Minnesota Statutes 2014, sections 17.115; 28A.15, subdivisions 9 and 10; and 116V.03, are repealed.

Sec. 88. EFFECTIVE DATE.

(a) Sections 62 to 77 and section 86 are effective the day following final enactment.

(b) Laws 2015, chapter 44, sections 22 to 26 and section 29, are effective the day following final enactment.

ARTICLE 3**ENVIRONMENT AND NATURAL RESOURCES APPROPRIATIONS**Section 1. ENVIRONMENT AND NATURAL RESOURCES APPROPRIATIONS.

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 general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2016" and "2017" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2016, or June 30, 2017, respectively. "The first year" is fiscal year 2016. "The second year" is fiscal year 2017. "The biennium" is fiscal years 2016 and 2017. Appropriations for the fiscal year ending June 30, 2015, are effective the day following final enactment.

APPROPRIATIONS
Available for the Year
Ending June 30
2016 **2017**

Sec. 2. POLLUTION CONTROL AGENCY

<u>Subdivision 1. Total Appropriation</u>	\$	<u>95,082,000</u>	\$	<u>91,784,000</u>
<u>Appropriations by Fund</u>				
		<u>2016</u>		<u>2017</u>
<u>General</u>		<u>10,263,000</u>		<u>5,727,000</u>
<u>State Government</u>				
<u>Special Revenue</u>		<u>75,000</u>		<u>75,000</u>
<u>Environmental</u>		<u>73,480,000</u>		<u>74,548,000</u>
<u>Remediation</u>		<u>11,264,000</u>		<u>11,434,000</u>

The amounts that may be spent for each purpose are specified in the following subdivisions.

The commissioner must present the agency's biennial budget for fiscal years 2018 and 2019 to the legislature in a transparent way by agency division, including the proposed budget bill and presentations of the budget to committees and divisions with jurisdiction over the agency's budget.

<u>Subd. 2. Water</u>		<u>26,388,000</u>	<u>26,081,000</u>
	<u>Appropriations by Fund</u>		
		<u>2016</u>	<u>2017</u>
<u>General</u>		<u>4,307,000</u>	<u>3,627,000</u>
<u>State Government</u>			
<u>Special Revenue</u>		<u>75,000</u>	<u>75,000</u>
<u>Environmental</u>		<u>22,006,000</u>	<u>22,379,000</u>

\$1,959,000 the first year and \$1,959,000 the second year are for grants to delegated counties to administer the county feedlot program under Minnesota Statutes, section 116.0711, subdivisions 2 and 3. Money remaining after the first year is available for the second year.

\$753,000 the first year and \$765,000 the second year are from the environmental fund to address the need for continued increased activity in the areas of new technology review, technical assistance for local governments, and enforcement under Minnesota Statutes, sections 115.55 to 115.58, and to complete the requirements of Laws 2003, chapter 128, article 1, section 165.

\$673,000 the first year and \$683,000 the second year are from the environmental fund for subsurface sewage treatment system (SSTS) program administration and community technical assistance and education, including grants and technical assistance to communities for water quality protection. Of this amount, \$129,000 each year is for assistance to counties through grants for SSTS program administration. A county receiving a grant from this appropriation shall submit the results achieved with the grant to the commissioner as part of its annual SSTS report. Any unexpended balance in the first year does not cancel but is available in the second year.

\$107,000 the first year and \$109,000 the second year are from the environmental fund for registration of wastewater laboratories.

\$913,000 the first year and \$913,000 the second year are from the environmental fund to continue perfluorochemical biomonitoring in eastern metropolitan communities, as recommended by the

Environmental Health Tracking and Biomonitoring Advisory Panel, and address other environmental health risks, including air quality. The communities must include Hmong and other immigrant farming communities. Of this amount, up to \$677,000 the first year and \$677,000 the second year are for transfer to the Department of Health.

\$250,000 the first year and \$250,000 the second year are from the general fund for:

(1) a municipal liaison to assist municipalities in implementing and participating in the water quality standards rulemaking process and navigating the NPDES/SDS permitting process;

(2) enhanced economic analysis in the water quality standards rulemaking process, including more specific analysis and identification of cost-effective permitting;

(3) development of statewide economic analyses and templates to reduce the amount of information and time required for municipalities to apply for variances from water quality standards; and

(4) coordinating with the Public Facilities Authority to identify and advocate for the resources needed for municipalities to achieve permit requirements.

\$500,000 the first year is for transfer to the commissioner of management and budget for a cost analysis of water quality standards as required under this act.

\$200,000 the first year is for a grant to the Red River Basin Commission for development of a water quality strategic plan for the Red River of the North. This is a onetime appropriation and is available until June 30, 2018. The plan must include, but is not limited to, consistency in water quality goals and objectives for the Red River of the North and pollution reduction allocations for both point and nonpoint sources on the Red River of the North and for individual major watersheds tributary to the Red River of the North. The Red River Basin Commission must involve the interests of local, state, and federal government, business and industry, environmental

groups, and Red River Basin landowners. The Red River Basin Commission must report progress on the plan to the house of representatives and senate committees and divisions with jurisdiction over environment policy and finance by February 15 in 2016 and 2017, and must submit the completed plan by December 31, 2017.

The commissioner of the Pollution Control Agency must work with the Red River Basin Commission, the North Dakota Department of Health, the United States Environmental Protection Agency, Regions 5 and 8, and wastewater treatment plants in the Red River Basin to achieve phosphorous reductions needed to protect the Red River and Lake Winnipeg.

Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered on or before June 30, 2017, as grants or contracts for subsurface sewage treatment systems, surface water and groundwater assessments, total maximum daily loads, storm water, and water quality protection in this subdivision are available until June 30, 2020.

<u>Subd. 3. Air</u>	<u>15,640,000</u>	<u>16,087,000</u>
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	<u>Appropriations by Fund</u>	
	<u>2016</u>	<u>2017</u>
<u>Environmental</u>	<u>15,640,000</u>	<u>16,087,000</u>

\$202,000 the first year and \$204,000 the second year are from the environmental fund for a monitoring program under Minnesota Statutes, section 116.454.

Up to \$150,000 the first year and \$150,000 the second year may be transferred from the environmental fund to the small business environmental improvement loan account established in Minnesota Statutes, section 116.993.

\$340,000 the first year and \$346,000 the second year are from the environmental fund for monitoring ambient air for hazardous pollutants.

\$691,000 the first year and \$693,000 the second year are from the environmental fund for emission reduction activities and grants to small businesses and other nonpoint emission reduction efforts. Of

this amount, \$100,000 the first year and \$100,000 the second year is to continue work with Clean Air Minnesota, and the commissioner may enter into an agreement with Environmental Initiative to support this effort. Any unexpended balance in the first year does not cancel but is available in the second year.

Subd. 4. Land

21,663,000

18,584,000

	<u>Appropriations by Fund</u>	
	<u>2016</u>	<u>2017</u>
<u>General</u>	<u>3,368,000</u>	<u>-0-</u>
<u>Environmental</u>	<u>7,031,000</u>	<u>7,150,000</u>
<u>Remediation</u>	<u>11,264,000</u>	<u>11,434,000</u>

All money for environmental response, compensation, and compliance in the remediation fund not otherwise appropriated is appropriated to the commissioners of the Pollution Control Agency and agriculture for purposes of Minnesota Statutes, section 115B.20, subdivision 2, clauses (1), (2), (3), (6), and (7). At the beginning of each fiscal year, the two commissioners shall jointly submit an annual spending plan to the commissioner of management and budget that maximizes the utilization of resources and appropriately allocates the money between the two departments. This appropriation is available until June 30, 2017.

\$4,279,000 the first year and \$4,343,000 the second year are from the remediation fund for purposes of the leaking underground storage tank program to investigate, clean up, and prevent future releases from underground petroleum storage tanks, and to the petroleum remediation program for purposes of vapor assessment and remediation. These same annual amounts are transferred from the petroleum tank fund to the remediation fund.

\$252,000 the first year and \$252,000 the second year are from the remediation fund for transfer to the commissioner of health for private water supply monitoring and health assessment costs in areas contaminated by unpermitted mixed municipal solid waste disposal facilities and drinking water advisories and public information activities for areas contaminated by hazardous releases.

\$868,000 the first year is from the general fund for a grant to the city of Mountain Iron for remediation of the abandoned wastewater treatment pond of the former Nichols Township. This is a onetime appropriation that is available until June 30, 2019. This appropriation is effective December 1, 2015.

Up to \$2,500,000 the first year is from the general fund to the commissioner for a grant to the city of Paynesville to add a treatment process to a water treatment plant for removal of volatile organic compounds. This is a onetime appropriation. This appropriation is effective December 1, 2015.

\$743,000 the second year is transferred from the general fund to the dry cleaner environmental response and reimbursement account in the remediation fund for the purpose of remediating land contaminated by a release from a dry cleaning facility, as provided under Minnesota Statutes, section 115B.50, if legislation is enacted in the 2016 legislative session to address the insolvency of the dry cleaner environmental response and reimbursement account. The commissioner shall prioritize expenditures from this transfer to address contaminated sites that pose the greatest risk to public health or welfare or to the environment, as established in Minnesota Statutes, section 115B.17, subdivision 13. This is a onetime transfer. The commissioner shall reimburse only a person who otherwise would not be responsible for a release or threatened release under Minnesota Statutes, section 115B.03, for all but \$10,000 of the environmental response costs incurred by the person if the commissioner determines that the costs are reasonable and were actually incurred. To be eligible for reimbursement from this transfer, a person seeking reimbursement must make a request to the commissioner, as required under Minnesota Statutes, section 115B.50, subdivision 2, on or before the day following final enactment of this act.

<u>Subd. 5. Environmental Assistance and Cross-Media</u>	<u>31,391,000</u>	<u>31,032,000</u>
<u>Appropriations by Fund</u>		
	<u>2016</u>	<u>2017</u>
<u>Environmental</u>	<u>28,803,000</u>	<u>28,932,000</u>
<u>General</u>	<u>2,588,000</u>	<u>2,100,000</u>

\$17,250,000 the first year and \$17,250,000 the second year are from the environmental fund for SCORE block grants to counties.

\$119,000 the first year and \$119,000 the second year are from the environmental fund for environmental assistance grants or loans under Minnesota Statutes, section 115A.0716. Any unencumbered grant and loan balances in the first year do not cancel but are available for grants and loans in the second year.

\$90,000 the first year and \$90,000 the second year are from the environmental fund for duties related to harmful chemicals in products under Minnesota Statutes, sections 116.9401 to 116.9407. Of this amount, \$57,000 each year is transferred to the commissioner of health.

\$203,000 the first year and \$207,000 the second year are from the environmental fund for the costs of implementing general operating permits for feedlots over 1,000 animal units.

\$315,000 the first year and \$319,000 the second year are from the general fund and \$192,000 the first year and \$192,000 the second year are from the environmental fund for Environmental Quality Board operations and support.

\$50,000 the first year and \$50,000 the second year are from the environmental fund for transfer to the Office of Administrative Hearings to establish sanitary districts.

\$502,000 the first year and \$503,000 the second year are from the general fund for the Environmental Quality Board to lead an interagency team to provide technical assistance regarding the mining, processing, and transporting of silica sand. Of this amount, up to \$75,000 each year may be transferred to the commissioner of natural resources to review the implementation of the rules adopted by the commissioner pursuant to Laws 2013, chapter 114, article 4, section 105, paragraph (b), pertaining to the reclamation of silica sand mines, to ensure that local government reclamation programs are implemented in a manner consistent with the rules.

\$500,000 the first year from the general fund is a onetime appropriation to the Environmental Quality Board for activities to streamline the environmental review process.

\$450,000 the first year and \$450,000 the second year are from the environmental fund to develop and maintain systems to support permitting and regulatory business processes and agency data. This is a onetime appropriation.

\$1,000,000 the first year and \$1,000,000 the second year are for competitive recycling grants under Minnesota Statutes, section 115A.565. This appropriation is available until June 30, 2018.

\$50,000 the first year and \$50,000 the second year are to acquire and co-locate waste and recycling receptacles, in cooperation with the commissioner of administration, at the State Office Building. Any remaining funds may be used for these purposes at other facilities within the Capitol complex. This is a onetime appropriation.

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

Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered on or before June 30, 2017, as contracts or grants for surface water and groundwater assessments; environmental assistance awarded under Minnesota Statutes, section 115A.0716; technical and research assistance under Minnesota Statutes, section 115A.152; technical assistance under Minnesota Statutes, section 115A.52; and pollution prevention assistance under Minnesota Statutes, section 115D.04, are available until June 30, 2019.

Subd. 6. Transfers

By June 30, 2016, the commissioner of management and budget shall transfer \$58,215,000 from the closed landfill investment fund to the general fund.

The commissioner of the Pollution Control Agency shall transfer \$8,100,000 in fiscal year 2016 from the metropolitan landfill contingency action trust account in Minnesota Statutes, section 473.845, to the commissioner of management and budget for cancellation to the general fund.

Subd. 7. Remediation Fund

The commissioner shall transfer up to \$42,000,000 from the environmental fund to the remediation fund for the purposes of the remediation fund under Minnesota Statutes, section 116.155, subdivision 2.

Sec. 3. NATURAL RESOURCES

Subdivision 1. Total Appropriation	\$	<u>263,944,000</u>	\$	<u>261,979,000</u>
<u>Appropriations by Fund</u>				
		<u>2016</u>		<u>2017</u>
General		<u>75,331,000</u>		<u>74,062,000</u>
Natural Resources		<u>84,927,000</u>		<u>85,603,000</u>
Game and Fish		<u>102,386,000</u>		<u>102,014,000</u>
Remediation		<u>1,100,000</u>		<u>100,000</u>
Permanent School		<u>200,000</u>		<u>200,000</u>

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. Land and Mineral Resources Management		<u>6,461,000</u>		<u>5,521,000</u>
<u>Appropriations by Fund</u>				
		<u>2016</u>		<u>2017</u>
General		<u>1,585,000</u>		<u>1,585,000</u>
Natural Resources		<u>3,332,000</u>		<u>3,392,000</u>
Game and Fish		<u>344,000</u>		<u>344,000</u>
Remediation		<u>1,000,000</u>		<u>-0-</u>
Permanent School		<u>200,000</u>		<u>200,000</u>

\$68,000 the first year and \$68,000 the second year are for minerals cooperative environmental research, of which \$34,000 the first year and \$34,000 the second year are available only as matched by \$1 of nonstate money for each \$1 of state money. The match may be cash or in-kind.

\$251,000 the first year and \$251,000 the second year are for iron ore cooperative research. Of this amount,

\$200,000 each year is from the minerals management account in the natural resources fund. \$175,000 the first year and \$175,000 the second year are available only as matched by \$1 of nonstate money for each \$1 of state money. The match may be cash or in-kind. Any unencumbered balance from the first year does not cancel and is available in the second year.

\$2,755,000 the first year and \$2,815,000 the second year are from the minerals management account in the natural resources fund for use as provided in Minnesota Statutes, section 93.2236, paragraph (c), for mineral resource management, projects to enhance future mineral income, and projects to promote new mineral resource opportunities.

\$200,000 the first year and \$200,000 the second year are from the state forest suspense account in the permanent school fund to accelerate land exchanges, land sales, and commercial leasing of school trust lands and to identify, evaluate, and lease construction aggregate located on school trust lands. This appropriation is to be used for securing long-term economic return from the school trust lands consistent with fiduciary responsibilities and sound natural resources conservation and management principles.

Notwithstanding Minnesota Statutes, section 115B.20, \$1,000,000 the first year is from the dedicated account within the remediation fund for the purposes of Minnesota Statutes, section 115B.20, subdivision 2, clause (4), to acquire salt lands as described under Minnesota Statutes, section 92.05, within Bear Head Lake State Park. This is a onetime appropriation and is available until June 30, 2018.

Subd. 3. Ecological and Water Resources

32,414,000

32,167,000

Appropriations by Fund

	<u>2016</u>	<u>2017</u>
<u>General</u>	<u>17,526,000</u>	<u>17,110,000</u>
<u>Natural Resources</u>	<u>10,502,000</u>	<u>10,576,000</u>
<u>Game and Fish</u>	<u>4,386,000</u>	<u>4,481,000</u>

\$3,242,000 the first year and \$3,242,000 the second year are from the invasive species account in the natural resources fund and \$3,206,000 the first year and \$3,206,000 the second year are from the general

fund for management, public awareness, assessment and monitoring research, and water access inspection to prevent the spread of invasive species; management of invasive plants in public waters; and management of terrestrial invasive species on state-administered lands.

\$5,000,000 the first year and \$5,000,000 the second year are from the water management account in the natural resources fund for only the purposes specified in Minnesota Statutes, section 103G.27, subdivision 2.

\$124,000 the first year and \$124,000 the second year are for a grant to the Mississippi Headwaters Board for up to 50 percent of the cost of implementing the comprehensive plan for the upper Mississippi within areas under the board's jurisdiction.

\$10,000 the first year and \$10,000 the second year are for payment to the Leech Lake Band of Chippewa Indians to implement the band's portion of the comprehensive plan for the upper Mississippi.

\$264,000 the first year and \$264,000 the second year are for grants for up to 50 percent of the cost of implementation of the Red River mediation agreement.

\$2,018,000 the first year and \$2,018,000 the second year are from the heritage enhancement account in the game and fish fund for only the purposes specified in Minnesota Statutes, section 297A.94, paragraph (e), clause (1).

\$950,000 the first year and \$950,000 the second year are from the nongame wildlife management account in the natural resources fund for the purpose of nongame wildlife management. Notwithstanding Minnesota Statutes, section 290.431, \$100,000 the first year and \$100,000 the second year may be used for nongame wildlife information, education, and promotion.

\$6,000,000 the first year and \$6,000,000 the second year are from the general fund for the following activities:

(1) financial reimbursement and technical support to soil and water conservation districts or other

local units of government for groundwater level monitoring;

(2) surface water monitoring and analysis, including installation of monitoring gauges;

(3) groundwater analysis to assist with water appropriation permitting decisions;

(4) permit application review incorporating surface water and groundwater technical analysis;

(5) precipitation data and analysis to improve the use of irrigation;

(6) information technology, including electronic permitting and integrated data systems; and

(7) compliance and monitoring.

\$10,000 the first year and \$64,000 the second year are to study, in cooperation with the Board of Water and Soil Resources, the feasibility of the state assuming administration of the section 404 permit program of the federal Clean Water Act as required in this act. This is a onetime appropriation.

\$100,000 the first year is to develop cost estimates, in cooperation with the Metropolitan Council, for the augmentation of White Bear Lake with water from the Sucker Lake chain of lakes. The commissioner must submit a report with the cost estimates developed under this paragraph to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over environment and natural resources policy and finance by February 1, 2016. This is a onetime appropriation.

The commissioner of natural resources must create a groundwater model that uses existing data for the Bonanza Valley Groundwater Management Area to describe the current groundwater conditions and characterize the nature and extent of the primary aquifers and the relationship of surface water and groundwater.

\$400,000 the first year is for grants to assist in the construction of flood protection rural and farmstead ring levees in the Red River watershed. Grants may not

exceed 50 percent of the cost of the projects. This is a onetime appropriation and is available until June 30, 2019.

\$75,000 the first year is for a grant to the city of Virginia for erosion control on the northeast side of Silver Lake to protect public and private property and infrastructure. This is a onetime appropriation.

Subd. 4. Forest Management

39,614,000

39,781,000

	<u>Appropriations by Fund</u>	
	<u>2016</u>	<u>2017</u>
<u>General</u>	<u>26,446,000</u>	<u>26,350,000</u>
<u>Natural Resources</u>	<u>11,881,000</u>	<u>12,144,000</u>
<u>Game and Fish</u>	<u>1,287,000</u>	<u>1,287,000</u>

\$7,145,000 the first year and \$7,145,000 the second year are for prevention, presuppression, and suppression costs of emergency firefighting and other costs incurred under Minnesota Statutes, section 88.12. The amount necessary to pay for presuppression and suppression costs during the biennium is appropriated from the general fund.

By January 15 of each year, the commissioner of natural resources shall submit a report to the chairs and ranking minority members of the house and senate committees and divisions having jurisdiction over environment and natural resources finance, identifying all firefighting costs incurred and reimbursements received in the prior fiscal year. These appropriations may not be transferred. Any reimbursement of firefighting expenditures made to the commissioner from any source other than federal mobilizations shall be deposited into the general fund.

\$11,881,000 the first year and \$12,144,000 the second year are from the forest management investment account in the natural resources fund for only the purposes specified in Minnesota Statutes, section 89.039, subdivision 2. The base for fiscal year 2018 and later is \$11,644,000.

\$1,287,000 the first year and \$1,287,000 the second year are from the heritage enhancement account in the game and fish fund to advance ecological classification systems (ECS) scientific management tools

for forest and invasive species management. This appropriation is from revenue deposited in the game and fish fund under Minnesota Statutes, section 297A.94, paragraph (e), clause (1).

\$780,000 the first year and \$780,000 the second year are for the Forest Resources Council for implementation of the Sustainable Forest Resources Act.

\$250,000 the first year and \$250,000 the second year are for the FORIST system.

At least \$500,000 the first year is for forest road maintenance. The commissioner shall use the money to perform needed maintenance on forest roads in conjunction with timber sales.

The commissioner shall contract with a telecommunication provider to place a cell phone transmitter on the ranger tower on Side Lake in St. Louis County.

Subd. 5. Parks and Trails Management

74,064,000

73,650,000

Appropriations by Fund

	<u>2016</u>	<u>2017</u>
General	<u>24,967,000</u>	<u>24,427,000</u>
Natural Resources	<u>46,831,000</u>	<u>46,950,000</u>
Game and Fish	<u>2,266,000</u>	<u>2,273,000</u>

\$1,075,000 the first year and \$1,075,000 the second year are from the water recreation account in the natural resources fund for enhancing public water access facilities.

\$5,740,000 the first year and \$5,740,000 the second year are from the natural resources fund for state trail, park, and recreation area operations. This appropriation is from the revenue deposited in the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (e), clause (2).

\$1,005,000 the first year and \$1,005,000 the second year are from the natural resources fund for park and trail grants to local units of government on land to be maintained for at least 20 years for the purposes of the grants. This appropriation is from the revenue deposited in the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (e), clause (4). Any unencumbered balance does not

cancel at the end of the first year and is available for the second year.

\$8,424,000 the first year and \$8,424,000 the second year are from the snowmobile trails and enforcement account in the natural resources fund for the snowmobile grants-in-aid program. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

\$1,360,000 the first year and \$1,360,000 the second year are from the natural resources fund for the off-highway vehicle grants-in-aid program. Of this amount, \$1,210,000 each year is from the all-terrain vehicle account; and \$150,000 each year is from the off-highway motorcycle account. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

\$75,000 the first year and \$75,000 the second year are from the cross-country ski account in the natural resources fund for grooming and maintaining cross-country ski trails in state parks, trails, and recreation areas.

\$250,000 the first year and \$250,000 the second year are from the state land and water conservation account (LAWCON) in the natural resources fund for priorities established by the commissioner for eligible state projects and administrative and planning activities consistent with Minnesota Statutes, section 84.0264, and the federal Land and Water Conservation Fund Act. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

\$968,000 the first year and \$968,000 the second year are from the off-road vehicle account in the natural resources fund. Of this amount, \$568,000 each year is for parks and trails management for off-road vehicle purposes; \$325,000 each year is for the off-road vehicle grant in aid program; and \$75,000 each year is for a new full-time employee position or contract in northern Minnesota to work in conjunction with the Minnesota Four-Wheel Drive Association to address off-road vehicle touring routes and other issues related to off-road vehicle activities. Of this appropriation, the \$325,000 each year is onetime.

\$65,000 the first year is from the water recreation account in the natural resources fund to cooperate with local units of government in marking routes and designating river accesses and campsites under Minnesota Statutes, section 85.32. This is a onetime appropriation and is available until June 30, 2019.

\$190,000 the first year is for a grant to the city of Virginia for the additional cost of supporting a trail due to the rerouting of U.S. Highway No. 53. This is a onetime appropriation and is available until June 30, 2019.

\$50,000 the first year is for development of a master plan for the Mississippi Blufflands Trail, including work on possible extensions or connections to other state or regional trails. This is a onetime appropriation that is available until June 30, 2017.

\$61,000 from the natural resources fund the first year is for a grant to the city of East Grand Forks for payment under a reciprocity agreement for the Red River State Recreation Area.

\$500,000 the first year is for restoration or replacement of a historic trestle bridge in Blackduck. This is a onetime appropriation and is available until June 30, 2019.

The base for parks and trails operations in the natural resources fund in fiscal year 2018 and thereafter is \$46,450,000.

Subd. 6. Fish and Wildlife Management

71,177,000

71,713,000

Appropriations by Fund

	<u>2016</u>	<u>2017</u>
<u>Natural Resources</u>	<u>1,908,000</u>	<u>1,912,000</u>
<u>Game and Fish</u>	<u>69,269,000</u>	<u>69,801,000</u>

\$8,167,000 the first year and \$8,167,000 the second year are from the heritage enhancement account in the game and fish fund only for activities specified in Minnesota Statutes, section 297A.94, paragraph (e), clause (1). Notwithstanding Minnesota Statutes, section 297A.94, five percent of this appropriation may be used for expanding hunter and angler recruitment and retention.

\$1,000,000 the first year and \$1,000,000 the second year are from the game and fish fund for shooting sports facility grants under Minnesota Statutes, section 87A.10, including grants for archery facilities. Up to \$100,000 each year is available for shooting sports facilities on state lands. Grants must be matched with a nonstate match, which may include in-kind contributions. This is a onetime appropriation and is available until June 30, 2019.

The game and fish fund base for fish and wildlife management in fiscal year 2018 and thereafter is \$65,619,000.

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

Subd. 7. Enforcement

39,344,000

38,377,000

Appropriations by Fund

	<u>2016</u>	<u>2017</u>
<u>General</u>	<u>4,257,000</u>	<u>4,140,000</u>
<u>Natural Resources</u>	<u>10,153,000</u>	<u>10,309,000</u>
<u>Game and Fish</u>	<u>24,834,000</u>	<u>23,828,000</u>
<u>Remediation</u>	<u>100,000</u>	<u>100,000</u>

\$200,000 the first year is from the general fund and \$1,900,000 the first year is from the game and fish fund are for aviation services. This appropriation is onetime.

\$1,718,000 the first year and \$1,718,000 the second year are from the general fund for enforcement efforts to prevent the spread of aquatic invasive species.

\$1,537,000 the first year and \$1,580,000 the second year are from the heritage enhancement account in the game and fish fund for only the purposes specified in Minnesota Statutes, section 297A.94, paragraph (e), clause (1).

\$1,082,000 the first year and \$1,082,000 the second year are from the water recreation account in the natural resources fund for grants to counties for boat and water safety. Any unencumbered balance does not

cancel at the end of the first year and is available for the second year.

\$315,000 the first year and \$315,000 the second year are from the snowmobile trails and enforcement account in the natural resources fund for grants to local law enforcement agencies for snowmobile enforcement activities. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

\$250,000 the first year and \$250,000 the second year are from the all-terrain vehicle account for grants to qualifying organizations to assist in safety and environmental education and monitoring trails on public lands under Minnesota Statutes, section 84.9011. Grants issued under this paragraph must be issued through a formal agreement with the organization. By December 15 each year, an organization receiving a grant under this paragraph shall report to the commissioner with details on expenditures and outcomes from the grant. Of this appropriation, \$25,000 each year is for administration of these grants. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

\$510,000 the first year and \$510,000 the second year are from the natural resources fund for grants to county law enforcement agencies for off-highway vehicle enforcement and public education activities based on off-highway vehicle use in the county. Of this amount, \$498,000 each year is from the all-terrain vehicle account; \$11,000 each year is from the off-highway motorcycle account; and \$1,000 each year is from the off-road vehicle account. The county enforcement agencies may use money received under this appropriation to make grants to other local enforcement agencies within the county that have a high concentration of off-highway vehicle use. Of this appropriation, \$25,000 each year is for administration of these grants. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

Subd. 8. Operations Support

870,000

770,000

Appropriations by Fund

2016

2017

<u>General</u>	<u>550,000</u>	<u>450,000</u>
<u>Natural Resources</u>	<u>320,000</u>	<u>320,000</u>

\$320,000 the first year and \$320,000 the second year are from the natural resources fund for grants to be divided equally between the city of St. Paul for the Como Park Zoo and Conservatory and the city of Duluth for the Duluth Zoo. This appropriation is from the revenue deposited to the fund under Minnesota Statutes, section 297A.94, paragraph (e), clause (5).

\$300,000 the first year and \$450,000 the second year are for legal costs related to water management. This is a onetime appropriation and is available until June 30, 2018.

With money appropriated in this section, the commissioner shall give preference to call centers located in Minnesota.

Subd. 9. Cancellation

The general fund appropriation of \$1,000,000 in Laws 2014, chapter 312, article 12, section 6, subdivision 2, is canceled on July 1, 2015.

Sec. 4. BOARD OF WATER AND SOIL RESOURCES

\$ 13,237,000 \$ 13,415,000

\$3,423,000 the first year and \$3,423,000 the second year are for natural resources block grants to local governments. Grants must be matched with a combination of local cash or in-kind contributions. The base grant portion related to water planning must be matched by an amount as specified by Minnesota Statutes, section 103B.3369. The board may reduce the amount of the natural resources block grant to a county by an amount equal to any reduction in the county's general services allocation to a soil and water conservation district from the county's previous year allocation when the board determines that the reduction was disproportionate.

\$3,116,000 the first year and \$3,116,000 the second year are for grants to soil and water conservation districts for general purposes, nonpoint engineering, and implementation of the reinvest in Minnesota reserve program. Expenditures may be made from

these appropriations for supplies and services benefiting soil and water conservation districts. Any district receiving a grant under this paragraph shall maintain a Web page that publishes, at a minimum, its annual report, annual audit, annual budget, and meeting notices.

\$1,560,000 the first year and \$1,560,000 the second year are for the following cost-share programs:

(1) \$260,000 each year is for feedlot water quality grants for feedlots under 300 animal units and nutrient and manure management projects in watersheds where there are impaired waters;

(2) \$1,200,000 each year is for soil and water conservation district cost-sharing contracts for perennially vegetated riparian buffers, erosion control, water retention and treatment, and other high-priority conservation practices; and

(3) \$100,000 each year is for county cooperative weed management programs and to restore native plants in selected invasive species management sites.

\$800,000 the first year and \$750,000 the second year are for implementation, enforcement, and oversight of the Wetland Conservation Act, including administration of the wetland banking program and in-lieu fee mechanism. The base for fiscal year 2018 and later is \$761,000.

\$166,000 the first year and \$166,000 the second year are to provide technical assistance to local drainage management officials and for the costs of the Drainage Work Group.

\$100,000 the first year and \$100,000 the second year are for a grant to the Red River Basin Commission for water quality and floodplain management, including administration of programs. This appropriation must be matched by nonstate funds. If the appropriation in either year is insufficient, the appropriation in the other year is available for it.

\$140,000 the first year and \$140,000 the second year are for grants to Area II Minnesota River Basin Projects for floodplain management.

\$8,000 the first year and \$262,000 the second year are to study, in cooperation with the commissioner of natural resources, the feasibility of the state assuming administration of the section 404 permit program of the federal Clean Water Act as required in this act. This is a onetime appropriation.

Notwithstanding Minnesota Statutes, section 103C.501, the board may shift cost-share funds in this section and may adjust the technical and administrative assistance portion of the grant funds to leverage federal or other nonstate funds or to address high-priority needs identified in local water management plans or comprehensive water management plans.

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

The base for the board in fiscal year 2018 and thereafter is increased by \$11,000,000 for grants to soil and water conservation districts to implement buffer requirements.

Sec. 5. <u>METROPOLITAN COUNCIL</u>	\$	<u>8,740,000</u>	\$	<u>8,740,000</u>
<u>Appropriations by Fund</u>				
		<u>2016</u>		<u>2017</u>
<u>General</u>		<u>3,070,000</u>		<u>3,070,000</u>
<u>Natural Resources</u>		<u>5,670,000</u>		<u>5,670,000</u>

\$2,870,000 the first year and \$2,870,000 the second year are for metropolitan area regional parks operation and maintenance according to Minnesota Statutes, section 473.351.

\$5,670,000 the first year and \$5,670,000 the second year are from the natural resources fund for metropolitan area regional parks and trails maintenance and operations. This appropriation is from the revenue deposited in the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (e), clause (3).

\$200,000 the first year and \$200,000 the second year are for the Metropolitan Area Water Supply Policy Advisory Committee study and the Metropolitan

Area Water Supply Technical Advisory Committee required under Minnesota Statutes, section 473.1565. This is a onetime appropriation.

Sec. 6. **CONSERVATION CORPS MINNESOTA** \$ 945,000 \$ 945,000

Appropriations by Fund

	<u>2016</u>	<u>2017</u>
<u>General</u>	<u>455,000</u>	<u>455,000</u>
<u>Natural Resources</u>	<u>490,000</u>	<u>490,000</u>

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

Sec. 7. **ZOOLOGICAL BOARD** \$ 8,410,000 \$ 8,410,000

Appropriations by Fund

	<u>2016</u>	<u>2017</u>
<u>General</u>	<u>8,250,000</u>	<u>8,250,000</u>
<u>Natural Resources</u>	<u>160,000</u>	<u>160,000</u>

\$160,000 the first year and \$160,000 the second year are from the natural resources fund from the revenue deposited under Minnesota Statutes, section 297A.94, paragraph (e), clause (5).

Sec. 8. **SCIENCE MUSEUM** \$ 1,079,000 \$ 1,079,000

Sec. 9. **ADMINISTRATION** \$ 300,000 \$ 300,000

\$300,000 the first year and \$300,000 the second year are from the state forest suspense account in the permanent school fund for the school trust lands director to accelerate land exchanges, land sales, and commercial leasing of school trust lands and to identify, evaluate, and lease construction aggregate located on school trust lands. This appropriation is to be used for securing long-term economic return from the school trust lands consistent with fiduciary responsibilities and sound natural resources conservation and management principles.

Sec. 10. Laws 2010, chapter 215, article 3, section 5, subdivision 4, is amended to read:

Subd. 4. Returned Grants

Beginning July 1, 2010, all returned grant money originating from general fund grant programs will

be deposited into individual accounts in the special revenue fund and held for eventual transfer back to the general fund. On December 15, 2010, and on December 15 of each year thereafter, \$310,000 of the receipts in this special revenue fund will be transferred to the general fund. If less than \$310,000 is available on the transfer date, an additional transfer on June 15 sufficient to make the \$310,000 annual obligation will be made may be used for the purposes of Minnesota Statutes, section 103B.102, for grants to local governments as authorized in Minnesota Statutes, section 103B.3369, or to cover onetime costs for implementation of natural resources block grant funded programs, including the Wetland Conservation Act, wetland banking, shoreland management, and local water management programs.

Sec. 11. Laws 2014, chapter 312, article 12, section 6, subdivision 5, is amended to read:

**Subd. 5. Fish and Wildlife
Management**

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2,412,000

\$3,000 in 2015 is from the heritage enhancement account in the game and fish fund for a report on aquatic plant management permitting policies for the management of narrow-leaved and hybrid cattail in a range of basin types across the state. The report shall be submitted to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over environment and natural resources by December 15, 2014, and include recommendations for any necessary changes in statutes, rules, or permitting procedures. This is a onetime appropriation.

\$9,000 in 2015 is from the game and fish fund for the commissioner, in consultation with interested parties, agencies, and other states, to develop a detailed restoration plan to recover the historical native population of bobwhite quail in Minnesota for its ecological and recreational benefits to the citizens of the state. The commissioner shall conduct public meetings in developing the plan. No later than January 15, 2015, the commissioner must report on the plan's progress to the legislative committees with jurisdiction over environment and natural resources policy and finance. This is a onetime appropriation.

\$2,000,000 in 2015 is from the game and fish fund for shooting sports facility grants under Minnesota Statutes, section 87A.10. The commissioner may spend up to \$50,000 of this appropriation to administer the grant. This is a onetime appropriation and is available until June 30, 2017.

\$400,000 in 2015 is from the heritage enhancement account in the game and fish fund for hunter and angler recruitment and retention activities and grants to local chapters of Let's Go Fishing of Minnesota to provide community outreach to senior citizens, youth, and veterans and for the costs associated with establishing and recruiting new chapters. The grants must be matched with cash or in-kind contributions from nonstate sources. Of this amount, \$25,000 is for Asian Outdoor Heritage for youth fishing recruitment efforts and outreach in the metropolitan area. The commissioner shall establish a grant application process that includes a standard for ownership of equipment purchased under the grant program and contract requirements that cover the disposition of purchased equipment if the grantee no longer exists. Any equipment purchased with state grant money must be specified on the grant application and approved by the commissioner. The commissioner may spend up to three percent of the appropriation to administer the grant. This is a onetime appropriation and is available until June 30, 2016.

Sec. 12. **REPEALER.**

Laws 2010, chapter 215, article 3, section 3, subdivision 6, as amended by Laws 2010, First Special Session chapter 1, article 6, section 6, Laws 2013, chapter 114, article 3, section 9, is repealed.

ARTICLE 4

ENVIRONMENT AND NATURAL RESOURCES STATUTORY CHANGES

Section 1. Minnesota Statutes 2014, section 16A.152, subdivision 1b, is amended to read:

Subd. 1b. **Budget reserve level.** (a) The commissioner of management and budget shall calculate the budget reserve level by multiplying the current biennium's general fund nondedicated revenues and the most recent budget reserve percentage under subdivision 8.

(b) If, on the basis of a November forecast of general fund revenues and expenditures, the commissioner of management and budget determines that there will be a positive unrestricted general fund balance at the close of the biennium and that the provisions of subdivision 2, clauses (1), (2), (3), ~~and (4)~~, (5), and (6)

are satisfied, the commissioner shall transfer to the budget reserve account in the general fund the amount necessary to increase the budget reserve to the budget reserve level determined under paragraph (a). The amount of the transfer authorized in this paragraph shall not exceed 33 percent of the positive unrestricted general fund balance determined in the forecast.

Sec. 2. Minnesota Statutes 2014, section 16A.152, subdivision 2, is amended to read:

Subd. 2. **Additional revenues; priority.** (a) If on the basis of a forecast of general fund revenues and expenditures, the commissioner of management and budget determines that there will be a positive unrestricted budgetary general fund balance at the close of the biennium, the commissioner of management and budget must allocate money to the following accounts and purposes in priority order:

(1) the cash flow account established in subdivision 1 until that account reaches \$350,000,000;

(2) the budget reserve account established in subdivision 1a until that account reaches \$810,992,000;

(3) the amount necessary to increase the aid payment schedule for school district aids and credits payments in section 127A.45 to not more than 90 percent rounded to the nearest tenth of a percent without exceeding the amount available and with any remaining funds deposited in the budget reserve; and

(4) the amount necessary to restore all or a portion of the net aid reductions under section 127A.441 and to reduce the property tax revenue recognition shift under section 123B.75, subdivision 5, by the same amount;

(5) the closed landfill investment fund established in section 115B.421 until \$63,215,000 has been transferred into the account. This clause expires after the entire amount of the transfer has been made; and

(6) the metropolitan landfill contingency action trust account established in section 473.845 until \$8,100,000 has been transferred into the account. This clause expires after the entire amount of the transfer has been made.

(b) The amounts necessary to meet the requirements of this section are appropriated from the general fund within two weeks after the forecast is released or, in the case of transfers under paragraph (a), clauses (3) and (4), as necessary to meet the appropriations schedules otherwise established in statute.

(c) The commissioner of management and budget shall certify the total dollar amount of the reductions under paragraph (a), clauses (3) and (4), to the commissioner of education. The commissioner of education shall increase the aid payment percentage and reduce the property tax shift percentage by these amounts and apply those reductions to the current fiscal year and thereafter.

Sec. 3. Minnesota Statutes 2014, section 16C.073, subdivision 2, is amended to read:

Subd. 2. **Purchases; printing.** (a) Whenever practicable, a public entity shall:

(1) purchase uncoated copy paper, office paper, and printing paper;

(2) purchase recycled content copy paper with at least ~~ten~~ 30 percent postconsumer material by weight and purchase printing and office paper with at least ~~ten~~ percent postconsumer material by weight;

(3) purchase copy, office, and printing paper which has not been dyed with colors, excluding pastel colors;

(4) purchase recycled content copy, office, and printing paper that is manufactured using little or no chlorine bleach or chlorine derivatives;

~~(5) use no more than two colored inks, standard or processed, except in formats where they are necessary to convey meaning;~~

~~(6) (5) use reusable binding materials or staples and bind documents by methods that do not use glue;~~

~~(7) (6) use soy-based inks;~~

~~(8) (7) produce reports, publications, and periodicals that are readily recyclable within the state resource recovery program; and~~

~~(9) (8) purchase paper which has been made on a paper machine located in Minnesota.~~

(b) Paragraph (a), clause (1), does not apply to coated paper that is made with at least 50 percent post-consumer material.

(c) A public entity shall print documents on both sides of the paper where commonly accepted publishing practices allow.

~~(d) Notwithstanding paragraph (a), clause (2), and section 16C.0725, copier paper purchased by a state agency must contain at least ten percent postconsumer material by fiber content.~~

Sec. 4. Minnesota Statutes 2014, section 84.415, subdivision 7, is amended to read:

Subd. 7. ~~Existing road right-of-way; Application fee exemption.~~ **Application fee exemption.** (a) A utility license for crossing public lands or public waters is exempt from all application fees specified in this section and in rules adopted under this section ~~when the utility crossing is on an existing right-of-way of a public road.~~

(b) This subdivision does not apply to electric power lines, cables, or conduits 100 kilovolts or greater or to main pipelines for gas, liquids, or solids in suspension.

EFFECTIVE DATE. This section is effective retroactively from July 1, 2014, and does not authorize the retroactive collection of fees.

Sec. 5. **[84.69] NATURAL RESOURCES CONSERVATION EASEMENT STEWARDSHIP ACCOUNT.**

Subdivision 1. **Account established; sources.** The natural resources conservation easement stewardship account is created in the special revenue fund. The account consists of money credited to the account and interest and other earnings on money in the account. The State Board of Investment must manage the account to maximize long-term gain. The following revenue must be deposited in the natural resources conservation easement stewardship account:

(1) contributions to the account or specified for any purpose of the account;

(2) contributions under subdivision 3; section 84.66, subdivision 11; or other applicable law;

(3) money appropriated for any of the purposes described in subdivision 2;

(4) money appropriated for monitoring and enforcement of easements and earnings on the money appropriated that revert to the state under section 97A.056, subdivision 17, or other applicable law; and

(5) gifts under section 84.085 for conservation easement stewardship.

Subd. 2. Appropriation; purposes of account. Five percent of the balance on July 1 of each year in the natural resources conservation easement stewardship account is annually appropriated to the commissioner of natural resources and may be spent only to cover the costs of managing conservation easements held by the Department of Natural Resources, including costs associated with monitoring, landowner contacts, records storage and management, processing landowner notices, requests for approval or amendments, enforcement, and legal services associated with conservation easement management activities.

Subd. 3. Financial contributions. The commissioner shall seek a financial contribution to the natural resources conservation easement stewardship account for each conservation easement acquired by or assigned to the Department of Natural Resources. Unless otherwise provided by law, the commissioner shall determine the amount of the contribution, which must be an amount calculated to earn sufficient money to meet the costs of managing the conservation easement at a level that neither significantly overrecovers nor underrecovers the costs. In determining the amount of the financial contribution, the commissioner shall consider:

(1) the estimated annual staff hours needed to manage the conservation easement, taking into consideration factors such as easement type, size, location, and complexity;

(2) the average hourly wages for the class or classes of employees expected to manage the conservation easement;

(3) the estimated annual travel expenses to manage the conservation easement;

(4) the estimated annual miscellaneous costs to manage the conservation easement, including supplies and equipment, information technology support, and aerial flyovers;

(5) the estimated annualized cost of legal services, including the cost to enforce the easement in the event of a violation; and

(6) the expected rate of return on investments in the account.

EFFECTIVE DATE. Subdivisions 1 and 2 of this section are effective the day following final enactment. Subdivision 3 of this section is effective for conservation easements acquired with money appropriated on or after July 1, 2015, and for acquisitions of conservation easements by gift that are initiated on or after July 1, 2015.

Sec. 6. Minnesota Statutes 2014, section 84.788, subdivision 5, is amended to read:

Subd. 5. Report of ownership transfers; fee. ~~A person who sells or transfers~~ (a) Application for transfer of ownership of an off-highway motorcycle registered under this section shall report the sale or transfer must be made to the commissioner within 15 days of the date of transfer.

(b) An application for transfer must be executed by the registered owner and the buyer on a form prescribed by the commissioner with the owner's registration certificate, purchaser using a bill of sale, and a \$4 fee that includes the vehicle serial number.

(c) The purchaser is subject to the penalties imposed by section 84.774 if the purchaser fails to apply for transfer of ownership as provided under this subdivision.

EFFECTIVE DATE. This section is effective January 1, 2016.

Sec. 7. Minnesota Statutes 2014, section 84.788, is amended by adding a subdivision to read:

Subd. 5a. Report of registration transfers. (a) Application for transfer of registration under this section must be made to the commissioner within 15 days of the date of transfer.

(b) An application for transfer must be executed by the registered owner and the purchaser using a bill of sale that includes the vehicle serial number.

(c) The purchaser is subject to the penalties imposed by section 84.774 if the purchaser fails to apply for transfer of registration as provided under this subdivision.

EFFECTIVE DATE. This section is effective January 1, 2016.

Sec. 8. **[84.8031] GRANT-IN-AID APPLICATIONS; REVIEW PERIOD.**

The commissioner must review an off-road vehicle grant-in-aid application and, if approved, commence public review of the application within 60 days after the completed application has been locally approved and submitted to an area parks and trails office. If the commissioner fails to approve or deny the application within 60 days after submission, the application is deemed approved and the commissioner must provide for a 30-day public review period.

Sec. 9. Minnesota Statutes 2014, section 84.82, subdivision 2a, is amended to read:

Subd. 2a. **Nontrail use registration.** A snowmobile may be registered for nontrail use. A snowmobile registered under this subdivision may not be operated on a state or grant-in-aid snowmobile trail. The fee for a nontrail use registration of a snowmobile with an engine displacement that is greater than 125 cubic centimeters is \$45 for three years. A nontrail use registration is not transferable. In addition to other penalties prescribed by law, the penalty for violation of this subdivision is immediate revocation of the nontrail use registration. The commissioner shall ensure that the registration sticker provided for limited nontrail use is of a different color and is distinguishable from other snowmobile registration and state trail stickers provided.

Sec. 10. Minnesota Statutes 2014, section 84.82, subdivision 6, is amended to read:

Subd. 6. **Exemptions.** Registration is not required under this section for:

(1) a snowmobile owned and used by the United States, an Indian tribal government, another state, or a political subdivision thereof;

(2) a snowmobile registered in a country other than the United States temporarily used within this state;

(3) a snowmobile that is covered by a valid license of another state and has not been within this state for more than 30 consecutive days or that is registered by an Indian tribal government to a tribal member and has not been outside the tribal reservation boundary for more than 30 consecutive days;

(4) a snowmobile used exclusively in organized track racing events;

(5) a snowmobile in transit by a manufacturer, distributor, or dealer;

(6) a snowmobile at least 15 years old in transit by an individual for use only on land owned or leased by the individual; or

(7) a snowmobile while being used to groom a state or grant-in-aid trail; or

(8) a snowmobile with an engine displacement that is 125 cubic centimeters or less and the snowmobile is not operated on a state or grant-in-aid trail.

Sec. 11. Minnesota Statutes 2014, section 84.84, is amended to read:

84.84 TRANSFER OR TERMINATION OF SNOWMOBILE OWNERSHIP.

(a) Within 15 days after the transfer of ownership, or any part thereof, other than a security interest, or the destruction or abandonment of any snowmobile, written notice thereof of the transfer or destruction or abandonment shall be given to the commissioner in such form as the commissioner shall prescribe.

(b) An application for transfer must be executed by the registered owner and the purchaser using a bill of sale that includes the vehicle serial number.

(c) The purchaser is subject to the penalties imposed by section 84.88 if the purchaser fails to apply for transfer of ownership as provided under this subdivision. Every owner or part owner of a snowmobile shall, upon failure to give such notice of destruction or abandonment, be subject to the penalties imposed by Laws 1967, chapter 876 section 84.88.

EFFECTIVE DATE. This section is effective July 1, 2016.

Sec. 12. Minnesota Statutes 2014, section 84.92, subdivision 8, is amended to read:

Subd. 8. **All-terrain vehicle or vehicle.** "All-terrain vehicle" or "vehicle" means a motorized vehicle of with: (1) not less than three, but not more than six low pressure or non-pneumatic tires, that is limited in engine displacement of less than 1,000 cubic centimeters and; (2) a total dry weight of 2,000 pounds or less; and (3) a total width from outside of tire rim to outside of tire rim that is 65 inches or less. All-terrain vehicle includes a class 1 all-terrain vehicle and class 2 all-terrain vehicle. All-terrain vehicle does not include a golf cart, mini-truck, dune buggy, or go-cart or a vehicle designed and used specifically for lawn maintenance, agriculture, logging, or mining purposes.

Sec. 13. Minnesota Statutes 2014, section 84.92, subdivision 9, is amended to read:

Subd. 9. **Class 1 all-terrain vehicle.** "Class 1 all-terrain vehicle" means an all-terrain vehicle that has a total dry weight of less than 1,200 pounds width from outside of tire rim to outside of tire rim that is 50 inches or less.

Sec. 14. Minnesota Statutes 2014, section 84.92, subdivision 10, is amended to read:

Subd. 10. **Class 2 all-terrain vehicle.** "Class 2 all-terrain vehicle" means an all-terrain vehicle that has a total dry weight of 1,200 to 1,800 pounds width from outside of tire rim to outside of tire rim that is greater than 50 inches but not more than 65 inches.

Sec. 15. Minnesota Statutes 2014, section 84.922, subdivision 4, is amended to read:

Subd. 4. **Report of transfers.** ~~A person who sells or transfers ownership of a vehicle registered under this section shall report the sale or~~ (a) Application for transfer of ownership must be made to the commissioner within 15 days of the date of transfer.

~~(b) An application for transfer must be executed by the registered owner and the purchaser on a form prescribed by the commissioner with the owner's registration certificate, using a bill of sale and a \$4 fee that includes the vehicle serial number.~~

~~(c) The purchaser is subject to the penalties imposed by section 84.774 if the purchaser fails to apply for transfer of ownership as provided under this subdivision.~~

EFFECTIVE DATE. This section is effective January 1, 2016.

Sec. 16. Minnesota Statutes 2014, section 84.925, subdivision 5, is amended to read:

Subd. 5. **Training requirements.** (a) An individual who was born after July 1, 1987, and who is 16 years of age or older, must successfully complete the independent study course component of all-terrain vehicle safety training before operating an all-terrain vehicle on public lands or waters, public road rights-of-way, or state or grant-in-aid trails.

(b) An individual who is convicted of violating a law related to the operation of an all-terrain vehicle must successfully complete the independent study course component of all-terrain vehicle safety training before continuing operation of an all-terrain vehicle.

(c) An individual who is convicted for a second or subsequent excess speed, trespass, or wetland violation in an all-terrain vehicle season, or any conviction for careless or reckless operation of an all-terrain vehicle, must successfully complete the independent study and the testing and operating course components of all-terrain vehicle safety training before continuing operation of an all-terrain vehicle.

(d) An individual who receives three or more citations and convictions for violating a law related to the operation of an all-terrain vehicle in a two-year period must successfully complete the independent study and the testing and operating course components of all-terrain vehicle safety training before continuing operation of an all-terrain vehicle.

(e) An individual must present evidence of compliance with this subdivision before an all-terrain vehicle registration is issued or renewed. A person may use the following as evidence of meeting all-terrain vehicle safety certificate requirements:

(1) a valid all-terrain vehicle safety certificate issued by the commissioner;

(2) a driver's license that has a valid all-terrain vehicle safety certificate indicator issued under section 171.07, subdivision 18; or

(3) an identification card that has a valid all-terrain vehicle safety certificate indicator issued under section 171.07, subdivision 18.

EFFECTIVE DATE. This section is effective January 1, 2016, or the date the new driver and vehicle services information technology system is implemented, whichever comes later.

Sec. 17. Minnesota Statutes 2014, section 84.9256, subdivision 1, is amended to read:

Subdivision 1. **Prohibitions on youthful operators.** (a) Except for operation on public road rights-of-way that is permitted under section 84.928 and as provided under paragraph (j), a driver's license issued by the state or another state is required to operate an all-terrain vehicle along or on a public road right-of-way.

(b) A person under 12 years of age shall not:

(1) make a direct crossing of a public road right-of-way;

(2) operate an all-terrain vehicle on a public road right-of-way in the state; or

(3) operate an all-terrain vehicle on public lands or waters, except as provided in paragraph (f).

(c) Except for public road rights-of-way of interstate highways, a person 12 years of age but less than 16 years may make a direct crossing of a public road right-of-way of a trunk, county state-aid, or county highway or operate on public lands and waters or state or grant-in-aid trails, only if that person possesses a valid all-terrain vehicle safety certificate issued by the commissioner and is accompanied by a person 18 years of age or older who holds a valid driver's license.

(d) To be issued an all-terrain vehicle safety certificate, a person at least 12 years old, but less than 16 years old, must:

(1) successfully complete the safety education and training program under section 84.925, subdivision 1, including a riding component; and

(2) be able to properly reach and control the handle bars and reach the foot pegs while sitting upright on the seat of the all-terrain vehicle.

(e) A person at least 11 years of age may take the safety education and training program and may receive an all-terrain vehicle safety certificate under paragraph (d), but the certificate is not valid until the person reaches age 12.

(f) A person at least ten years of age but under 12 years of age may operate an all-terrain vehicle with an engine capacity up to 90cc on public lands or waters if accompanied by a parent or legal guardian.

(g) A person under 15 years of age shall not operate a class 2 all-terrain vehicle.

(h) A person under the age of 16 may not operate an all-terrain vehicle on public lands or waters or on state or grant-in-aid trails if the person cannot properly reach and control the handle bars and reach the foot pegs while sitting upright on the seat of the all-terrain vehicle.

(i) Notwithstanding paragraph (c), a nonresident at least 12 years old, but less than 16 years old, may make a direct crossing of a public road right-of-way of a trunk, county state-aid, or county highway or operate an all-terrain vehicle on public lands and waters or state or grant-in-aid trails if:

(1) the nonresident youth has in possession evidence of completing an all-terrain safety course offered by the ATV Safety Institute or another state as provided in section 84.925, subdivision 3; and

(2) the nonresident youth is accompanied by a person 18 years of age or older who holds a valid driver's license.

(j) A person 12 years of age but less than 16 years of age may operate an all-terrain vehicle on the roadway, bank, slope, or ditch of a public road right-of-way as permitted under section 84.928 if the person:

- (1) possesses a valid all-terrain vehicle safety certificate issued by the commissioner; and
- (2) is accompanied by a parent or legal guardian on a separate all-terrain vehicle.

Sec. 18. Minnesota Statutes 2014, section 84.928, subdivision 1, is amended to read:

Subdivision 1. **Operation on roads and rights-of-way.** (a) Unless otherwise allowed in sections 84.92 to 84.928 or by local ordinance under paragraph (k), a person shall not operate an all-terrain vehicle in this state along or on the roadway, shoulder, or inside bank or slope of a public road right-of-way of a trunk, county state-aid, or county highway.

(b) A person may operate a class 1 all-terrain vehicle in the ditch or the outside bank or slope of a trunk, county state-aid, or county highway unless prohibited under paragraph (d) or (f).

(c) A person may operate a class 1 all-terrain vehicle designed by the manufacturer for off-road use to be driven by a steering wheel and equipped with operator and passenger seat belts and a roll-over protective structure or a class 2 all-terrain vehicle:

(1) within the public road right-of-way of a county state-aid or county highway on the right shoulder or the extreme right-hand side of the road and left turns may be made from any part of the road if it is safe to do so under the prevailing conditions, unless prohibited under paragraph (d) or (f);

(2) on the bank, slope, or ditch of a public road right-of-way of a trunk, county state-aid, or county highway but only to access businesses or make trail connections, and left turns may be made from any part of the road if it is safe to do so under the prevailing conditions, unless prohibited under paragraph (d) or (f); and

(3) on the bank or ditch of a public road right-of-way on a designated class 2 all-terrain vehicle trail.

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

(e) The restrictions in paragraphs (a), (d), (h), (i), and (j) do not apply to the operation of an all-terrain vehicle on the shoulder, inside bank or slope, ditch, or outside bank or slope of a trunk, interstate, county state-aid, or county highway:

(1) that is part of a funded grant-in-aid trail; or

(2) when the all-terrain vehicle is owned by or operated under contract with:

(i) a road authority as defined under section 160.02, subdivision 25; or

(ii) a publicly or privately owned utility or pipeline company and used for work on utilities or pipelines.

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

(1) degradation of vegetation on adjacent public property;

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

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

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

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

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

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

(k) A county, city, or town, acting through its governing body, may by ordinance allow a person to operate an all-terrain vehicle on a public road or street under its jurisdiction to access businesses and residences and to make trail connections.

EFFECTIVE DATE. The amendments to paragraph (e) of this section are effective the day following final enactment.

Sec. 19. Minnesota Statutes 2014, section 84D.01, is amended by adding a subdivision to read:

Subd. 1a. **Aquatic invasive species affirmation.** "Aquatic invasive species affirmation" means an affirmation of the summary of the aquatic invasive species laws of this chapter that is part of watercraft licenses and nonresident fishing licenses, as provided in section 84D.106.

EFFECTIVE DATE. This section is effective January 1, 2016.

Sec. 20. Minnesota Statutes 2014, section 84D.01, subdivision 13, is amended to read:

Subd. 13. **Prohibited invasive species.** "Prohibited invasive species" means a nonnative species that has been listed designated as a prohibited invasive species in a rule adopted by the commissioner under section 84D.12.

Sec. 21. Minnesota Statutes 2014, section 84D.01, subdivision 15, is amended to read:

Subd. 15. **Regulated invasive species.** "Regulated invasive species" means a nonnative species that has been ~~listed~~ designated as a regulated invasive species in a rule adopted by the commissioner under section 84D.12.

Sec. 22. Minnesota Statutes 2014, section 84D.01, subdivision 17, is amended to read:

Subd. 17. **Unlisted nonnative species.** "Unlisted nonnative species" means a nonnative species that has not been ~~listed~~ designated as a prohibited invasive species, a regulated invasive species, or an unregulated nonnative species in a rule adopted by the commissioner under section 84D.12.

Sec. 23. Minnesota Statutes 2014, section 84D.01, subdivision 18, is amended to read:

Subd. 18. **Unregulated nonnative species.** "Unregulated nonnative species" means a nonnative species that has been ~~listed~~ designated as an unregulated nonnative species in a rule adopted by the commissioner under section 84D.12.

Sec. 24. Minnesota Statutes 2014, section 84D.06, is amended to read:

84D.06 UNLISTED NONNATIVE SPECIES.

Subdivision 1. **Process.** A person may not introduce an unlisted nonnative aquatic plant or wild animal species unless:

(1) the person has notified the commissioner in a manner and form prescribed by the commissioner;

(2) the commissioner has made the classification determination required in subdivision 2 and ~~listed~~ designated the species as appropriate; and

(3) the introduction is allowed under the applicable provisions of this chapter.

Subd. 2. **Classification.** (a) If the commissioner determines that a species for which a notification is received under subdivision 1 should be classified as a prohibited invasive species, the commissioner shall:

(1) adopt a rule under section 84D.12, subdivision 3, ~~listing~~ designating the species as a prohibited invasive species; and

(2) notify the person from which the notification was received that the species is subject to section 84D.04.

(b) If the commissioner determines that a species for which a notification is received under subdivision 1 should be classified as an unregulated nonnative species, the commissioner shall:

(1) adopt a rule under section 84D.12, subdivision 3, ~~listing~~ designating the species as an unregulated nonnative species; and

(2) notify the person from which the notification was received that the species is not subject to regulation under this chapter.

(c) If the commissioner determines that a species for which a notification is received under subdivision 1 should be classified as a regulated invasive species, the commissioner shall notify the applicant that the species is subject to the requirements in section 84D.07.

Sec. 25. Minnesota Statutes 2014, section 84D.10, subdivision 3, is amended to read:

Subd. 3. **Removal and confinement.** (a) A conservation officer or other licensed peace officer may order:

(1) the removal of aquatic macrophytes or prohibited invasive species from water-related equipment, including decontamination using hot water or high pressure equipment when available on site, before it the water-related equipment is transported or before it is placed into waters of the state;

(2) confinement of the water-related equipment at a mooring, dock, or other location until the water-related equipment is removed from the water;

(3) removal of water-related equipment from waters of the state to remove prohibited invasive species if the water has not been listed by the commissioner as being infested with that species; ~~and~~

(4) a prohibition on placing water-related equipment into waters of the state when the water-related equipment has aquatic macrophytes or prohibited invasive species attached in violation of subdivision 1 or when water has not been drained or the drain plug has not been removed in violation of subdivision 4; and

(5) decontamination of water-related equipment when available on site.

(b) An order for removal of prohibited invasive species under paragraph (a), clause (1), or decontamination of water-related equipment under paragraph (a), clause (5), may include tagging the water-related equipment and issuing a notice that specifies a time frame for completing the removal or decontamination and reinspection of the water-related equipment.

~~(b)~~ (c) An inspector who is not a licensed peace officer may issue orders under paragraph (a), clauses (1), (3), ~~and~~ (4), and (5).

Sec. 26. **[84D.106] AQUATIC INVASIVE SPECIES AFFIRMATION.**

Aquatic invasive species affirmation is required for all:

(1) watercraft licenses issued under section 86B.401; and

(2) all nonresident fishing licenses, as provided in section 97C.301, subdivision 2a.

EFFECTIVE DATE. Clause (1) of this section is effective January 1, 2016, and clause (2) of this section is effective March 1, 2016.

Sec. 27. Minnesota Statutes 2014, section 84D.11, subdivision 1, is amended to read:

Subdivision 1. **Prohibited invasive species.** The commissioner may issue a permit for the propagation, possession, importation, purchase, or transport of a prohibited invasive species for the purposes of disposal, decontamination, control, research, or education.

Sec. 28. Minnesota Statutes 2014, section 84D.12, subdivision 1, is amended to read:

Subdivision 1. **Required rules.** The commissioner shall adopt rules:

(1) listing designating prohibited invasive species, regulated invasive species, and unregulated nonnative species of aquatic plants and wild animals;

(2) governing the application for and issuance of permits under this chapter, which rules may include a fee schedule; and

(3) governing notification under section 84D.08.

Sec. 29. Minnesota Statutes 2014, section 84D.12, subdivision 3, is amended to read:

Subd. 3. **Expedited rules.** The commissioner may adopt rules under section 84.027, subdivision 13, that list designate:

(1) prohibited invasive species of aquatic plants and wild animals;

(2) regulated invasive species of aquatic plants and wild animals; and

(3) unregulated nonnative species of aquatic plants and wild animals.

Sec. 30. Minnesota Statutes 2014, section 84D.13, subdivision 5, is amended to read:

Subd. 5. **Civil penalties.** (a) A civil citation issued under this section must impose the following penalty amounts:

(1) for transporting aquatic macrophytes in violation of section 84D.09, \$100;

(2) for placing or attempting to place into waters of the state water-related equipment that has aquatic macrophytes attached, \$200;

(3) for unlawfully possessing or transporting a prohibited invasive species other than an aquatic macrophyte, \$500;

(4) for placing or attempting to place into waters of the state water-related equipment that has prohibited invasive species attached when the waters are not listed by the commissioner as being infested with that invasive species, \$500;

(5) for intentionally damaging, moving, removing, or sinking a buoy marking, as prescribed by rule, Eurasian water milfoil, \$100;

(6) for failing to have drain plugs or similar devices removed or opened while transporting water-related equipment or for failing to remove plugs, open valves, and drain water from water-related equipment, other than marine sanitary systems, before leaving waters of the state, \$100; and

(7) for transporting infested water off riparian property without a permit as required by rule, \$200; and

(8) for failing to have aquatic invasive species affirmation displayed or available for inspection as provided in sections 86B.401 and 97C.301, subdivision 2a, \$25.

(b) A civil citation that is issued to a person who has one or more prior convictions or final orders for violations of this chapter is subject to twice the penalty amounts listed in paragraph (a).

Sec. 31. Minnesota Statutes 2014, section 84D.15, subdivision 3, is amended to read:

Subd. 3. **Use of money in account.** Money credited to the invasive species account in subdivision 2 shall be used for management of invasive species and implementation of this chapter as it pertains to invasive species, including control, public awareness, law enforcement, assessment and monitoring, management planning, habitat improvements, and research.

Sec. 32. Minnesota Statutes 2014, section 85.015, is amended by adding a subdivision to read:

Subd. 1e. **Connection to state parks and recreation areas.** Trails designated under this section may include connections to state parks or recreation areas that generally lie in between or within the vicinity of the waymarks specifically named in the designation.

Sec. 33. Minnesota Statutes 2014, section 85.015, is amended by adding a subdivision to read:

Subd. 6a. **Mississippi Blufflands Trail; Goodhue and Wabasha Counties.** (a) The Mississippi Blufflands Trail shall originate at the Cannon Valley Trail and thence extend generally southeasterly along the Mississippi River through Frontenac State Park in Goodhue County and continue through Goodhue and Wabasha Counties to the city of Lake City, and there terminate. The trail shall include connections to the Rattlesnake Bluff Trail.

(b) The trail shall be developed primarily for riding and hiking.

(c) In establishing, developing, maintaining, and operating the trail, the commissioner shall cooperate with local units of government and private individuals and groups whenever feasible.

Sec. 34. Minnesota Statutes 2014, section 85.015, subdivision 7, is amended to read:

Subd. 7. **Blufflands Trail system, Fillmore, Olmsted, Winona, and Houston Counties.** (a) The Root River Trail shall originate at Chatfield in Fillmore County, and thence extend easterly in the Root River Valley to the intersection of the river with Minnesota Trunk Highway No. 26 in Houston County, and extend to the Mississippi River.

(b) Additional trails may be established that extend the Blufflands Trail system to include La Crescent, Hokah, Caledonia, and Spring Grove in Houston County; Preston, Harmony, Fountain, Wykoff, Spring Valley, Mabel, Prosper, Canton, and Ostrander, and connections to the Iowa border including a connection to Niagara Cave in Fillmore County; Rochester, Dover, Eyota, Stewartville, Byron, and Chester Woods County Park in Olmsted County; and Winona, Minnesota City, Rollingstone, Altura, Lewiston, Utica, St. Charles, and Elba in Winona County. In addition to the criteria in section 86A.05, subdivision 4, these trails must utilize abandoned railroad rights-of-way where possible.

(c) The trails shall be developed primarily for nonmotorized riding and hiking.

Sec. 35. Minnesota Statutes 2014, section 85.015, subdivision 28, is amended to read:

Subd. 28. **Camp Ripley/Veterans State Trail, Crow Wing, Cass, and Morrison Counties.** The trail shall originate at Crow Wing State Park in Crow Wing County at the southern end of the Paul Bunyan

Trail and shall extend from Crow Wing State Park westerly to the city of Pillager, then southerly along the west side of Camp Ripley, then easterly along the south side of Camp Ripley across to the east side of the Mississippi River, and then northerly through Fort Ripley to Crow Wing State Park. A second segment of the trail shall be established that shall extend in a southerly direction and in close proximity to the Mississippi River from the southeasterly portion of the first segment of the trail to the city of Little Falls, and then terminate at the Soo Line Trail in Morrison County. Separation of motorized and nonmotorized corridors is acceptable as needed.

Sec. 36. **[85.0506] LAKE VERMILION-SOUDAN UNDERGROUND MINE STATE PARK; HOISTS.**

The Lake Vermilion-Soudan Underground Mine State Park mine tour operation is exempt from sections 326B.163 to 326B.191. The federal mine code for hoists that lift people under Code of Federal Regulations, title 30, part 57, subpart R, applies to the Lake Vermilion-Soudan Underground Mine State Park hoist. The commissioner shall employ a hoist safety expert to conduct an annual inspection of the hoist system at the Lake Vermilion-Soudan Underground Mine State Park.

Sec. 37. Minnesota Statutes 2014, section 85.054, subdivision 12, is amended to read:

Subd. 12. **Lake Vermilion-Soudan Underground Mine State Park.** A state park permit is not required and a fee may not be charged for motor vehicle entry or parking at the visitor parking area of Soudan Underground Mine State Park and the Stuntz Bay boat house area.

Sec. 38. Minnesota Statutes 2014, section 85.32, subdivision 1, is amended to read:

Subdivision 1. **Areas marked.** The commissioner of natural resources is authorized in cooperation with local units of government and private individuals and groups when feasible to mark state water trails on the Little Fork, Big Fork, Minnesota, St. Croix, Snake, Mississippi, Red Lake, Cannon, Straight, Des Moines, Crow Wing, St. Louis, Pine, Rum, Kettle, Cloquet, Root, Zumbro, Pomme de Terre within Swift County, Watonwan, Cottonwood, Whitewater, Chippewa from Benson in Swift County to Montevideo in Chippewa County, Long Prairie, Red River of the North, Sauk, Otter Tail, Redwood, Blue Earth, Cedar, Shell Rock, and Crow Rivers which have historic and scenic values and to mark appropriately points of interest, portages, camp sites, and all dams, rapids, waterfalls, whirlpools, and other serious hazards which are dangerous to canoe, kayak, and watercraft travelers.

Sec. 39. Minnesota Statutes 2014, section 86B.401, subdivision 3, is amended to read:

Subd. 3. **Licensing.** (a) The license agent shall register the watercraft on receiving an application and the license fee. A license and registration sticker with a registration number shall be issued and must be affixed to the watercraft as prescribed by the commissioner of natural resources.

(b) A license includes aquatic invasive species affirmation as provided in section 84D.106. The aquatic invasive species affirmation portion of the license must be on board or available with the signed license certificate. The aquatic invasive species affirmation will be provided with an application for a new, transfer, duplicate, or renewal watercraft license.

(c) The license is not valid unless signed by at least one owner.

(d) Failure to complete the aquatic invasive species affirmation in this subdivision is subject to the penalty prescribed in section 84D.13, subdivision 5.

EFFECTIVE DATE. This section is effective January 1, 2016.

Sec. 40. Minnesota Statutes 2014, section 87A.10, is amended to read:

87A.10 TRAP SHOOTING SPORTS FACILITY GRANTS.

The commissioner of natural resources shall administer a program to provide cost-share grants to local recreational shooting clubs or local units of government for up to 50 percent of the costs of developing or rehabilitating trap shooting sports facilities for public use. A facility rehabilitated or developed with a grant under this section must be open to the general public at reasonable times and for a reasonable fee on a walk-in basis. The commissioner shall give preference to projects that will provide the most opportunities for youth.

Sec. 41. Minnesota Statutes 2014, section 88.17, subdivision 3, is amended to read:

Subd. 3. **Special permits.** The following special permits are required at all times, including when the ground is snow-covered:

(a) **Fire training.** A permit to start a fire for the instruction and training of firefighters, including liquid fuels training, may be given by the commissioner or agent of the commissioner. Except for owners or operators conducting fire training in specialized industrial settings pursuant to applicable federal, state, or local standards, owners or operators conducting open burning for the purpose of instruction and training of firefighters with regard to structures must ~~follow the techniques described in a document entitled: Structural Burn Training Procedures for the Minnesota Technical College System~~ use only fuel materials as outlined in the current edition of National Fire Protection Association 1403, Standard on Live Fire Training Evolutions, and obtain the applicable live burn documents in accordance with the current edition of the Board of Firefighter Training and Education's live burn plan established according to section 299N.02, subdivision 3, clause (2).

(b) **Permanent tree and brush open burning sites.** A permit for the operation of a permanent tree and brush burning site may be given by the commissioner or agent of the commissioner. Applicants for a permanent open burning site permit shall submit a complete application on a form provided by the commissioner. Existing permanent tree and brush open burning sites must submit for a permit within 90 days of the passage of this statute for a burning permit. New site applications must be submitted at least 90 days before the date of the proposed operation of the permanent open burning site. The application must be submitted to the commissioner and must contain:

(1) the name, address, and telephone number of all owners of the site proposed for use as the permanent open burning site;

(2) if the operator for the proposed permanent open burning site is different from the owner, the name, address, and telephone number of the operator;

(3) a general description of the materials to be burned, including the source and estimated quantity, dimensions of the site and burn pile areas, hours and dates of operation, and provisions for smoke management; and

(4) a topographic or similarly detailed map of the site and surrounding area within a one-mile circumference showing all structures that might be affected by the operation of the site.

Only trees, tree trimmings, or brush that cannot be disposed of by an alternative method such as chipping, composting, or other method shall be permitted to be burned at a permanent open burning site. A permanent tree and brush open burning site must be located and operated so as not to create a nuisance or endanger water quality. The commissioner shall revoke the permit or order actions to mitigate threats to public health, safety, and the environment in the event that permit conditions are violated.

Sec. 42. Minnesota Statutes 2014, section 88.49, subdivision 3, is amended to read:

Subd. 3. **Recording Provisions of auxiliary forest contract to run with the land.** ~~The commissioner shall submit such contract in recordable form to the owner of the land covered thereby. If the owner shall indicate to the commissioner an unwillingness to execute the same, or if the owner or any of the persons having an interest therein or lien thereon fail to execute it within 60 days from the time of its submission to the owner, all proceedings relating to the making of this land into an auxiliary forest shall be at an end.~~

~~When the contract shall have been executed it shall forthwith be recorded in the office of the county recorder at the expense of the owner or, if the title to the land be registered, with the registrar of titles. At the time the contract is recorded with the county recorder for record the owner, at the owner's expense, shall record with the county recorder a certificate from the county attorney to the effect that no change in record title thereof has occurred, that no liens or other encumbrances have been placed thereon, and that no taxes have accrued thereon since the making of the previous certificate. It shall be the duty of the county attorney to furnish this certificate without further compensation.~~

~~All the provisions of the a recorded contract shall be for an auxiliary forest are deemed covenants running with the land from the date of the filing of the contract for record.~~

Sec. 43. Minnesota Statutes 2014, section 88.49, subdivision 4, is amended to read:

Subd. 4. **Effect.** ~~Upon the filing of the contract for record, the land therein described in the contract shall become, and, during the life of the contract, remain and be, an auxiliary forest entitled to all the benefits and subject to all the restrictions of sections 88.47 88.49 to 88.53, all of which shall be deemed a. These sections are part of the obligation of the contract and shall be are inviolate, subject only to the police power of the state, to the power of eminent domain, and to the right of the parties thereto by mutual agreement to make applicable to the contract any laws of the state enacted subsequent to its the execution and filing. This provision shall not be so construed as to prevent amendatory or supplementary legislation which does of the contract. Laws enacted subsequent to the date of execution of the contract are applicable to the contract, so long as the laws do not impair these the contract rights of the parties thereto, or as to prevent amendatory or supplementary legislation in respect of the culture, care, or management of the lands included in any such contract signatories of the contract or their successors or assigns.~~

Sec. 44. Minnesota Statutes 2014, section 88.49, subdivision 5, is amended to read:

Subd. 5. **Cancellation.** ~~Upon the failure of (a) If the owner fails to faithfully to fulfill and perform such the contract or, any provision thereof of the contract, or any requirement of sections 88.47 88.49 to 88.53, or any rule adopted by the commissioner thereunder adopts under those sections, the commissioner may cancel the contract in the manner herein provided. The commissioner shall give to the owner, in the manner~~

~~prescribed in section 88.48, subdivision 4, 60 days' notice of a hearing thereon at which the owner may appear and show cause, if any, why the contract should not be canceled. The commissioner shall thereupon then determine whether the contract should be canceled and make an order to that effect. Notice of the commissioner's determination and the making of the order shall be given to~~ The commissioner shall give the owner in the manner provided in section 88.48, subdivision 4 notice of the commissioner's determination and order. On determining ~~If the commissioner determines that the contract should be canceled and no appeal therefrom be taken~~ the owner does not appeal the determination as provided in subdivision 7, the commissioner shall send notice thereof of the cancellation to the auditor of the county and to the town clerk of the town affected and file with the recorder a certified copy of the order, who. The recorder shall forthwith note the cancellation upon the record thereof, and thereupon the land therein described in the contract shall cease to be an auxiliary forest and, together with the timber thereon on the land, become liable to for all taxes and assessments that otherwise would have been levied against it had it never been an auxiliary forest the land from the time of the making of the contract, any notwithstanding provisions of the statutes of limitation to the contrary notwithstanding, less. The amount of taxes paid under the provisions of section 88.51, subdivision 1, together with interest on such taxes and assessments at six percent per annum, but without penalties, must be subtracted from the tax owed by the owner.

~~(b) The commissioner may in like manner and with like effect cancel the contract upon written application of the owner.~~

~~(c) The commissioner shall cancel any the contract if the owner has made successful application successfully applied under sections 290C.01 to 290C.11, the Sustainable Forest Incentive Act, sections 290C.01 to 290C.11, and has paid to the county treasurer the tax difference between the amount which that would have been paid had the land under contract been subject to the Minnesota Tree Growth Tax Law and the Sustainable Forest Incentive Act from the date of the recording of the contract and the amount actually paid under section 88.51, subdivisions subdivision 1, and Minnesota Statutes 2014, section 88.51, subdivision 2. This tax difference must be calculated based on the years the lands would have been taxed under the Tree Growth Tax Law and the Sustainable Forest Incentive Act. The sustainable forest tax difference is net of the incentive payment of section 290C.07. If the amount which that would have been paid, had if the land under contract had been under the Minnesota Tree Growth Tax Law and the Sustainable Forest Incentive Act from the date of the filing of the contract, was filed is less than the amount actually paid under the contract, the cancellation shall be made without further payment by the owner.~~

~~When (d) If the execution of any the contract creating an auxiliary forest shall have been is procured through fraud or deception practiced upon on the county board or, the commissioner, or any other person or body representing the state, it may be canceled cancel it upon suit brought by the attorney general at the direction of the commissioner. This cancellation shall have has the same effect as the cancellation of a contract by the commissioner.~~

Sec. 45. Minnesota Statutes 2014, section 88.49, subdivision 6, is amended to read:

Subd. 6. **Assessment after cancellation.** (a) For the purpose of levying such taxes, the county auditor shall, immediately upon receipt of receiving notice of the cancellation of any a contract creating an auxiliary forest, direct the local assessor to assess the lands within the forest, excluding the value of merchantable timber and minerals and other things of value taxed under the provisions of Minnesota Statutes 2014, section 88.51, subdivision 2, as of for each of the years during which the lands have been were included within the auxiliary forest. The local assessor shall forthwith make the assessment and certify the same to the county

auditor. The county auditor shall ~~thereupon~~ levy a tax on the assessable value of the land as, fixed by section 273.13, for each of the years ~~during which the land has been~~ was within an auxiliary forest, at the rate at which other real estate within the taxing district was taxed in those years. The tax ~~so assessed and levied against any land shall be~~ is a first and prior lien upon the land and upon all timber and forest products growing, grown, or cut ~~thereon~~ on the land and removed ~~therefrom~~ from the land. These taxes ~~shall~~ must be enforced in the same manner as other taxes on real estate are enforced and, ~~in addition thereto,~~ the lien of the tax on forest products cut or removed from this land ~~shall~~ must be enforced by the seizure and sale of the forest products.

(b) No person shall, after the mailing by the commissioner, as provided in subdivision 5, of notice of hearing on the cancellation of a the contract making ~~any~~ lands an auxiliary forest, cut or remove from these lands any timber or forest products growing, grown, or cut thereon until all taxes levied under this subdivision ~~shall have been~~ are paid, or, ~~in the event such if the levy shall~~ is not ~~have been~~ completed, until the owner ~~shall have~~ has given a bond payable to the county, with sureties approved by the county auditor, in ~~such the~~ the amount as the county auditor ~~shall deem~~ deems ample for the payment of all taxes that may be levied ~~thereon~~ under this subdivision, conditioned for the payment of ~~such~~ the taxes.

(c) Any person who ~~shall violate any of the provisions of~~ violates this subdivision ~~shall be~~ is guilty of a felony.

Sec. 46. Minnesota Statutes 2014, section 88.49, subdivision 7, is amended to read:

Subd. 7. **Appeal.** (a) The owner may appeal from any cancellation order of the commissioner to the district court of the county ~~wherein~~ where the land is ~~situate,~~ located by serving notice of appeal on the commissioner and filing the same with the court administrator of the district court within 30 days after the date of mailing ~~of~~ notice of such order.

(b) The appeal ~~shall~~ must be tried between the state of Minnesota and the owner by the court as a suit for the rescission of a contract is tried, and the judgment of the court ~~shall be~~ is substituted for the cancellation order of the commissioner, and ~~shall be~~ is final.

Sec. 47. Minnesota Statutes 2014, section 88.49, subdivision 8, is amended to read:

Subd. 8. **Proceedings in lieu of cancellation.** If cause for the cancellation of ~~any~~ a contract ~~shall exist~~ exists, the commissioner may, in lieu of canceling ~~such the~~ the contract, perform the terms and conditions, ~~other than the payment of~~ that the owner was required to perform, except that the commissioner may not pay any taxes; ~~that the owner was required, by the contract or by law or by the rules of the commissioner, to be performed by the owner, and may for that purpose to have paid by law.~~ The commissioner may use any available moneys appropriated for the maintenance of the commissioner's division and any other lawful means to perform all other terms and conditions required to maintain the auxiliary forest status. The commissioner shall, on December 1 each year, certify to the auditor of each county the amount of moneys ~~thus~~ expended on and the value of services ~~thus~~ rendered in respect of any lands therein for land in the county since December 1 of the preceding year. The county auditor shall ~~forthwith~~ assess and levy the amount shown by this certificate against the lands described ~~therein~~. This amount ~~shall bear~~ bears interest at the rate of six percent per annum and ~~shall be~~ is a lien upon the lands described ~~therein,~~ and. The collection ~~thereof~~ of the tax must be enforced in the same manner as taxes levied under section 88.52, subdivision 1, ~~and;~~ and, if ~~such the~~ the tax ~~be~~ is not sooner paid, it ~~shall~~ must be added to, and the payment ~~thereof~~ enforced with, the yield tax imposed under section 88.52, subdivision 2.

Sec. 48. Minnesota Statutes 2014, section 88.49, subdivision 9, is amended to read:

Subd. 9. **Auxiliary forests; withdrawal of land from.** (a) Land needed for other purposes may be withdrawn from an auxiliary forest as herein provided. The owner may submit a verified application therefor in a form prescribed by the commissioner of natural resources may be made by the owner to the county board of the county in which the land is situated, describing the land and stating the purpose of withdrawal. Like proceedings shall be had upon the application as upon an application for the establishment of an auxiliary forest, except that consideration need be given only to the questions to be determined as provided in this subdivision. The county board shall consider the application and hear any matter offered in support of or in opposition to the application. The county board shall make proper record of its action upon the application. If the application is rejected, the county board shall prepare a written statement stating the reasons for the rejection within 30 days of the date of rejection. If the application is rejected, the county auditor shall, within 30 days of the rejection, endorse the rejection on the application and return it, together with a copy of the written statement prepared by the county board stating the reasons for rejection to the applicant. The rejected application and written statement must be sent to the owner by certified mail at the address given in the application.

(b) If the application is disapproved as to only a part of the lands described, the county auditor shall notify the applicant in the same manner as if the application were rejected. The applicant may amend the application within 60 days after the notice is mailed. If it is not amended, the application is deemed rejected.

(c) If the county board shall determine determines that the land proposed to be withdrawn is needed and is suitable for the purposes set forth in the application, and that the remaining land in the auxiliary forest is suitable and sufficient for the purposes thereof of the auxiliary forest as provided by law, the board may, in its discretion, grant the application, subject to the approval of the commissioner. Upon such approval a supplemental contract evidencing the withdrawal shall be executed, filed, and recorded or registered as the case may require, in like manner as an original auxiliary forest contract. Thereupon by both the county board and the commissioner, the county auditor shall notify the applicant and the commissioner. Upon notice from the county auditor, the commissioner shall cause to be prepared a supplemental contract executed by the commissioner on behalf of the state and by the owner of the fee title or the holder of a state deed and by all other persons having any liens on the land and witnessed and acknowledged as provided by law for the execution of recordable deeds of conveyance. Notices sent by certified mail to the owner in fee at the address given in the application is deemed notice to all persons executing the supplemental contract. The supplemental contract must be prepared by the director of the Division of Forestry on a recordable form approved by an attorney appointed by the commissioner. Every supplemental contract must be approved by the Executive Council. The commissioner shall submit the supplemental contract to the owner of the land. If the owner indicates to the commissioner an unwillingness to execute the supplemental contract, or if the owner or any of the persons with an interest in the land or a lien upon the land fail to execute the contract within 60 days from the time of submission of the contract to the owner for execution, all proceedings relating back to the withdrawal of the land from an auxiliary forest shall be at an end. When the supplemental contract is executed, it must be recorded in the office of the county recorder at the expense of the owner or, if the title to the land is registered, the supplemental contract must be recorded with the registrar of titles. At the time the contract is recorded with the county recorder, the owner, at the owner's expense, shall record with the county recorder a certificate from the county attorney to the effect that no change in record title to the land has occurred, that no liens or other encumbrances have been placed on the land, and that no taxes have accrued on the land since the making of the previous certificate. The county attorney must furnish this certificate without further compensation. Upon execution and recording of the supplemental contract, the

land described in the supplemental contract ~~shall cease that is to be withdrawn from the auxiliary forest ceases to be part of the auxiliary forest, and, together with the timber thereon, shall be the owner is liable to taxes and assessments of the withdrawn portion together with the timber on the withdrawn portion in like manner as upon cancellation of an auxiliary forest contract.~~

Sec. 49. Minnesota Statutes 2014, section 88.49, subdivision 11, is amended to read:

Subd. 11. **Auxiliary forests; transfer of title; procedure on division.** The title to the land in an auxiliary forest or any part thereof of an auxiliary forest is subject to transfer in the same manner as the title to other real estate, subject to the auxiliary forest contract therefor and to applicable provisions of law. ~~In case~~ If the ownership of ~~such a~~ an auxiliary forest is divided into two or more parts by any transfer or transfers of title and the owners of all ~~such~~ the parts desire to have the ~~same~~ parts made separate auxiliary forests, ~~they~~ the owners may join in a verified application therefor to the county board of the county in which the forest is situated in a form prescribed by the commissioner of natural resources. If the county board determines that each of the parts into which the forest has been divided is suitable and sufficient for a separate auxiliary forest as provided by law, it may, ~~in its discretion,~~ grant the application, subject to the approval of the commissioner. Upon ~~such~~ approval, the commissioner shall prepare a new auxiliary forest contract for each part transferred, with like provisions and for the remainder of the same term as the prior contract in force for the entire forest at the time of the transfer, and shall also prepare a modification of ~~such~~ the prior contract, eliminating therefrom the part or parts of the land transferred but otherwise leaving the remaining land subject to all the provisions of ~~such~~ the contract. The new contract or contracts and modification of the prior contract ~~shall~~ must be executed and otherwise dealt with in like manner as provided for an original a supplemental auxiliary forest contract in subdivision 9, but no such instrument ~~shall~~ must take effect until all of them, ~~covering together all parts of the forest existing before the transfer, have been executed, filed, and recorded or registered, as the case may require.~~ Upon the taking effect of ~~When~~ all such the instruments take effect, the owner of the forest prior to the transfer ~~shall be~~ is divested of all rights and relieved from all liabilities under the contract then in force with respect to the parts transferred except ~~such~~ those as may have existed or accrued at the time of the taking effect of such instruments, and thereafter the several tracts into which the forest has been divided and the respective owners thereof ~~shall be~~ are subject to the new contract or contracts or the modified prior contract relating thereto, as the case may be, as provided for an original auxiliary forest contract. The provisions of this subdivision shall not supersede or affect the application of any other provision of law to any auxiliary forest which is divided by transfer of title unless the procedure herein authorized is fully consummated.

Sec. 50. Minnesota Statutes 2014, section 88.491, subdivision 2, is amended to read:

Subd. 2. **Effect of expired contract.** When auxiliary forest contracts expire, or prior to expiration by mutual agreement between the ~~land owner~~ landowner and the appropriate county office, the lands previously covered by an auxiliary forest contract automatically qualify for inclusion under the provisions of the Sustainable Forest Incentive Act; provided that when such lands are included in the Sustainable Forest Incentive Act prior to expiration of the auxiliary forest contract, they will be transferred and a tax paid as provided in section 88.49, subdivision 5, upon application and inclusion in the sustainable forest incentive program. The ~~land owner~~ landowner shall pay taxes in an amount equal to the difference between:

(1) the sum of:

(i) the amount which would have been paid from the date of the recording of the contract had the land under contract been subject to the Minnesota Tree Growth Tax Law; plus

(ii) beginning with taxes payable in 2003, the taxes that would have been paid if the land had been enrolled in the sustainable forest incentive program; and

(2) the amount actually paid under section 88.51, ~~subdivisions~~ subdivision 1, and Minnesota Statutes 2014, section 88.51, subdivision 2.

Sec. 51. Minnesota Statutes 2014, section 88.50, is amended to read:

88.50 TAXATION.

Every auxiliary forest in this state ~~shall~~ must be taxed ~~in the manner and to the extent hereinafter provided according to sections 88.49 to 88.53 and not otherwise. Except as expressly permitted by sections 88.47 88.49 to 88.53, no auxiliary forest shall be taxed for, or in any manner, directly or indirectly made to contribute to, or become liable for the payment of, any tax or assessment, general or special, or any bond, certificate of indebtedness, or other public obligation of any name or kind, made, issued, or created subsequent to the filing of the contract creating the auxiliary forest, provided that temporary buildings, structures, or other fixtures of whatsoever kind located upon land within an auxiliary forest shall be valued and assessed as personal property and classified as class 3 under the general system of ad valorem taxation. In any proceeding for the making of a special improvement under the laws of this state by which any auxiliary forest will be benefited, the owner thereof may subject the lands therein to assessment therefor in the manner provided by law, by filing the owner's written consent in writing to the making of the assessment in the tribunal in which the proceeding is pending, whereupon.~~ The lands shall for the purposes of the improvement and assessment not be treated as lands ~~not~~ in an auxiliary forest; but the lien of any assessment ~~so~~ levied on lands in any auxiliary forest ~~shall be~~ is subject to the provisions of the contract creating the auxiliary forest and subordinate to the lien of any tax imposed under the provisions of sections ~~88.47 88.49~~ 88.49 to 88.53.

Sec. 52. Minnesota Statutes 2014, section 88.51, subdivision 1, is amended to read:

Subdivision 1. **Annual tax, ten cents per acre.** (a) From and after the filing of the contract creating any tract of land an auxiliary forest under sections ~~88.47 88.49~~ 88.49 to 88.53 and hereafter upon any tract heretofore created as an auxiliary forest, the surface of the land ~~therein~~, exclusive of mineral or anything of value thereunder, ~~shall~~ must be taxed annually at the rate of 10 cents per acre. This tax ~~shall~~ must be levied and collected, and the payment ~~thereof of the tax~~, with penalties and interest, enforced in the same manner as other taxes on real estate, and ~~shall~~ must be credited to the funds of the taxing districts affected in the proportion of their interest in the taxes on this land if it had not been so made an auxiliary forest; provided, that such tax ~~shall be~~ is due in full on or before May 31, after the levy thereof. Failure to pay when due any tax so levied ~~shall be~~ is cause for cancellation of the contract.

(b) The levy upon the land of the taxes provided for by section 88.49, subdivision 5, upon the cancellation of a contract, ~~shall discharge and annul~~ discharges and annuls all unpaid taxes levied or assessed ~~thereon on the land~~.

Sec. 53. Minnesota Statutes 2014, section 88.51, subdivision 3, is amended to read:

Subd. 3. **Determination of estimated market value.** In determining the net tax capacity of property within any taxing district, the value of the surface of lands within any auxiliary forest ~~therein~~ in the taxing district, as determined by the county board ~~under the provisions of section 88.48, subdivision 3~~, shall, for

all purposes except the levying of taxes on lands within any such forest, be deemed the estimated market value ~~thereof~~ of those surface lands.

Sec. 54. Minnesota Statutes 2014, section 88.52, subdivision 2, is amended to read:

Subd. 2. **Examination, report.** When any timber growing or standing in any auxiliary forest ~~shall have become~~ is suitable for merchantable forest products, the commissioner shall, at the written request of the owner, a copy of which shall at the time be filed in the office of the county auditor, make an examination of the timber and designate for the owner the kind and number of trees most suitable to be cut ~~if in the judgment of the commissioner there be any, and.~~ The cutting and removal of ~~these designated trees so designated shall~~ must be in accordance with the instructions of the commissioner. The commissioner shall inspect the cutting or removal and determine whether it or the manner of its performance constitute a violation of the terms of the contract creating the auxiliary forest or of the laws applicable ~~thereto~~ laws, or of the instructions of the commissioner relative to the cutting and removal. Any such violation ~~shall be~~ is ground for cancellation of the contract by the commissioner; otherwise the contract ~~shall continue~~ continues in force for the remainder of the period ~~therein stated in the contract~~, regardless of the cutting and removal. Within 90 days after the completion of any cutting or removal operation, the commissioner shall make a report of findings ~~thereon~~ and transmit copies of ~~such~~ the report to the county auditor and the surveyor general.

Sec. 55. Minnesota Statutes 2014, section 88.52, subdivision 3, is amended to read:

Subd. 3. **Kinds, permit, scale report, assessment and payment of tax.** (a) Upon ~~the~~ filing of the owner's ~~written request of the owner as provided in subdivision 2,~~ the director of ~~lands and~~ forestry, with the county board or the county land commissioner, shall determine within 30 days the kinds, quantities, and value on the stump of the timber proposed to be cut.

Before the cutting is to begin, the director of ~~lands and~~ forestry shall file with the county auditor a report showing the kinds, quantities, and value of the timber proposed to be cut or removed and approved by the director of ~~lands and~~ forestry for cutting within two years after the date of approval of the report by the director of ~~lands and~~ forestry. The county auditor shall assess and levy the estimated yield tax thereon, make proper record of this assessment and levy in the auditor's office, and notify the owner of the auxiliary forest of the tax amount ~~thereof~~. The owner shall, before any timber in the forest is cut or removed, give a bond payable to the state of Minnesota, or ~~in lieu thereof,~~ a deposit in cash with the county treasurer, in the amount required by the report, ~~which shall be and~~ not less than 150 percent of the amount of the levy, conditioned for the payment of all taxes on the timber to be cut or removed. Upon receipt of notification from the county auditor that the bond or cash requirement has been deposited, the director of ~~lands and~~ forestry will issue a cutting permit in accordance with the report. The owner shall keep an accurate count or scale of all timber cut. On or before ~~the fifteenth day of April 15~~ following issuance of ~~such~~ the cutting permit, and on or before ~~the fifteenth day of April 15~~ of each succeeding year in which any merchantable wood products were cut on auxiliary forest lands prior to the termination of ~~such~~ the permit, the owner of the timber covered by the permit shall file with the director of ~~lands and~~ forestry a sworn statement, submitted in duplicate, on a form prepared by the director of ~~lands and~~ forestry, one copy of which ~~shall~~ must be transmitted to the county auditor, specifying the quantity and value of each variety of timber and kind of product cut during the preceding year ending on March 31, as shown by the scale or measurement ~~thereof~~ made on the ground as cut, skidded, or loaded as the case may be. If no such scale or measurement ~~shall have been~~ was made on the ground, an estimate ~~thereof shall~~ must be made and ~~such estimate~~ corrected by the first scale or measurement, made in the due course of business, ~~and such.~~ The correction must at

once be filed with the director of ~~lands and forestry~~ who shall immediately transmit it to the county auditor. On or before ~~the fifteenth day of May~~ 15 following the filing of the sworn statement covering the quantity and value of timber cut under an authorized permit, the auditor shall assess and levy a yield (severance) tax, according to Minnesota Statutes 2014, section 88.51, subdivision 2, of the timber cut during the year ending on the ~~March 31st~~ 31 preceding the date of assessing and levying this tax. This tax is payable and must be paid to the county treasurer on or before the following ~~May 31 next following~~. Copies of the yield (severance) tax assessment and of the yield (severance) tax payment ~~shall~~ must be filed with the director of ~~lands and forestry~~ and the county auditor. Except as otherwise provided, all yield (severance) taxes herein provided for ~~shall~~ must be levied and collected, and payment thereof, with penalties and interest, enforced in the same manner as taxes imposed under the ~~provisions of~~ section 88.51, subdivision 1, and ~~shall~~ must be credited to the funds of the taxing districts affected in the proportion of their interests in the taxes on the land producing the yield (severance) tax. ~~At any time~~ On deeming it necessary, the director of ~~lands and forestry~~ may order an inspection of any or all cutting areas within an auxiliary forest and ~~also~~ may require the owner of the auxiliary forest to produce for inspection by the director of ~~lands and forestry~~ of any or all cutting records pertaining to timber cutting operations within an auxiliary forest for the purpose of determining the accuracy of scale or measurement reports, and if intentional error in scale or measurement reports is found to exist, shall levy and assess a tax triple the yield (severance) tax on the stumpage value of the timber cut in excess of the quantity and value reported.

(b) The following alternative method of assessing and paying annually the yield tax on an auxiliary forest is to be available to an auxiliary forest owner upon application and upon approval of the county board of the county within which the auxiliary forest is located.

For auxiliary forests entered under this ~~subdivision paragraph~~, the county auditor shall assess and levy the yield tax by multiplying the acreage of each legal description included within the auxiliary forest by the acre quantity of the annual growth by species, calculated in cords, or in thousands of feet board measure Minnesota standard log scale rule, whichever is more reasonably usable, for the major species found in each type by the from year-to-year appraised stumpage prices for each of these species, used by the Division of ~~Lands and Forestry~~, Department of Natural Resources, in selling trust fund timber located within the district in which the auxiliary forest is located. The assessed value of the annual growth of the auxiliary forest, thus determined, ~~shall be~~ is subject to a ten percent of stumpage value yield tax, payable annually on or before May 31. In all other respects the assessment, levying and collection of the yield tax, as provided for in this subdivision ~~shall~~ must follow the procedures specified in ~~clause paragraph~~ (a).

Forest owners operating under this ~~subdivision~~ shall be paragraph are subject to all other provisions of the auxiliary forest law except ~~such the~~ provisions of ~~clause paragraph~~ (a) as that are in conflict with this ~~subdivision paragraph~~. Penalties for intentional failure by the owner to report properly the quantity and value of the annual growth upon an auxiliary forest entered under this ~~subdivision paragraph~~ and for failure to pay the yield tax when due ~~shall be~~ are the same as the penalties specified in other subdivisions of this law for like failure to abide by its provisions.

To qualify for the assessment and levying of the yield tax by this method, the owner of the forest requesting this method of taxation must submit a map or maps and a tabulation in acres and in quantity of growth by legal descriptions showing the division of the area covered by the auxiliary forest for which this method of taxation is requested into the following forest types, namely: white and ~~Norway~~ red pine; jack pine; aspen-birch; spruce-balsam fir; ~~swamp~~ black spruce; tamarack; cedar; upland hardwoods; lowland hardwoods; upland brush and grass (temporarily nonproductive); lowland brush (temporarily non-

productive); and permanently nonproductive (open bogs, stagnant swamps, rock outcrops, flowage, etc.). Definition of these types and determination of the average rate or rates of growth (in cords or thousand feet, board measure, Minnesota standard log scale rule, ~~which ever~~ whichever is more logically applicable for each of them) ~~shall~~ must be made by the director of the Division of ~~Lands and~~ Forestry, Minnesota Department of Natural Resources, with the advice and assistance of the land commissioner of the county in which the auxiliary forest is located; the director of the United States Forest Service's North Central Forest Experiment Station; and the director of the School of Forestry, University of Minnesota. Before the approval of the application of the owner of an auxiliary forest to have the auxiliary ~~or proposed auxiliary~~ forest taxed under provisions of this ~~subdivision~~ paragraph is submitted to the county board, the distribution between types of the area as shown on the maps and in the tabulations submitted by the owner of the auxiliary ~~or proposed auxiliary~~ forest ~~shall~~ must be examined and their accuracy determined by the director of the Division of ~~Lands and~~ Forestry, Department of Natural Resources, with the assistance of the county board of the county in which the auxiliary forest is located.

During the life of the auxiliary forest, contract timber cutting operations within the various types shown upon the type map accepted as a part of the approved auxiliary forest application ~~shall~~ do not bring about a reclassification of the forest types shown upon that map or those maps until after the passage of ten years following the termination of ~~said~~ the timber cutting operations and then only upon proof of a change in type.

Sec. 56. Minnesota Statutes 2014, section 88.52, subdivision 4, is amended to read:

Subd. 4. **Hearing, procedure.** The owner of any land or timber upon which a yield tax is assessed and levied as provided in this section may, within 15 days after mailing of notice of the amount of the tax, file with the county auditor a demand for hearing ~~thereon on the tax~~ before the county board. The county auditor shall thereupon fix a date of hearing, which ~~shall~~ must be held within 30 days after the filing of the demand, and mail to the owner notice of the time and place of the hearing. The owner may appear at the meeting and present evidence and argument as to the amount of the tax and as to any related matter ~~relating thereto~~. The county board shall ~~thereupon~~ determine whether the tax as levied is proper in amount and make its order ~~thereon~~. The county auditor shall ~~forthwith~~ mail to the owner a notice of the order. If the amount of the tax is increased or reduced by the order, the county auditor shall make a supplemental assessment and levy ~~thereof~~, as in this subdivision provided.

Sec. 57. Minnesota Statutes 2014, section 88.52, subdivision 5, is amended to read:

Subd. 5. **Yield tax, a prior lien.** Throughout the life of any ~~such~~ auxiliary forest, ~~the yield tax~~ accruing ~~thereon shall constitute and be~~ yield tax constitutes and is a first and prior lien upon all the merchantable timber and forest products growing or grown thereon; and, if not paid when due, this yield tax, together with penalties and interest ~~thereon~~ as otherwise provided by law and all expenses of collecting same, ~~shall~~ continue ~~continues~~ to be a lien upon the timber and forest products ~~and every part and parcel thereof wherever the same may be or~~ however much changed in form or otherwise improved until the yield tax is fully paid. ~~Such~~ The lien may be foreclosed and the property subject ~~thereto to the lien~~ dealt with by action in the name of the state, brought by the county attorney at the request of the county auditor.

Sec. 58. Minnesota Statutes 2014, section 88.52, subdivision 6, is amended to read:

Subd. 6. **Timber held exempt from yield tax.** Timber cut from an auxiliary forest by an owner and used by the owner for fuel, fencing, or building on land occupied by the owner which is within or contiguous to the auxiliary forest where cut ~~shall be~~ is exempt from the yield tax, and, as to timber so cut and used,

the requirements of subdivisions 1 and 2 ~~shall do not be applicable and in lieu thereof apply~~. The owner shall, prior to cutting, file with the county auditor, on a form prepared by the commissioner, a statement showing the quantity of each kind of forest products proposed to be cut and the purposes for which the same the products will be used.

Sec. 59. Minnesota Statutes 2014, section 88.523, is amended to read:

88.523 AUXILIARY FOREST CONTRACTS; SUPPLEMENTAL AGREEMENTS.

Upon application of the owner, any auxiliary forest contract heretofore ~~or hereafter executed~~ may be made subject to any provisions of law enacted subsequent to the execution of the contract and in force at the time of application, so far as not already applicable, with the approval of the county board and the commissioner of natural resources. ~~As evidence thereof~~ A supplemental agreement in a form prescribed by the commissioner and approved by the attorney general shall must be executed by the commissioner in behalf of the state and by the owner. ~~Such~~ The supplemental agreement shall must be filed and recorded in like manner as the ~~original~~ supplemental contract under section 88.49, subdivision 9, and ~~shall thereupon take~~ takes effect upon filing and recording.

Sec. 60. Minnesota Statutes 2014, section 88.53, subdivision 1, is amended to read:

Subdivision 1. **Time for disposal.** ~~Any corporation, association, or organization may acquire and hold any amount of land without restriction and without limit as to acreage or quantity for the purpose of including same within and holding same as an auxiliary forest under the provisions of sections 88.47 to 88.53. When the same shall cease~~ land ceases to be an auxiliary forest, the owners shall have five years within which to dispose of the land, any provisions of general law to the contrary notwithstanding.

Sec. 61. Minnesota Statutes 2014, section 88.53, subdivision 2, is amended to read:

Subd. 2. **Rules.** The director shall make rules and adopt and prescribe such forms and procedure as shall be is necessary in carrying out the provisions of sections ~~88.47-88.49~~ 88.47 88.49 to 88.53; and the director and every county board, county recorder, registrar of titles, assessor, tax collector, and every other person in official authority having any duties to perform under or growing out of sections ~~88.47 88.49~~ 88.47 88.49 to 88.53 are hereby severally vested with full power and authority to enforce such rules, employ help and assistance, acquire and use equipment and supplies, or do any other act or thing reasonably necessary to the proper performance of duties under or arising from the administration and enforcement of sections ~~88.47 88.49~~ 88.47 88.49 to 88.53. ~~It shall be the duty of~~ The director to must cause periodic inspections to be made of all auxiliary forests for the purpose of determining whether relative contract and statutory provisions ~~relative thereto~~ are being complied with.

Sec. 62. Minnesota Statutes 2014, section 88.6435, subdivision 4, is amended to read:

Subd. 4. **Forest bough account; disposition of fees.** (a) The forest bough account is established in the state treasury within the natural resources fund.

(b) Fees for permits issued under this section shall must be deposited in the state treasury and credited to the forest bough account and, except for the electronic licensing system commission established by the commissioner under section 84.027, subdivision 15, are annually appropriated to the commissioner of natural resources for costs associated with ~~balsam bough educational~~ special forest product information and education programs for harvesters and buyers.

Sec. 63. Minnesota Statutes 2014, section 90.14, is amended to read:

90.14 AUCTION SALE PROCEDURE.

(a) All state timber shall be offered and sold by the same unit of measurement as it was appraised. No tract shall be sold to any person other than the purchaser in whose name the bid was made. The commissioner may refuse to approve any and all bids received and cancel a sale of state timber for good and sufficient reasons.

(b) The purchaser at any sale of timber shall, immediately upon the approval of the bid, or, if unsold at public auction, at the time of purchase at a subsequent sale under section 90.101, subdivision 1, pay to the commissioner a down payment of 15 percent of the appraised value. In case any purchaser fails to make such payment, the purchaser shall be liable therefor to the state in a civil action, and the commissioner may reoffer the timber for sale as though no bid or sale under section 90.101, subdivision 1, therefor had been made.

(c) In lieu of the scaling of state timber required by this chapter, a purchaser of state timber may, at the time of payment by the purchaser to the commissioner of 15 percent of the appraised value, elect in writing on a form prescribed by the attorney general to purchase a permit based solely on the appraiser's estimate of the volume of timber described in the permit, provided that the commissioner has expressly designated the availability of such option for that tract on the list of tracts available for sale as required under section 90.101. A purchaser who elects in writing on a form prescribed by the attorney general to purchase a permit based solely on the appraiser's estimate of the volume of timber described on the permit does not have recourse to the provisions of section 90.281.

(d) In the case of a public auction sale conducted by a sealed bid process, tracts shall be awarded to the high bidder, who shall pay to the commissioner a down payment of 15 percent of the appraised value that must be received or postmarked within 14 days of the date of the sealed bid opening. If a purchaser fails to make the down payment, the purchaser is liable for the down payment to the state and the commissioner may offer the timber for sale to the next highest bidder as though no higher bid had been made.

(e) Except as otherwise provided by law, at the time the purchaser signs a permit issued under section 90.151, the commissioner shall require the purchaser to make a bid guarantee payment to the commissioner in an amount equal to 15 percent of the total purchase price of the permit less the down payment amount required by paragraph (b) for any bid increase in excess of ~~\$5,000~~ \$10,000 of the appraised value. If a required bid guarantee payment is not submitted with the signed permit, no harvesting may occur, the permit cancels, and the down payment for timber forfeits to the state. The bid guarantee payment forfeits to the state if the purchaser and successors in interest fail to execute an effective permit.

EFFECTIVE DATE. This section is effective June 1, 2015, and applies to permits sold on or after that date.

Sec. 64. Minnesota Statutes 2014, section 90.193, is amended to read:

90.193 EXTENSION OF TIMBER PERMITS.

The commissioner may, in the case of an exceptional circumstance beyond the control of the timber permit holder which makes it unreasonable, impractical, and not feasible to complete cutting and removal under the permit within the time allowed, grant one regular extension for one year. A written request for

the regular extension must be received by the commissioner before the permit expires. The request must state the reason the extension is necessary and be signed by the permit holder. An interest rate of ~~eight~~ five percent may be charged for the period of extension.

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

Sec. 65. **[92.83] CONDEMNATION OF SCHOOL TRUST LAND.**

Subdivision 1. Purpose. The purpose of this section is to extinguish the school trust interest in school trust lands where long-term economic return is prohibited by designation or policy while producing economic benefits for Minnesota's public schools. For the purposes of satisfying the Minnesota Constitution, article XI, section 8, which limits the sale of school trust lands to a public sale, the commissioner of natural resources shall acquire school trust lands through condemnation, as provided in subdivision 2.

Subd. 2. Commencement of condemnation proceedings. When the commissioner of natural resources has determined sufficient money is available to acquire any of the lands identified under section 84.027, subdivision 18, paragraph (c), the commissioner shall proceed to extinguish the school trust interest by condemnation action. When requested by the commissioner, the attorney general shall commence condemnation of the identified school trust lands.

Subd. 3. Payment. The portion of the payment of the award and judgment that is for the value of the land shall be deposited into the permanent school fund. The remainder of the award and judgment payment shall first be remitted for reimbursement to the accounts from which expenses were paid, with any remainder deposited into the permanent school fund.

Subd. 4. Account. The school trust lands account is created in the state treasury. Money credited to the account is appropriated to the commissioner of natural resources for the purposes of this section.

Sec. 66. Minnesota Statutes 2014, section 94.10, subdivision 2, is amended to read:

Subd. 2. Public sale requirements. (a) After complying with subdivision 1 and before any public sale of surplus state-owned land is made and at least 30 days before the sale, the commissioner of natural resources shall publish a notice of the sale in a newspaper of general distribution in the county in which the real property to be sold is situated. The notice shall specify the time and place at which the sale will commence, a general description of the lots or tracts to be offered, and a general statement of the terms of sale. The commissioner shall also provide electronic notice of sale.

(b) The minimum bid for a parcel of land must include the estimated value or appraised value of the land and any improvements and, if any of the land is valuable for merchantable timber, the value of the merchantable timber. The minimum bid may include expenses incurred by the commissioner in rendering the property salable, including survey, appraisal, legal, advertising, and other expenses.

(c) Except as provided under paragraph (d), parcels remaining unsold after the offering may be sold to anyone agreeing to pay at least 75 percent of the appraised value. The sale shall continue until all parcels are sold or until the commissioner orders a reappraisal or withdraws the remaining parcels from sale.

(d) The commissioner may retain the services of a licensed real estate broker to find a buyer for parcels remaining unsold after the offering. The sale price may be negotiated by the broker, but must not be less than

90 percent of the appraised value as determined by the commissioner. The broker's fee must be established by prior agreement between the commissioner and the broker and must not exceed ten percent of the sale price for sales of \$10,000 or more. The broker's fee must be paid to the broker from the proceeds of the sale.

Sec. 67. Minnesota Statutes 2014, section 94.16, subdivision 2, is amended to read:

Subd. 2. **Payment of expenses.** A portion of the proceeds from the sale equal in amount to the survey, appraisal, legal, advertising, real estate broker fee, and other expenses incurred by the commissioner of natural resources in rendering the property salable and sold shall be remitted to the account from which the expenses were paid, and are appropriated and immediately available for expenditure in the same manner as other money in the account.

Sec. 68. Minnesota Statutes 2014, section 94.16, subdivision 3, is amended to read:

Subd. 3. **Proceeds from natural resources land.** (a) Except as provided in ~~paragraph~~ paragraphs (b) and (c), the remainder of the proceeds from the sale of lands classified as a unit of the outdoor recreation system under section 86A.05 that were under the control and supervision of the commissioner of natural resources shall be credited to the land acquisition account in the natural resources fund.

(b) The remainder of the proceeds from the sale of administrative sites under the control and supervision of the commissioner of natural resources shall be credited to the facilities management account established under section 84.0857 and used to acquire facilities or renovate existing buildings for administrative use or to acquire land for, design, and construct administrative buildings for the Department of Natural Resources.

(c) The remainder of the proceeds from the sale of land not within a unit of the outdoor recreation system under section 86A.05 and not an administrative site, but under the control and supervision of the commissioner of natural resources, shall be credited to the school trust lands account established under section 92.83.

Sec. 69. Minnesota Statutes 2014, section 97A.055, subdivision 4b, is amended to read:

Subd. 4b. **Citizen oversight committees.** (a) The commissioner shall appoint committees of affected persons to review the reports prepared under subdivision 4; review the proposed work plans and budgets for the coming year; propose changes in policies, activities, and revenue enhancements or reductions; review other relevant information; and make recommendations to the legislature and the commissioner for improvements in the management and use of money in the game and fish fund.

(b) The commissioner shall appoint the following committees, each comprised of at least ten affected persons:

(1) a Fisheries Oversight Committee to review fisheries funding and expenditures, including activities related to trout and salmon stamps and walleye stamps; and

(2) a Wildlife Oversight Committee to review wildlife funding and expenditures, including activities related to migratory waterfowl, pheasant, and wild turkey management and deer and big game management.

(c) The chairs of the Fisheries Oversight Committee and the Wildlife Oversight Committee, and four additional members from each committee, shall form a Budgetary Oversight Committee to coordinate the integration of the fisheries and wildlife oversight committee reports into an annual report to the legislature;

recommend changes on a broad level in policies, activities, and revenue enhancements or reductions; and provide a forum to address issues that transcend the fisheries and wildlife oversight committees.

(d) The Budgetary Oversight Committee shall develop recommendations for a biennial budget plan and report for expenditures on game and fish activities. By August 15 of each even-numbered year, the committee shall submit the budget plan recommendations to the commissioner and to the senate and house of representatives committees with jurisdiction over natural resources finance.

(e) The chairs of the Fisheries Oversight Committee and the Wildlife Oversight Committee shall be chosen by their respective committees. The chair of the Budgetary Oversight Committee shall be appointed by the commissioner and may not be the chair of either of the other oversight committees.

(f) The Budgetary Oversight Committee may make recommendations to the commissioner and to the senate and house of representatives committees with jurisdiction over natural resources finance for outcome goals from expenditures.

(g) The committees authorized under this subdivision are not advisory councils or committees governed by section 15.059 and are not subject to section 15.059. Committee members appointed by the commissioner may request reimbursement for mileage expenses in the same manner and amount as authorized by the commissioner's plan adopted under section 43A.18, subdivision 2. Committee members must not receive daily compensation for oversight activities. The Fisheries Oversight Committee, the Wildlife Oversight Committee, and the Budgetary Oversight Committee expire June 30, ~~2015~~ 2020.

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

Sec. 70. Minnesota Statutes 2014, section 97B.668, is amended to read:

97B.668 CANADA-GEESE GAME BIRDS CAUSING DAMAGE.

Notwithstanding sections 97B.091 and 97B.805, subdivisions 1 and 2, a person or agent of that person on lands and nonpublic waters owned or operated by the person may nonlethally scare, haze, chase, or harass Canada-geese game birds that are causing property damage ~~from March 11 to August 31~~ or to protect a disease risk at any time or place that a hunting season for the game birds is not open. This section does not apply to public waters as defined under section 103G.005, subdivision 15, ~~or~~ This section does not apply to migratory waterfowl on nests and other federally protected game birds on nests, except ducks and geese on nests unless when a permit is obtained under section 97A.401.

Sec. 71. Minnesota Statutes 2014, section 97C.301, is amended by adding a subdivision to read:

Subd. 2a. **Aquatic invasive species affirmation.** (a) A nonresident license to take fish issued under section 97A.475, subdivision 7, includes aquatic invasive species affirmation as provided in section 84D.106.

(b) The aquatic invasive species affirmation portion of the license must be displayed with the signed nonresident license to take fish issued under section 97A.475, subdivision 7. The aquatic invasive species affirmation will be provided at the time of purchase of a new or duplicate nonresident license.

(c) If a license is purchased online, the aquatic invasive species affirmation may be completed electronically as part of the online sales process, and the electronic record of the license sale is sufficient for documenting the affirmation.

(d) Failure to complete the aquatic invasive species affirmation in this subdivision is subject to the penalty prescribed in section 84D.13, subdivision 5.

EFFECTIVE DATE. This section is effective March 1, 2016.

Sec. 72. Minnesota Statutes 2014, section 103B.101, is amended by adding a subdivision to read:

Subd. 12a. **Authority to issue penalty orders.** (a) A county or watershed district with jurisdiction or the Board of Water and Soil Resources may issue an order requiring violations of the water resources riparian protection requirements under sections 103F.48, 103F.415, and 103F.421, to be corrected and administratively assessing monetary penalties up to \$500 for noncompliance commencing on day one of the 11th month after the noncompliance notice was issued. One-half of the proceeds collected from an administrative penalty order issued under this section must be remitted to the county or watershed district with jurisdiction over the noncompliant site.

(b) Administrative penalties may be reissued and appealed under paragraph (a) according to section 103F.48, subdivision 9.

Sec. 73. Minnesota Statutes 2014, section 103B.101, is amended by adding a subdivision to read:

Subd. 16. **Wetland stakeholder coordination.** The board shall work with wetland stakeholders to foster mutual understanding and provide recommendations for improvements to the management of wetlands and related land and water resources, including recommendations for updating the Wetland Conservation Act, developing an in-lieu fee program as defined in section 103G.005, subdivision 10g, and related provisions. The board may convene informal working groups or work teams to provide information and education and to develop recommendations.

Sec. 74. **[103B.103] EASEMENT STEWARDSHIP ACCOUNTS.**

Subdivision 1. **Accounts established; sources.** (a) The water and soil conservation easement stewardship account and the mitigation easement stewardship account are created in the special revenue fund. The accounts consist of money credited to the accounts and interest and other earnings on money in the accounts. The State Board of Investment must manage the accounts to maximize long-term gain.

(b) Revenue from contributions and money appropriated for any purposes of the account as described in subdivision 2 must be deposited in the water and soil conservation easement stewardship account. Revenue from contributions, wetland banking fees designated for stewardship purposes by the board, easement stewardship payments authorized under subdivision 3, and money appropriated for any purposes of the account as described in subdivision 2 must be deposited in the mitigation easement stewardship account.

Subd. 2. **Appropriation; purposes of accounts.** Five percent of the balance on July 1 each year in the water and soil conservation easement stewardship account and five percent of the balance on July 1 each year in the mitigation easement stewardship account are annually appropriated to the board and may be spent only to cover the costs of managing easements held by the board, including costs associated with monitoring, landowner contacts, records storage and management, processing landowner notices, requests for approval or amendments, enforcement, and legal services associated with easement management activities.

Subd. 3. **Financial contributions.** The board shall seek a financial contribution to the water and soil conservation easement stewardship account for each conservation easement acquired by the board. The board

shall seek a financial contribution or assess an easement stewardship payment to the mitigation easement stewardship account for each wetland banking easement acquired by the board. Unless otherwise provided by law, the board shall determine the amount of the contribution or payment, which must be an amount calculated to earn sufficient money to meet the costs of managing the easement at a level that neither significantly overrecovers nor underrecovers the costs. In determining the amount of the financial contribution, the board shall consider:

(1) the estimated annual staff hours needed to manage the conservation easement, taking into consideration factors such as easement type, size, location, and complexity;

(2) the average hourly wages for the class or classes of state and local employees expected to manage the easement;

(3) the estimated annual travel expenses to manage the easement;

(4) the estimated annual miscellaneous costs to manage the easement, including supplies and equipment, information technology support, and aerial flyovers;

(5) the estimated annualized costs of legal services, including the cost to enforce the easement in the event of a violation; and

(6) the expected rate of return on investments in the account.

EFFECTIVE DATE. Subdivisions 1 and 2 of this section are effective the day following final enactment. Subdivision 3 of this section is effective for conservation easements acquired with money appropriated on or after July 1, 2015, and for acquisitions of conservation easements by gift or as a condition of approval for wetland mitigation as provided in Minnesota Rules, chapter 8420, that are initiated on or after July 1, 2015.

Sec. 75. Minnesota Statutes 2014, section 103B.3355, is amended to read:

103B.3355 WETLAND FUNCTIONS FOR DETERMINING PUBLIC VALUES.

(a) The public values of wetlands must be determined based upon the functions of wetlands for:

(1) water quality, including filtering of pollutants to surface and groundwater, utilization of nutrients that would otherwise pollute public waters, trapping of sediments, shoreline protection, and utilization of the wetland as a recharge area for groundwater;

(2) floodwater and storm water retention, including the potential for flooding in the watershed, the value of property subject to flooding, and the reduction in potential flooding by the wetland;

(3) public recreation and education, including hunting and fishing areas, wildlife viewing areas, and nature areas;

(4) commercial uses, including wild rice and cranberry growing and harvesting and aquaculture;

(5) fish, wildlife, native plant habitats;

(6) low-flow augmentation;

(7) carbon sequestration; and

(8) other public uses.

(b) The Board of Water and Soil Resources, in consultation with the commissioners of natural resources and agriculture and local government units, shall adopt rules establishing:

(1) scientific methodologies for determining the functions of wetlands; and

(2) criteria for determining the resulting public values of wetlands.

(c) The methodologies and criteria established under this section or other methodologies and criteria that include the functions in paragraph (a) and are approved by the board, in consultation with the commissioners of natural resources and agriculture and local government units, must be used to determine the functions and resulting public values of wetlands in the state. The functions listed in paragraph (a) are not listed in order of priority.

(d) Public value criteria established or approved by the board under this section do not apply in areas subject to local comprehensive wetland protection and management plans established under section 103G.2243.

(e) The Board of Water and Soil Resources, in consultation with the commissioners of natural resources and agriculture and local government units, ~~may~~ must identify ~~regions~~ areas of the state where preservation, enhancement, restoration, and establishment of wetlands would have high public value. The board, in consultation with the commissioners, ~~may~~ must identify high priority ~~wetland regions~~ areas for wetland replacement using available information relating to the factors listed in paragraph (a), the historic loss and abundance of wetlands, current applicable state and local government water management and natural resource plans, and studies using a watershed approach to identify current and future watershed needs. The board shall notify local units of government with water planning authority of these high priority ~~regions~~ areas. Designation of high priority areas is exempt from the rulemaking requirements of chapter 14, and section 14.386 does not apply. Designation of high priority areas is not effective until 30 days after publication in the State Register.

(f) Local units of government, as part of a state-approved comprehensive local water management plan as defined in section 103B.3363, subdivision 3, a state-approved comprehensive watershed management plan as defined in section 103B.3363, subdivision 3a, or a state-approved local comprehensive wetland protection and management plan under section 103G.2243, may identify priority areas for wetland replacement and provide them for consideration under paragraph (e).

Sec. 76. Minnesota Statutes 2014, section 103D.335, subdivision 21, is amended to read:

Subd. 21. **Contracts.** The managers may make contracts or other arrangements with the federal government, persons, railroads or other corporations, political subdivisions, and the state or other states, with drainage authorities, flood control, soil conservation, or other improvement districts in this state or other states, for cooperation or assistance in constructing, maintaining, and operating the projects of the watershed district, or for the control of its waters, or for making surveys and investigations or reports on them. Property acquired for flood damage reduction purposes by the watershed district may be operated or leased by the district for agricultural purposes during periods the property is not needed for flood control,

provided it remains subject to use by the watershed district as necessary for flood control purposes. Notwithstanding section 16A.695, revenue received by the watershed district from the operation or lease of state bond financed property acquired for flood control purposes shall be retained by the district in a separate project-specific account and used solely for flood control operation, maintenance, and replacement purposes within the related project area and, if the district determines that the account contains adequate reserves for future operation, maintenance, and replacement, any excess may be used for the construction, operation, maintenance, or replacement of other flood control projects as approved by the commissioner.

Sec. 77. Minnesota Statutes 2014, section 103F.421, subdivision 4, is amended to read:

Subd. 4. **Application for cost-sharing funds.** The landowner has 90 days after a mediated settlement is filed complaint is substantiated to apply for state cost-sharing funds that will provide 75 percent of the cost of the permanent conservation practices. Only 50 Fifty percent of the cost share will be provided if the application is not made within 90 days after the settlement is filed, unless the soil and water conservation district or the board provides an extension. An extension must be granted if funds are not available. The landowner must apply for 50 percent of the cost share within 270 days after the mediated settlement is filed.

Sec. 78. Minnesota Statutes 2014, section 103F.421, is amended by adding a subdivision to read:

Subd. 6. **Application of state and federal law.** Nothing in this section is intended to preclude the application of other applicable state or federal law.

Sec. 79. **[103F.48] RIPARIAN PROTECTION AND WATER QUALITY PRACTICES.**

Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have the meanings given them.

(b) "Board" means the Board of Water and Soil Resources.

(c) "Buffer" means an area consisting of perennial vegetation, excluding invasive plants and noxious weeds, adjacent to all bodies of water within the state and that protects the water resources of the state from runoff pollution; stabilizes soils, shores, and banks; and protects or provides riparian corridors.

(d) "Buffer protection map" means buffer maps established and maintained by the commissioner of natural resources.

(e) "Commissioner" means the commissioner of natural resources.

(f) "Executive director" means the executive director of the Board of Water and Soil Resources.

(g) "Local water management authority" means a watershed district, metropolitan water management organization, or county operating separately or jointly in its role as local water management authority under chapter 103B or 103D.

(h) "Normal water level" means the level evidenced by the long-term presence of surface water as indicated directly by hydrophytic plants or hydric soils or indirectly determined via hydrological models or analysis.

(i) "Public waters" has the meaning given in section 103G.005, subdivision 15.

Subd. 2. **Purpose.** It is the policy of the state to establish riparian buffers and water quality practices to:

- (1) protect state water resources from erosion and runoff pollution;
- (2) stabilize soils, shores, and banks; and
- (3) protect or provide riparian corridors.

Subd. 3. **Water resources riparian protection requirements on public waters and public drainage systems.** (a) Except as provided in paragraph (b), landowners owning property adjacent to a water body identified and mapped on a buffer protection map must maintain a buffer to protect the state's water resources as follows:

(1) for all public waters, the more restrictive of:

(i) a 50-foot average width, 30-foot minimum width, continuous buffer of perennially rooted vegetation;

or

(ii) the state shoreland standards and criteria adopted by the commissioner under section 103F.211; and

(2) for public drainage systems established under chapter 103E, a 16.5-foot minimum width continuous buffer of perennially rooted vegetation on ditches within the benefited area of public drainage systems.

(b) A landowner owning property adjacent to a water body identified in a buffer protection map and whose property is used for cultivation farming may meet the requirements under paragraph (a) by adopting an alternative riparian water quality practice, or combination of structural, vegetative, and management practices, based on the Natural Resources Conservation Service Field Office Technical Guide or other practices approved by the board, that provide water quality protection comparable to the buffer protection for the water body that the property abuts.

(c) The width of a buffer must be measured from the top or crown of the bank. Where there is no defined bank, measurement must be from the edge of the normal water level.

(d) Upon request by a landowner or authorized agent or operator of a landowner, a technical professional employee or contractor of the soil and water conservation district or its delegate may issue a validation of compliance with the requirements of this subdivision. The soil and water conservation district validation may be appealed to the board as described in subdivision 9.

(e) Buffers or alternative water quality practices required under paragraph (a) or (b) must be in place on or before:

- (1) November 1, 2017, for public waters; and
- (2) November 1, 2018, for public drainage systems.

Subd. 4. **Local water resources riparian protection.** On or before July 1, 2017, the soil and water conservation district shall develop, adopt, and submit to each local water management authority within its boundary a summary of watercourses for inclusion in the local water management authority's plan. A local water management authority that receives a summary of watercourses identified under this subdivision must revise its comprehensive local water management plan or comprehensive watershed management plan to incorporate the soil and water conservation district recommendations.

Subd. 5. **Exemptions.** Land adjacent to waters subject to subdivision 3 is exempt from the water resource protection requirements under subdivision 3, to the extent these exemptions are not inconsistent with the requirements of the state shoreland rules adopted by the commissioner pursuant to section 103F.211, if it is:

(1) enrolled in the federal Conservation Reserve Program;

(2) used as a public or private water access or recreational use area including stairways, landings, picnic areas, access paths, beach and watercraft access areas, and permitted water-oriented structures as provided in the shoreland model standards and criteria adopted pursuant to section 103F.211 or as provided for in an approved local government shoreland ordinance;

(3) covered by a road, trail, building, or other structures; or

(4) regulated by a national pollutant discharge elimination system/state disposal system (NPDES/SDS) permit under Minnesota Rules, chapter 7090, and provides water resources riparian protection, in any of the following categories:

(i) municipal separate storm sewer system (MS4);

(ii) construction storm water (CSW); or

(iii) industrial storm water (ISW);

(5) part of a water-inundation cropping system; or

(6) in a temporary nonvegetated condition due to drainage tile installation and maintenance, alfalfa or other perennial crop or plant seeding, or construction or conservation projects authorized by a federal, state, or local government unit.

Subd. 6. **Local implementation and assistance.** (a) Soil and water conservation districts must assist landowners with implementation of the water resource riparian protection requirements established in this section. For the purposes of this subdivision, assistance includes planning, technical assistance, implementation of approved alternative practices, and tracking progress towards compliance with the requirements.

(b) The commissioner or the board must provide sufficient funding to soil and water conservation districts to implement this section.

Subd. 7. **Corrective actions.** (a) If the soil and water conservation district determines a landowner is not in compliance with this section, the district must notify the county or watershed district with jurisdiction over the noncompliant site. The county or watershed district must provide the landowner with a list of corrective actions needed to come into compliance and a practical timeline to meet the requirements in this section. The county or watershed district with jurisdiction must provide a copy of the corrective action notice to the board.

(b) If the landowner does not comply with the list of actions and timeline provided, the county or watershed district may enforce this section under the authority granted in section 103B.101, subdivision 12a. Before exercising this authority, a county or watershed district must adopt a plan containing procedures for the issuance of administrative penalty orders and may issue orders beginning November 1, 2017. If a county or watershed district with jurisdiction over the noncompliant site has not adopted a plan under this paragraph, the board may enforce this section under the authority granted in section 103B.101, subdivision 12a.

(c) If the county, watershed district, or board determines that sufficient steps have been taken to fully resolve noncompliance, all or part of the penalty may be forgiven.

(d) An order issued under paragraph (b) may be appealed to the board as provided under subdivision 9.

(e) A corrective action is not required for conditions resulting from a flood or other act of nature.

(f) A landowner agent or operator of a landowner may not remove or willfully degrade a riparian buffer or water quality practice, wholly or partially, unless the agent or operator has obtained a signed statement from the property owner stating that the permission for the work has been granted by the unit of government authorized to approve the work in this section or that a buffer or water quality practice is not required as validated by the soil and water conservation district. Removal or willful degradation of a riparian buffer or water quality practice, wholly or partially, by an agent or operator is a separate and independent offense and may be subject to the corrective actions and penalties in this subdivision.

Subd. 8. **Funding subject to withholding.** The state may withhold funding from a local water management authority or a soil and water conservation district that fails to implement this section. Funding subject to withholding includes soil and water program aid, a natural resources block grant, and other project or program funding. Funding may be restored upon the board's approval of a corrective action plan.

Subd. 9. **Appeals of validations and penalty orders.** A landowner or agent or operator may appeal the terms and conditions of a soil and water conservation district validation or an administrative penalty order to the board within 30 days of receipt of written or electronic notice of the validation or order. The request for appeal must be in writing. The appealing party must provide a copy of the validation or order that is being appealed, the basis for the appeal, and any supporting evidence. The request for appeal may be submitted personally, by first class mail, or electronically to the executive director. If a written or electronic request for appeal is not submitted within 30 days, the validation or order is final. The executive director shall review the request and supporting evidence and issue a decision within 60 days of receipt of an appeal. The executive director's decision is appealable directly to the Court of Appeals pursuant to sections 14.63 to 14.69.

Subd. 10. **Landowner financial assistance and public drainage system procedure.** (a) A landowner or drainage authority may contact the soil and water conservation district for information on how to apply for local, state, or federal cost-share grants, contracts, or loans that are available to establish buffers or other water resource protection measures.

(b) The provisions of sections 103E.011, subdivision 5; 103E.021, subdivision 6; and 103E.715 may be used in advance or retroactively to acquire or provide compensation for all or part of the buffer strip establishment or alternative riparian water quality practices as required under subdivision 3, paragraph (a), within the benefited area of a public drainage system. Implementation of this subdivision is not subject to limitation of project costs to the current benefits adopted for the drainage system.

Subd. 11. **State lands.** This section applies to the state and its departments and agencies.

Sec. 80. Minnesota Statutes 2014, section 103F.612, subdivision 2, is amended to read:

Subd. 2. **Application.** (a) A wetland owner may apply to the county where a wetland is located for designation of a wetland preservation area in a high priority wetland area identified in a comprehensive local water plan, as defined in section 103B.3363, subdivision 3, and located within a high priority wetland region designated by the Board of Water and Soil Resources, if the county chooses to accept wetland preservation

area applications. The application must be made on forms provided by the board. If a wetland is located in more than one county, the application must be submitted to the county where the majority of the wetland is located.

(b) The application shall be executed and acknowledged in the manner required by law to execute and acknowledge a deed and must contain at least the following information and other information the Board of Water and Soil Resources requires:

(1) legal description of the area to be approved, which must include an upland strip at least 16-1/2 feet in width around the perimeter of wetlands within the area and may include total upland area of up to four acres for each acre of wetland;

(2) parcel identification numbers where designated by the county auditor;

(3) name and address of the owner;

(4) a statement by the owner covenanting that the land will be preserved as a wetland and will only be used in accordance with conditions prescribed by the Board of Water and Soil Resources and providing that the restrictive covenant will be binding on the owner and the owner's successors or assigns, and will run with the land.

(c) The upland strip required in paragraph (b), clause (1), must be planted with permanent vegetation other than a noxious weed.

Sec. 81. Minnesota Statutes 2014, section 103G.005, is amended by adding a subdivision to read:

Subd. 10g. **In-lieu fee program.** "In-lieu fee program" means a program in which wetland replacement requirements of section 103G.222 are satisfied through payment of money to the board or a board-approved sponsor to develop replacement credits according to section 103G.2242, subdivision 12.

Sec. 82. Minnesota Statutes 2014, section 103G.222, subdivision 1, is amended to read:

Subdivision 1. **Requirements.** (a) Wetlands must not be drained or filled, wholly or partially, unless replaced by ~~restoring or creating wetland areas of actions that~~ provide at least equal public value under a replacement plan approved as provided in section 103G.2242, a replacement plan under a local governmental unit's comprehensive wetland protection and management plan approved by the board under section 103G.2243, or, if a permit to mine is required under section 93.481, under a mining reclamation plan approved by the commissioner under the permit to mine. For project-specific wetland replacement completed prior to wetland impacts authorized or conducted under a permit to mine within the Great Lakes and Rainy River watershed basins, those basins shall be considered a single watershed for purposes of determining wetland replacement ratios. Mining reclamation plans shall apply the same principles and standards for replacing wetlands ~~by restoration or creation of wetland areas that~~ are applicable to mitigation plans approved as provided in section 103G.2242. Public value must be determined in accordance with section 103B.3355 or a comprehensive wetland protection and management plan established under section 103G.2243. Sections 103G.221 to 103G.2372 also apply to excavation in permanently and semipermanently flooded areas of types 3, 4, and 5 wetlands.

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

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

- (2) minimizing the impact by limiting the degree or magnitude of the wetland activity and its implementation;
- (3) rectifying the impact by repairing, rehabilitating, or restoring the affected wetland environment;
- (4) reducing or eliminating the impact over time by preservation and maintenance operations during the life of the activity;
- (5) compensating for the impact by restoring a wetland; and
- (6) compensating for the impact by replacing or providing substitute wetland resources or environments.

For a project involving the draining or filling of wetlands in an amount not exceeding 10,000 square feet more than the applicable amount in section 103G.2241, subdivision 9, paragraph (a), the local government unit may make an on-site sequencing determination without a written alternatives analysis from the applicant.

(c) If a wetland is located in a cultivated field, then replacement must be accomplished through restoration only without regard to the priority order in paragraph (b), provided that the altered wetland is not converted to a nonagricultural use for at least ten years.

(d) If a wetland is replaced under paragraph (c), or drained under section 103G.2241, subdivision 2, paragraph (b) or (e), the local government unit may require a deed restriction that prohibits nonagricultural use for at least ten years. The local government unit may require the deed restriction if it determines the wetland area drained is at risk of conversion to a nonagricultural use within ten years based on the zoning classification, proximity to a municipality or full service road, or other criteria as determined by the local government unit.

(e) Restoration and replacement of wetlands must be accomplished in accordance with the ecology of the landscape area affected and ponds that are created primarily to fulfill storm water management, and water quality treatment requirements may not be used to satisfy replacement requirements under this chapter unless the design includes pretreatment of runoff and the pond is functioning as a wetland.

(f) Except as provided in paragraph (g), for a wetland or public waters wetland located on nonagricultural land, replacement must be in the ratio of two acres of replaced wetland for each acre of drained or filled wetland.

(g) For a wetland or public waters wetland located on agricultural land or in a greater than 80 percent area, replacement must be in the ratio of one acre of replaced wetland for each acre of drained or filled wetland.

(h) Wetlands that are restored or created as a result of an approved replacement plan are subject to the provisions of this section for any subsequent drainage or filling.

(i) Except in a greater than 80 percent area, only wetlands that have been restored from previously drained or filled wetlands, wetlands created by excavation in nonwetlands, wetlands created by dikes or dams along public or private drainage ditches, or wetlands created by dikes or dams associated with the restoration of previously drained or filled wetlands may be used ~~in a statewide banking program established in~~ for wetland replacement according to rules adopted under section 103G.2242, subdivision 1. Modification or conversion of nondegraded naturally occurring wetlands from one type to another are not eligible for ~~enrollment in a statewide wetlands bank~~ wetland replacement.

(j) The Technical Evaluation Panel established under section 103G.2242, subdivision 2, shall ensure that sufficient time has occurred for the wetland to develop wetland characteristics of soils, vegetation, and hydrology before recommending that the wetland be deposited in the statewide wetland bank. If the Technical Evaluation Panel has reason to believe that the wetland characteristics may change substantially, the panel shall postpone its recommendation until the wetland has stabilized.

(k) This section and sections 103G.223 to 103G.2242, 103G.2364, and 103G.2365 apply to the state and its departments and agencies.

(l) For projects involving draining or filling of wetlands associated with a new public transportation project, and for projects expanded solely for additional traffic capacity, public transportation authorities may purchase credits from the board at the cost to the board to establish credits. Proceeds from the sale of credits provided under this paragraph are appropriated to the board for the purposes of this paragraph. For the purposes of this paragraph, "transportation project" does not include an airport project.

(m) A replacement plan for wetlands is not required for individual projects that result in the filling or draining of wetlands for the repair, rehabilitation, reconstruction, or replacement of a currently serviceable existing state, city, county, or town public road necessary, as determined by the public transportation authority, to meet state or federal design or safety standards or requirements, excluding new roads or roads expanded solely for additional traffic capacity lanes. This paragraph only applies to authorities for public transportation projects that:

(1) minimize the amount of wetland filling or draining associated with the project and consider mitigating important site-specific wetland functions on site;

(2) except as provided in clause (3), submit project-specific reports to the board, the Technical Evaluation Panel, the commissioner of natural resources, and members of the public requesting a copy at least 30 days prior to construction that indicate the location, amount, and type of wetlands to be filled or drained by the project or, alternatively, convene an annual meeting of the parties required to receive notice to review projects to be commenced during the upcoming year; and

(3) for minor and emergency maintenance work impacting less than 10,000 square feet, submit project-specific reports, within 30 days of commencing the activity, to the board that indicate the location, amount, and type of wetlands that have been filled or drained.

Those required to receive notice of public transportation projects may appeal minimization, delineation, and on-site mitigation decisions made by the public transportation authority to the board according to the provisions of section 103G.2242, subdivision 9. The Technical Evaluation Panel shall review minimization and delineation decisions made by the public transportation authority and provide recommendations regarding on-site mitigation if requested to do so by the local government unit, a contiguous landowner, or a member of the Technical Evaluation Panel.

Except for state public transportation projects, for which the state Department of Transportation is responsible, the board must replace the wetlands, and wetland areas of public waters if authorized by the commissioner or a delegated authority, drained or filled by public transportation projects on existing roads.

Public transportation authorities at their discretion may deviate from federal and state design standards on existing road projects when practical and reasonable to avoid wetland filling or draining, provided that public safety is not unreasonably compromised. The local road authority and its officers and employees

are exempt from liability for any tort claim for injury to persons or property arising from travel on the highway and related to the deviation from the design standards for construction or reconstruction under this paragraph. This paragraph does not preclude an action for damages arising from negligence in construction or maintenance on a highway.

(n) If a landowner seeks approval of a replacement plan after the proposed project has already affected the wetland, the local government unit may require the landowner to replace the affected wetland at a ratio not to exceed twice the replacement ratio otherwise required.

(o) A local government unit may request the board to reclassify a county or watershed on the basis of its percentage of presettlement wetlands remaining. After receipt of satisfactory documentation from the local government, the board shall change the classification of a county or watershed. If requested by the local government unit, the board must assist in developing the documentation. Within 30 days of its action to approve a change of wetland classifications, the board shall publish a notice of the change in the Environmental Quality Board Monitor.

(p) One hundred citizens who reside within the jurisdiction of the local government unit may request the local government unit to reclassify a county or watershed on the basis of its percentage of presettlement wetlands remaining. In support of their petition, the citizens shall provide satisfactory documentation to the local government unit. The local government unit shall consider the petition and forward the request to the board under paragraph (o) or provide a reason why the petition is denied.

Sec. 83. Minnesota Statutes 2014, section 103G.222, subdivision 3, is amended to read:

Subd. 3. **Wetland replacement siting.** (a) Impacted wetlands in a 50 to 80 percent area must be replaced in a 50 to 80 percent area or in a less than 50 percent area. Impacted wetlands in a less than 50 percent area must be replaced in a less than 50 percent area. All wetland replacement must follow this priority order:

- (1) on site or in the same minor watershed as the impacted wetland;
- (2) in the same watershed as the impacted wetland;
- (3) in the same county or wetland bank service area as the impacted wetland; and
- (4) in another wetland bank service area; and

~~(5) statewide for public transportation projects, except that wetlands impacted in less than 50 percent areas must be replaced in less than 50 percent areas, and wetlands impacted in the seven-county metropolitan area must be replaced at a ratio of two to one in: (i) the affected county or, (ii) in another of the seven metropolitan counties, or (iii) in one of the major watersheds that are wholly or partially within the seven-county metropolitan area, but at least one to one must be replaced within the seven-county metropolitan area.~~

~~(b) The exception in paragraph (a), clause (5), does not apply to replacement completed using wetland banking credits established by a person who submitted a complete wetland banking application to a local government unit by April 1, 1996.~~

(b) Notwithstanding paragraph (a), wetland banking credits approved according to a complete wetland banking application submitted to a local government unit by April 1, 1996, may be used to replace wetland impacts resulting from public transportation projects statewide.

(c) Notwithstanding paragraph (a), clauses (1) and (2), the priority order for replacement by wetland banking begins at paragraph (a), clause (3), according to rules adopted under section 103G.2242, subdivision 1.

~~(e)~~ (d) When reasonable, practicable, and environmentally beneficial replacement opportunities are not available in siting priorities listed in paragraph (a), the applicant may seek opportunities at the next level.

~~(d)~~ (e) For the purposes of this section, "reasonable, practicable, and environmentally beneficial replacement opportunities" are defined as opportunities that:

(1) take advantage of naturally occurring hydrogeomorphological conditions and require minimal landscape alteration;

(2) have a high likelihood of becoming a functional wetland that will continue in perpetuity;

(3) do not adversely affect other habitat types or ecological communities that are important in maintaining the overall biological diversity of the area; and

(4) are available and capable of being done after taking into consideration cost, existing technology, and logistics consistent with overall project purposes.

~~(e) Applicants and local government units shall rely on board-approved comprehensive inventories of replacement opportunities and watershed conditions, including the Northeast Minnesota Wetland Mitigation Inventory and Assessment (January 2010), in determining whether reasonable, practicable, and environmentally beneficial replacement opportunities are available.~~

(f) Regulatory agencies, local government units, and other entities involved in wetland restoration shall collaborate to identify potential replacement opportunities within their jurisdictional areas.

(g) The board must establish wetland replacement ratios and wetland bank service area priorities to implement the siting and targeting of wetland replacement and encourage the use of high priority areas for wetland replacement.

Sec. 84. Minnesota Statutes 2014, section 103G.2242, subdivision 1, is amended to read:

Subdivision 1. **Rules.** (a) The board, in consultation with the commissioner, shall adopt rules governing the approval of wetland value replacement plans under this section and public waters work permits affecting public waters wetlands under section 103G.245. These rules must address the criteria, procedure, timing, and location of acceptable replacement of wetland values; and may address the state establishment and administration of a wetland banking program for public and private projects, which may include including provisions allowing monetary payment to the wetland banking program for alteration of wetlands on agricultural land for an in-lieu fee program; the administrative, monitoring, and enforcement procedures to be used; and a procedure for the review and appeal of decisions under this section. In the case of peatlands, the replacement plan rules must consider the impact on carbon balance ~~described in the report required by Laws 1990, chapter 587, and include the planting of trees or shrubs.~~ Any in-lieu fee program established by the board must conform with Code of Federal Regulations, title 33, section 332.8, as amended.

(b) After the adoption of the rules, a replacement plan must be approved by a resolution of the governing body of the local government unit, consistent with the provisions of the rules or a comprehensive wetland protection and management plan approved under section 103G.2243.

(c) If the local government unit fails to apply the rules, or fails to implement a local comprehensive wetland protection and management plan established under section 103G.2243, the government unit is subject to penalty as determined by the board.

Sec. 85. Minnesota Statutes 2014, section 103G.2242, subdivision 2, is amended to read:

Subd. 2. **Evaluation.** (a) Questions concerning the public value, location, size, or type of a wetland shall be submitted to and determined by a Technical Evaluation Panel after an on-site inspection. The Technical Evaluation Panel shall be composed of a technical professional employee of the board, a technical professional employee of the local soil and water conservation district or districts, a technical professional with expertise in water resources management appointed by the local government unit, and a technical professional employee of the Department of Natural Resources for projects affecting public waters or wetlands adjacent to public waters. The panel shall use the "United States Army Corps of Engineers Wetland Delineation Manual" (January 1987), including updates, supplementary guidance, and replacements, if any, "Wetlands of the United States" (United States Fish and Wildlife Service Circular 39, 1971 edition), and "Classification of Wetlands and Deepwater Habitats of the United States" (1979 edition). The panel shall provide the wetland determination and recommendations on other technical matters to the local government unit that must approve a replacement plan, ~~wetland banking plan sequencing~~, exemption determination, no-loss determination, or wetland boundary or type determination and may recommend approval or denial of the plan. The authority must consider and include the decision of the Technical Evaluation Panel in their approval or denial of a plan or determination.

(b) Persons conducting wetland or public waters boundary delineations or type determinations are exempt from the requirements of chapter 326. The board may develop a professional wetland delineator certification program.

(c) The board must establish an interagency team to assist in identifying and evaluating potential wetland replacement sites. The team must consist of members of the Technical Evaluation Panel and representatives from the Department of Natural Resources; the Pollution Control Agency; the United States Army Corps of Engineers, St. Paul district; and other organizations as determined by the board.

Sec. 86. Minnesota Statutes 2014, section 103G.2242, subdivision 3, is amended to read:

Subd. 3. **Replacement completion.** (a) Replacement of wetland values must be completed prior to or concurrent with the actual draining or filling of a wetland, unless:

(1) an irrevocable bank letter of credit or other security financial assurance acceptable to the local government unit or the board is given to the local government unit or the board to guarantee the successful completion of the replacement; or

(2) the replacement is approved under an in-lieu fee program according to rules adopted under subdivision 1. In the case of an in-lieu fee program established by a board-approved sponsor, the board may require that a financial assurance in an amount and method acceptable to the board be given to the board to ensure the approved sponsor fulfills the sponsor's obligation to complete the required wetland replacement.

~~The board may establish, sponsor, or administer a wetland banking program, which may include provisions allowing monetary payment to the wetland bank for impacts to wetlands on agricultural land, for impacts that occur in greater than 80 percent areas, and for public road projects.~~ (b) The board may acquire land in fee title, purchase or accept easements, enter into agreements, and purchase existing wetland

replacement credits to facilitate the wetland banking program. The board may establish in-lieu fee payment amounts and hold money in an account in the special revenue fund, which is appropriated to the board to be used solely for establishing replacement wetlands and administering the wetland banking program.

(c) The board shall coordinate the establishment and operation of a wetland bank with the United States Army Corps of Engineers, the Natural Resources Conservation Service of the United States Department of Agriculture, and the commissioners of natural resources, agriculture, and the Pollution Control Agency.

Sec. 87. Minnesota Statutes 2014, section 103G.2242, subdivision 4, is amended to read:

Subd. 4. **Decision.** Upon receiving and considering all required data, the local government unit reviewing replacement plan applications, ~~banking plan sequencing applications~~, and exemption or no-loss determination requests must act on all replacement plan applications, ~~banking plan sequencing applications~~, and exemption or no-loss determination requests in compliance with section 15.99.

Sec. 88. Minnesota Statutes 2014, section 103G.2242, subdivision 12, is amended to read:

Subd. 12. **Replacement credits.** (a) No public or private wetland restoration, enhancement, or construction may be allowed for replacement unless specifically designated for replacement and paid for by the individual or organization performing the wetland restoration, enhancement, or construction, ~~and is completed prior to any draining or filling of the wetland.~~

(b) Paragraph (a) does not apply to a wetland whose owner has paid back with interest the individual or organization restoring, enhancing, or constructing the wetland.

(c) Notwithstanding section 103G.222, subdivision 1, paragraph (i), the following actions, and others established in rule, that are consistent with criteria in rules adopted by the board in conjunction with the commissioners of natural resources and agriculture, are eligible for replacement credit as determined by the local government unit or the board, including enrollment in a statewide wetlands bank:

(1) reestablishment of permanent native, noninvasive vegetative cover on a wetland on agricultural land that was planted with annually seeded crops, was in a crop rotation seeding of pasture grasses or legumes, or was in a land retirement program during the past ten years;

(2) buffer areas of permanent native, noninvasive vegetative cover established or preserved on upland adjacent to replacement wetlands;

(3) wetlands restored for conservation purposes under terminated easements or contracts; ~~and~~

(4) water quality treatment ponds constructed to pretreat storm water runoff prior to discharge to wetlands, public waters, or other water bodies, provided that the water quality treatment ponds must be associated with an ongoing or proposed project that will impact a wetland and replacement credit for the treatment ponds is based on the replacement of wetland functions and on an approved storm water management plan for the local government; and

(5) in a greater than 80 percent area, restoration and protection of streams and riparian buffers that are important to the functions and sustainability of aquatic resources.

(d) Notwithstanding section 103G.222, subdivision 1, paragraphs (f) and (g), the board may establish by rule different replacement ratios for restoration projects with exceptional natural resource value.

Sec. 89. Minnesota Statutes 2014, section 103G.2242, subdivision 14, is amended to read:

Subd. 14. **Fees established.** (a) Fees must be assessed for managing wetland bank accounts and transactions as follows:

(1) account maintenance annual fee: one percent of the value of credits not to exceed \$500;

(2) account establishment, deposit, or transfer: 6.5 percent of the value of credits not to exceed \$1,000 per establishment, deposit, or transfer; and

(3) withdrawal fee: 6.5 percent of the value of credits withdrawn.

(b) The board may establish fees at or below the amounts in paragraph (a) for single-user or other dedicated wetland banking accounts.

(c) Fees for single-user or other dedicated wetland banking accounts established pursuant to section 103G.005, subdivision 10e, clause (4), are limited to establishment of a wetland banking account and are assessed at the rate of 6.5 percent of the value of the credits not to exceed \$1,000.

(d) The board may assess a fee to pay the costs associated with establishing conservation easements, or other long-term protection mechanisms prescribed in the rules adopted under subdivision 1, on property used for wetland replacement.

Sec. 90. Minnesota Statutes 2014, section 103G.2251, is amended to read:

103G.2251 STATE CONSERVATION EASEMENTS; WETLAND BANK CREDIT.

In greater than 80 percent areas, preservation of wetlands, riparian buffers, and watershed areas essential to maintaining important functions and sustainability of aquatic resources in the watershed that are protected by a permanent conservation easement as defined under section 84C.01 and held by the board may be eligible for wetland replacement or mitigation credits, according to rules adopted by the board. To be eligible for credit under this section, a conservation easement must be established after May 24, 2008, and approved by the board. Wetland areas on private lands preserved under this section are not eligible for replacement or mitigation credit if the area has been protected using public conservation funds.

Sec. 91. Minnesota Statutes 2014, section 103G.245, subdivision 2, is amended to read:

Subd. 2. **Exceptions.** A public waters work permit is not required for:

(1) work in altered natural watercourses that are part of drainage systems established under chapter 103D or 103E if the work in the waters is undertaken according to chapter 103D or 103E; ~~or~~

(2) a drainage project for a drainage system established under chapter 103E that does not substantially affect public waters; or

(3) culvert restoration or replacement of the same size and elevation, if the restoration or replacement does not impact a designated trout stream.

Sec. 92. Minnesota Statutes 2014, section 103G.271, subdivision 3, is amended to read:

Subd. 3. **Permit restriction during summer months.** The commissioner must not modify or restrict the amount of appropriation from a groundwater source authorized in a water use permit issued to irrigate

agricultural land between ~~May~~ April 1 and October 1, or, for agricultural land with a crop, until November 15, unless the commissioner determines the authorized amount of appropriation endangers a domestic water supply.

Sec. 93. Minnesota Statutes 2014, section 103G.271, subdivision 5, is amended to read:

Subd. 5. **Prohibition on once-through water use permits.** (a) Except as provided in paragraph (c), the commissioner may not issue a water use permit to increase the volume of appropriation from a groundwater source for a once-through cooling system.

(b) Except as provided in paragraph (c), once-through system water use permits using in excess of 5,000,000 gallons annually must be terminated by the commissioner, unless the discharge is into a public water basin within a nature preserve approved by the commissioner and established prior to January 1, 2001. The commissioner may issue a permit for a system in existence prior to January 1, 2015, for up to 5,000,000 gallons annually. Existing once-through systems must not be expanded and are required to convert to water efficient alternatives within the design life of existing equipment.

(c) Notwithstanding paragraphs (a) and (b), the commissioner, with the approval of the commissioners of health and the Pollution Control Agency, may issue once-through system water use permits on an annual basis for groundwater thermal exchange devices or aquifer storage and recovery systems that return all once-through system water to the source aquifer. Water use permit processing fees in subdivision 6, paragraph (a), apply to all water withdrawals under this paragraph, including any reuse of water returned to the source aquifer.

Sec. 94. Minnesota Statutes 2014, section 103G.271, subdivision 6a, is amended to read:

Subd. 6a. **Payment of fees for past unpermitted appropriations.** An entity that appropriates water without a required permit under subdivision 1 must pay the applicable water use permit processing fee specified in subdivision 6 for the period during which the unpermitted appropriation occurred. The fees for unpermitted appropriations are required for the previous seven calendar years after being notified of the need for a permit. This fee is in addition to any other fee or penalty assessed. The commissioner may waive payment of fees for past unpermitted appropriations for a residential system permitted under subdivision 5, paragraph (b).

Sec. 95. Minnesota Statutes 2014, section 103G.287, subdivision 1, is amended to read:

Subdivision 1. **Applications for groundwater appropriations; preliminary well construction approval.** (a) Groundwater use permit applications are not complete until the applicant has supplied:

(1) a water well record as required by section 103I.205, subdivision 9, information on the subsurface geologic formations penetrated by the well and the formation or aquifer that will serve as the water source, and geologic information from test holes drilled to locate the site of the production well;

(2) the maximum daily, seasonal, and annual pumpage rates and volumes being requested;

(3) information on groundwater quality in terms of the measures of quality commonly specified for the proposed water use and details on water treatment necessary for the proposed use;

(4) ~~an inventory of existing wells within 1-1/2 miles of the proposed production well or within the area of influence, as determined by the commissioner. The inventory must include information on well locations,~~

~~depths, geologic formations, depth of the pump or intake, pumping and nonpumping water levels, and details of well construction;~~

~~(5)~~(4) the results of an aquifer test completed according to specifications approved by the commissioner. The test must be conducted at the maximum pumping rate requested in the application and for a length of time adequate to assess or predict impacts to other wells and surface water and groundwater resources. The permit applicant is responsible for all costs related to the aquifer test, including the construction of groundwater and surface water monitoring installations, and water level readings before, during, and after the aquifer test; and

~~(6)~~(5) the results of any assessments conducted by the commissioner under paragraph (c).

(b) The commissioner may waive an application requirement in this subdivision if the information provided with the application is adequate to determine whether the proposed appropriation and use of water is sustainable and will protect ecosystems, water quality, and the ability of future generations to meet their own needs.

(c) The commissioner shall provide an assessment of a proposed well needing a groundwater appropriation permit. The commissioner shall evaluate the information submitted as required under section 103I.205, subdivision 1, paragraph (f), and determine whether the anticipated appropriation request is likely to meet the applicable requirements of this chapter. If the appropriation request is likely to meet applicable requirements, the commissioner shall provide the person submitting the information with a letter providing preliminary approval to construct the well.

Sec. 96. **103G.289** WELL INTERFERENCE; WELL SEALING.

The commissioner shall not validate a well interference claim if the affected well has been sealed prior to the completion of the commissioner's investigation of the complaint. If the well is sealed prior to completion of the investigation, the commissioner must dismiss the complaint.

Sec. 97. Minnesota Statutes 2014, section 103G.291, subdivision 3, is amended to read:

Subd. 3. **Water supply plans; demand reduction.** (a) Every public water supplier serving more than 1,000 people must submit a water supply plan to the commissioner for approval by January 1, 1996. In accordance with guidelines developed by the commissioner, the plan must address projected demands, adequacy of the water supply system and planned improvements, existing and future water sources, natural resource impacts or limitations, emergency preparedness, water conservation, supply and demand reduction measures, and allocation priorities that are consistent with section 103G.261. Public water suppliers must update their plan and, upon notification, submit it to the commissioner for approval every ten years.

(b) The water supply plan in paragraph (a) is required for all communities in the metropolitan area, as defined in section 473.121, with a municipal water supply system and is a required element of the local comprehensive plan required under section 473.859. ~~Water supply plans or updates submitted after December 31, 2008, must be consistent with the metropolitan area master water supply plan required under section 473.1565, subdivision 1, paragraph (a), clause (2).~~

(c) Public water suppliers serving more than 1,000 people must encourage water conservation by employing water use demand reduction measures, as defined in subdivision 4, paragraph (a), before requesting approval from the commissioner of health under section 144.383, paragraph (a), to construct a

public water supply well or requesting an increase in the authorized volume of appropriation. The commissioner of natural resources and the water supplier shall use a collaborative process to achieve demand reduction measures as a part of a water supply plan review process.

(d) Public water suppliers serving more than 1,000 people must submit records that indicate the number of connections and amount of use by customer category and volume of water unaccounted for with the annual report of water use required under section 103G.281, subdivision 3.

(e) For the purposes of this section, "public water supplier" means an entity that owns, manages, or operates a public water supply, as defined in section 144.382, subdivision 4.

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

Sec. 98. Minnesota Statutes 2014, section 103G.301, subdivision 5a, is amended to read:

Subd. 5a. **Town fees limited exemption.** Notwithstanding this section or any other law, no permit application, general permit notification, or field inspection fee shall be charged to a town in connection with the construction or alteration of a town road, bridge, or culvert ~~shall exceed \$100.~~

Sec. 99. **[114C.40] VOLUNTARY SELF-REPORTING OF MINOR VIOLATIONS.**

Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have the meanings given.

(b) "Commissioner" means the commissioner of the Pollution Control Agency.

(c) "Environmental requirement" means a requirement in a law administered by the agency, a rule adopted by the agency, a permit or order issued by the agency, an agreement entered into with the agency, or a court order issued pursuant to any of the foregoing.

(d) "Regulated entity" means a public or private organization or individual that is subject to environmental requirements.

Subd. 2. **Enforcement delay.** Except for violations determined by the commissioner under subdivision 4, the commissioner must defer for 60 calendar days enforcement of an environmental requirement against a regulated entity if:

(1) violation of the environmental requirement was first identified by the regulated entity or an employee of or person contracted by the regulated entity;

(2) the regulated entity notified the commissioner, through electronic submission or in writing, that a violation has occurred within two business days of the violation coming to the regulated entity's attention. The commissioner must contact the regulated entity within seven business days of receipt of the notification to schedule a consultation to discuss the nature of the violation. During the consultation, the regulated entity and the commissioner must develop a plan and mutually agreed upon timeframe for the regulated entity to return to compliance. The regulated entity must submit, through electronic submission or in writing, the agreed upon plan within seven business days of the consultation. The regulated entity must return to compliance within 60 calendar days following the date of the consultation unless a different timeframe was agreed upon during the consultation; and

(3) the regulated entity has not been cited for noncompliance under subdivision 4 by the agency within the past two years from the date of the notification under clause (2).

Subd. 3. **Penalties waived.** The commissioner must not impose or bring an action for any administrative, civil, or criminal penalties against a regulated entity if the regulated entity complies with subdivision 2.

Subd. 4. **Exceptions.** Notwithstanding subdivisions 2 and 3, the commissioner may, at any time, bring:

(1) a criminal enforcement action against any person who commits a violation under section 609.671;

(2) a civil or administrative enforcement action, which may include a penalty, under section 115.071 or 116.072, against the regulated entity if:

(i) a violation caused or had potential to cause serious harm to human health or the environment;

(ii) a violation is of the specific terms of an administrative order, a judicial order or consent decree, a stipulation agreement, or a schedule of compliance;

(iii) a violation has resulted in economic benefit which gives the regulated entity a clear advantage over its business competitors; or

(iv) a violation is identified through a monitoring or sampling requirement prescribed by statute, regulation, permit, judicial or administrative order, consent decree, stipulation agreement, or schedule of compliance; or

(3) an enforcement action against a regulated entity to enjoin an imminent and substantial danger under section 116.11.

Subd. 5. **Reporting required by law.** Nothing in this section alters the obligation of any regulated entity to report releases, violations, or other matters that are required to be reported by state or federal law, rule, permit, or enforcement action.

Sec. 100. **[115.035] EXTERNAL PEER REVIEW OF WATER QUALITY STANDARDS.**

(a) When the commissioner convenes an external peer review panel during the promulgation or amendment of water quality standards, the commissioner must provide notice and take public comment on the charge questions for the external peer review panel and must allow written and oral public comment as part of the external peer review panel process. Documentation of the external peer review panel, including the name or names of the peer reviewer or reviewers must be included in the statement of need and reasonableness for the water quality standard. If the commissioner does not convene an external peer review panel during the promulgation or amendment of water quality standards, the commissioner must state the reason an external peer review panel will not be convened in the statement of need and reasonableness.

(b) By December 15 each year, the commissioner shall post on the agency's Web site a report identifying the water quality standards development work in progress or completed in the past year, the lead agency scientist for each development effort, and opportunities for public input.

Sec. 101. Minnesota Statutes 2014, section 115.44, is amended by adding a subdivision to read:

Subd. 9. **Annual report.** (a) By January 15 each year, the commissioner shall post on the Pollution Control Agency's Web site a report on the agency's activities the previous calendar year to implement

standards and classification requirements into national pollutant discharge elimination system and state disposal system permits held by municipalities. The report must include:

(1) a summary of permits issued or reissued over the previous calendar year, including any changes to permitted effluent limits due to water quality standards adopted or revised during the previous permit term;

(2) highlights of innovative approaches employed by the agency and municipalities to develop and achieve permit requirements in a cost-effective manner;

(3) a summary of standards development and water quality rulemaking activities over the previous calendar year, including economic analyses;

(4) a summary of standards development and water quality rulemaking activities anticipated for the next three years, including economic analyses;

(5) a process and timeframe for municipalities to provide input to the agency regarding their needs based on the information provided in the report; and

(6) a list of anticipated permitting initiatives in the next calendar year that may impact municipalities and the agency's plan for involving the municipalities throughout the planning and decision making process. The plan must include opportunities for input and public comment from municipalities on rulemaking initiatives prior to preparation of a statement of need and reasonableness required under section 14.131. The commissioner must ensure the agency's plan under this clause is implemented.

(b) For the purposes of this section, "economic analyses" must include assessments of the potential costs to regulated municipalities associated with water quality standards or rules proposed by the agency.

Sec. 102. Minnesota Statutes 2014, section 115.55, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to sections 115.55 to 115.56.

(b) "Advisory committee" means the Advisory Committee on Subsurface Sewage Treatment Systems established under the subsurface sewage treatment system rules. The advisory committee must be appointed to ensure geographic representation of the state and include elected public officials.

(c) "Applicable requirements" means:

(1) local ordinances that comply with the subsurface sewage treatment system rules, as required in subdivision 2; or

(2) in areas without compliant ordinances described in clause (1), the subsurface sewage treatment system rules.

(d) "Building sewer connected to a subsurface sewage treatment system" means the pipe that connects a structure to a subsurface sewage treatment system. Building sewers connected to subsurface sewage treatment systems are codefined as both plumbing and subsurface sewage treatment system components.

~~(d)~~ (e) "City" means a statutory or home rule charter city.

~~(e)~~ (f) "Commissioner" means the commissioner of the Pollution Control Agency.

~~(f)~~ (g) "Dwelling" means a building or place used or intended to be used by human occupants as a single-family or two-family unit.

~~(g)~~ (h) "Subsurface sewage treatment system" or "system" means a sewage treatment system, or part thereof, that uses subsurface soil treatment and disposal, or a holding tank, serving a dwelling, other establishment, or a group thereof, and that does not require a state permit. Subsurface sewage treatment system includes a building sewer connected to a subsurface sewage treatment system.

~~(h)~~ (i) "Subsurface sewage treatment system professional" means an inspector, installer, designer, service provider, or maintainer.

~~(i)~~ (j) "Subsurface sewage treatment system rules" means rules adopted by the agency that establish minimum standards and criteria for the design, location, installation, use, maintenance, and closure of subsurface sewage treatment systems.

~~(j)~~ (k) "Inspector" means a person who inspects subsurface sewage treatment systems for compliance with the applicable requirements.

~~(k)~~ (l) "Installer" means a person who constructs or repairs subsurface sewage treatment systems.

~~(l)~~ (m) "Local unit of government" means a township, city, or county.

~~(m)~~ (n) "Performance-based system" means a system that is designed specifically for environmental conditions on a site and is designed to adequately protect the public health and the environment and provide consistent, reliable, long-term performance. At a minimum, a performance based system must ensure that applicable water quality standards are met in both ground and surface water that ultimately receive the treated sewage.

~~(n)~~ (o) "Maintainer " means a person who removes solids and liquids from and maintains and repairs components of subsurface sewage treatment systems including, but not limited to, sewage, aerobic, and holding tanks.

~~(o)~~ (p) "Seasonal dwelling" means a dwelling that is occupied or used for less than 180 days per year and less than 120 consecutive days.

~~(p)~~ (q) "Septic system tank" means any covered receptacle designed, constructed, and installed as part of a subsurface sewage treatment system.

~~(q)~~ (r) "Designer" means a person who:

(1) investigates soils and site characteristics to determine suitability, limitations, and sizing requirements; and

(2) designs subsurface sewage treatment systems.

~~(r)~~ (s) "Straight-pipe system" means a sewage disposal system that transports raw or partially treated sewage directly to a lake, a stream, a drainage system, or ground surface.

Sec. 103. Minnesota Statutes 2014, section 115.56, subdivision 2, is amended to read:

Subd. 2. **License required.** (a) Except as provided in paragraph (b), a person may not design, install, maintain, pump, inspect, or provide service to a subsurface sewage treatment system without a license issued

by the commissioner. Licenses issued under this section allow work on subsurface sewage treatment systems that do not require a state permit using prescriptive designs and design guidances provided by the agency. Licensees who design systems using these prescriptive designs and design guidances are not subject to the additional licensing requirements of section 326.03.

(b) A license is not required for a person who complies with the applicable requirements if the person is:

(1) a qualified employee of state or local government who is a certified professional;

(2) an individual who constructs a subsurface sewage treatment system on land that is owned or leased by the individual and functions solely as the individual's dwelling or seasonal dwelling, unless specifically disallowed in local ordinance. A person constructing a subsurface sewage treatment system under this clause must comply with all local administrative and technical requirements. In addition, the system must be inspected before being covered and a compliance report must be provided to the local unit of government after the inspection;

(3) a farmer who pumps and disposes of sewage waste from subsurface sewage treatment systems, holding tanks, and privies on land that is owned or leased by the farmer; or

(4) an individual who performs labor or services for a licensed business under this section in connection with the design, installation, operation, pumping, or inspection of a subsurface sewage treatment system at the direction and under the personal supervision of a person certified under this section.

(c) The commissioner, in conjunction with the University of Minnesota Extension Service or another higher education institution, shall ensure adequate training and design guidance exists for subsurface sewage treatment system certified professionals.

(d) The commissioner shall conduct examinations to test the knowledge of applicants for certification and shall issue documentation of certification.

(e) Licenses may be issued only upon submission of general liability insurance, a corporate surety bond in the amount of at least ~~\$10,000~~ \$25,000, and the name of the individual who will be the designated certified individual for that business. The bond may be for both plumbing work and subsurface sewage treatment work if the bond complies with the requirements of this section and satisfies the requirements and references identified in section 326B.46, subdivision 2.

(f) Local units of government may not require additional local licenses for subsurface sewage treatment system businesses.

(g) No other professional license under section 326.03 is required to design, install, maintain, inspect, or provide service for a subsurface sewage treatment system that does not require a state permit using prescriptive designs and design guidances provided by the agency if the system designer, installer, maintainer, inspector, or service provider is licensed under this subdivision and the local unit of government has not adopted additional requirements.

Sec. 104. Minnesota Statutes 2014, section 115A.03, subdivision 25a, is amended to read:

Subd. 25a. **Recyclable materials.** "Recyclable materials" means materials that are separated from mixed municipal solid waste for the purpose of recycling or composting, including paper, glass, plastics, metals, automobile oil, batteries, ~~and~~ source-separated compostable materials, and sole source food waste streams

that are managed through biodegradative processes. Refuse-derived fuel or other material that is destroyed by incineration is not a recyclable material.

Sec. 105. Minnesota Statutes 2014, section 115A.03, subdivision 32a, is amended to read:

Subd. 32a. **Source-separated compostable materials.** "Source-separated compostable materials" means materials that:

- (1) are separated at the source by waste generators for the purpose of preparing them for use as compost;
- (2) are collected separately from mixed municipal solid waste, and are governed by the licensing provisions of section 115A.93;
- (3) are comprised of food wastes, fish and animal waste, plant materials, diapers, sanitary products, and paper that is not recyclable because the commissioner has determined that no other person is willing to accept the paper for recycling;
- (4) are delivered to a facility to undergo controlled microbial degradation to yield a humus-like product meeting the agency's class I or class II, or equivalent, compost standards and where process residues rejects do not exceed 15 percent by weight of the total material delivered to the facility; and
- (5) may be delivered to a transfer station, mixed municipal solid waste processing facility, or recycling facility only for the purposes of composting or transfer to a composting facility, unless the commissioner determines that no other person is willing to accept the materials.

Sec. 106. Minnesota Statutes 2014, section 115A.1314, subdivision 1, is amended to read:

Subdivision 1. **Registration fee.** (a) Each manufacturer who registers under section 115A.1312 must, by September 1, 2007, and each year thereafter, pay to the commissioner of revenue an annual registration fee. The commissioner of revenue must deposit the fee in the state treasury and credit the fee to the environmental fund.

(b) The registration fee is equal to a base fee of \$2,500, plus a variable recycling fee calculated according to the formula:

$((A \times B) - (C + D)) \times E$, where:

- (1) A = the number of pounds of a manufacturer's video display devices sold to households during the previous program year, as reported to the department under section 115A.1316, subdivision 1;
- (2) B = the proportion of sales of video display devices required to be recycled, set at 0.6 for the first program year and 0.8 for the second program year and every year thereafter;
- (3) C = the number of pounds of covered electronic devices recycled by a manufacturer from households during the previous program year, as reported to the department under section 115A.1316, subdivision 1;
- (4) D = the number of recycling credits a manufacturer elects to use to calculate the variable recycling fee, as reported to the department under section 115A.1316, subdivision 1; and
- (5) E = the estimated per-pound cost of recycling, initially set at \$0.50 per pound for manufacturers who recycle less than 50 percent of the product (A x B); \$0.40 per pound for manufacturers who recycle

at least 50 percent but less than 90 percent of the product (A x B); and \$0.30 per pound for manufacturers who recycle at least 90 percent but less than 100 percent of the product (A x B).

(c) If, as specified in paragraph (b), the term $C - (A \times B)$ equals a positive number of pounds, that amount is defined as the manufacturer's recycling credits. A manufacturer may retain recycling credits to be added, in whole or in part, to the actual value of C, as reported under section 115A.1316, subdivision 2, during any succeeding program year, provided that no more than 25 percent of a manufacturer's obligation (A x B) for any program year may be met with recycling credits generated in a prior program year. A manufacturer may sell any portion or all of its recycling credits to another manufacturer, at a price negotiated by the parties, who may use the credits in the same manner.

(d) For the purpose of calculating a manufacturer's variable recycling fee under paragraph (b), the weight of covered electronic devices collected from households located outside the 11-county metropolitan area, as defined in subdivision 2, paragraph (c), is calculated at 1.5 times their actual weight.

(e) The registration fee for the initial program year and the base registration fee thereafter for a manufacturer who produces fewer than 100 video display devices for sale annually to households is \$1,250.

(f) For the ninth program year, the agency shall publish a statewide recycling goal of 16,000,000 pounds.

(g) For the ninth program year, the agency shall determine each registered manufacturer's market share of video display devices to be collected and recycled based on the manufacturer's percentage share of the total weight of video display devices sold as reported to the department for the eighth program year as reported to the agency by July 15, 2015. By July 30, 2015, the agency shall provide each manufacturer with a determination of its share of video display devices to be collected and recycled, which is the quotient of the total weight of the manufacturer's video display devices sold to households in the eighth program year, divided by the total weight of all manufacturers' video display devices sold to households in this state based on reporting to the agency for the eighth program year, then applied proportionally to the statewide recycling goal of 16,000,000 pounds as specified in paragraph (f).

(h) If a manufacturer's obligation for the recycling of video display devices as determined in paragraph (b), clauses (1) and (2), by weight is higher than the obligation determined by the agency in paragraph (g), then the higher number is the obligation for program year nine.

(i) For the ninth program year, a manufacturer that did not report sales data to the department for the eighth or ninth program years shall be subject to a recycling obligation that is equal to 80 percent by weight of the manufacturer's video display devices sold to households.

Sec. 107. Minnesota Statutes 2014, section 115A.1415, subdivision 16, is amended to read:

Subd. 16. **Administrative fee.** (a) The stewardship organization or individual producer submitting a stewardship plan shall pay an annual administrative fee to the commissioner. The agency may establish a variable fee based on relevant factors, including, but not limited to, the portion of architectural paint sold in the state by members of the organization compared to the total amount of architectural paint sold in the state by all organizations submitting a stewardship plan.

(b) Prior to July 1, 2014, and before July 1 annually thereafter, the agency shall identify the costs it incurs under this section. The agency shall set the fee at an amount that, when paid by every stewardship organization or individual producer that submits a stewardship plan, is adequate to reimburse the agency's

full costs of administering this section. The total amount of annual fees collected under this subdivision must not exceed the amount necessary to reimburse costs incurred by the agency to administer this section.

(c) A stewardship organization or individual producer subject to this subdivision must pay the agency's administrative fee under paragraph (a) on or before July 1, 2014, and annually thereafter. Each year after the initial payment, the annual administrative fee may not exceed five percent of the aggregate stewardship assessment added to the cost of all architectural paint sold by producers in the state for the preceding calendar year.

(d) All fees received under this section shall be deposited in the state treasury and credited to a product stewardship account in the special revenue fund. For fiscal years 2014 ~~and~~ 2015, 2016, and 2017, the amount collected under this section is annually appropriated to the agency to implement and enforce this section.

Sec. 108. Minnesota Statutes 2014, section 115A.551, subdivision 2a, is amended to read:

Subd. 2a. **County recycling goals.** (a) By December 31, 2030, each county will have as a goal to recycle the following amounts:

(1) for a county outside of the metropolitan area, 35 percent by weight of total solid waste generation; and

(2) for a metropolitan county, 75 percent by weight of total solid waste generation.

(b) Each county will develop and implement or require political subdivisions within the county to develop and implement programs, practices, or methods designed to meet its recycling goal. Nothing in this section or in any other law may be construed to prohibit a county from establishing a higher recycling goal.

(c) Any quantified recyclable materials that meet the definition in subdivision 1, paragraph (a), or section 115A.03, subdivision 25a, are eligible to be counted toward a county's recycling goal under this subdivision.

Sec. 109. Minnesota Statutes 2014, section 115A.557, subdivision 2, is amended to read:

Subd. 2. **Purposes for which money may be spent.** (a) A county receiving money distributed by the commissioner under this section may use the money only for the development and implementation of programs to:

(1) reduce the amount of solid waste generated;

(2) recycle the maximum amount of solid waste technically feasible;

(3) create and support markets for recycled products;

(4) remove problem materials from the solid waste stream and develop proper disposal options for them;

(5) inform and educate all sectors of the public about proper solid waste management procedures;

(6) provide technical assistance to public and private entities to ensure proper solid waste management;

(7) provide educational, technical, and financial assistance for litter prevention;

(8) process mixed municipal solid waste generated in the county at a resource recovery facility located in Minnesota; and

(9) compost source-separated compostable materials, including the provision of receptacles for residential composting;

(10) prevent food waste or collect and transport food donated to humans or to be fed to animals; and

(11) process source-separated compostable materials that are to be used to produce Class I or Class II compost, as defined in Minnesota Rules, part 7035.2836, after being processed in an anaerobic digester, but not to construct buildings or acquire equipment.

(b) Beginning in fiscal year 2015 and continuing thereafter, of any money distributed by the commissioner under this section to a metropolitan county, as defined in section 473.121, subdivision 4, that exceeds the amount the county was eligible to receive under this section in fiscal year 2014: (1) at least 50 percent must be expended on activities in paragraph (a), ~~clause~~ clauses (9) to (11); and (2) the remainder must be expended on activities in paragraph (a), clauses (1) to (7) and (9) to (11) that advance the county toward achieving its recycling goal under section 115A.551.

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

Sec. 110. **[115A.565] RECYCLING COMPETITIVE GRANT PROGRAM.**

Subdivision 1. **Grant program established.** The commissioner shall make competitive grants to political subdivisions to establish curbside recycling or composting, increase recycling or composting, reduce the amount of recyclable materials entering disposal facilities, or reduce the costs associated with hauling waste by locating collection sites as close as possible to the site where the waste is generated. To be eligible for grants under this section, a political subdivision must be located outside the seven-county metropolitan area and a city must have a population of less than 45,000.

Subd. 2. **Application.** (a) The commissioner must develop forms and procedures for soliciting and reviewing applications for grants under this section.

(b) The determination of whether to make a grant under this section is within the discretion of the commissioner, subject to subdivision 4. The commissioner's decisions are not subject to judicial review, except for abuse of discretion.

Subd. 3. **Priorities; eligible projects.** (a) If applications for grants exceed the available appropriations, grants must be made for projects that, in the commissioner's judgment, provide the highest return in public benefits.

(b) To be eligible to receive a grant, a project must:

(1) be locally administered;

(2) have an educational component and measurable outcomes;

(3) request \$250,000 or less;

(4) demonstrate local direct and indirect matching support of at least a quarter amount of the grant request; and

(5) include at least one of the following elements:

- (i) transition to residential recycling through curbside or centrally located collection sites;
- (ii) development of local recycling systems to support curbside recycling; or
- (iii) development or expansion of local recycling systems to support recycling bulk materials, including, but not limited to, electronic waste.

Subd. 4. **Cancellation of grant.** If a grant is awarded under this section and funds are not encumbered for the grant within four years after the award date, the grant must be canceled.

Sec. 111. Minnesota Statutes 2014, section 115A.93, subdivision 1, is amended to read:

Subdivision 1. **License and registration required; reporting.** (a) A person may not collect mixed municipal solid waste for hire without a license from the jurisdiction where the mixed municipal solid waste is collected. The local licensing entity shall submit a list of licensed collectors to the agency.

(b) A person may not collect recyclable materials for hire unless registered with the agency. If a person is licensed under paragraph (a), the person need not register with the agency under this paragraph.

(c) The agency, in consultation with the Solid Waste Management Coordinating Board, the Association of Minnesota Counties, the Minnesota Solid Waste Administrators Association, and representatives from the waste industry shall, by July 1, 2016, develop uniform short and long reporting forms that will reduce duplicative reporting to governmental units by collectors of solid waste and recyclable materials.

(d) A collector of mixed municipal solid waste or recyclable materials shall separately report to the agency on an annual basis information including, but not limited to, the quantity of mixed municipal solid waste and the quantity of recyclable materials collected:

- (1) from commercial customers;
- (2) from residential customers;
- (3) by county of origin; and
- (4) by destination of the material.

Sec. 112. Minnesota Statutes 2014, section 115B.34, subdivision 2, is amended to read:

Subd. 2. **Property damage losses.** (a) Losses compensable by the fund for property damage are limited to the following losses caused by damage to the principal residence of the claimant:

(1) the reasonable cost of replacing or decontaminating the primary source of drinking water for the property not to exceed the amount actually expended by the claimant or assessed by a local taxing authority, if the Department of Health has confirmed that the remedy provides safe drinking water and advised that the water not be used for drinking or determined that the replacement or decontamination of the source of drinking water was necessary, up to a maximum of \$25,000;

(2) the reasonable cost to install a mitigation system for the claimant's principal residence, not to exceed the amount actually expended by the claimant, if the agency has recommended such installation to protect human health due to soil vapor intrusion into the residence from releases of harmful substances. Reimbursement of eligible claims shall not exceed \$25,000;

(2) (3) losses incurred as a result of a bona fide sale of the property at less than the appraised market value under circumstances that constitute a hardship to the owner, limited to 75 percent of the difference between the appraised market value and the selling price, but not to exceed \$25,000; and

(3) (4) losses incurred as a result of the inability of an owner in hardship circumstances to sell the property due to the presence of harmful substances, limited to the increase in costs associated with the need to maintain two residences, but not to exceed \$25,000.

(b) In computation of the loss under paragraph (a), clause (3) (4), the agency shall offset the loss by the amount of any income received by the claimant from the rental of the property.

(c) For purposes of paragraph (a), the following definitions apply:

(1) "appraised market value" means an appraisal of the market value of the property disregarding any decrease in value caused by the presence of a harmful substance in or on the property; and

(2) "hardship" means an urgent need to sell the property based on a special circumstance of the owner including catastrophic medical expenses, inability of the owner to physically maintain the property due to a physical or mental condition, and change of employment of the owner or other member of the owner's household requiring the owner to move to a different location.

(d) Appraisals are subject to agency approval. The agency may adopt rules governing approval of appraisals, criteria for establishing a hardship, and other matters necessary to administer this subdivision.

Sec. 113. Minnesota Statutes 2014, section 115B.48, is amended by adding a subdivision to read:

Subd. 9. Owner or operator. "Owner or operator" means a person who:

(1) owns or has owned a dry cleaning facility; or

(2) owns or owned real property on which a dry cleaning facility operates or operated.

EFFECTIVE DATE. This section is effective only upon enactment of a transfer of \$743,000 in fiscal year 2017 from the general fund to the dry cleaner environmental response and reimbursement account for reimbursement of remediation costs by persons other than responsible parties, as specified in article 3, section 2, subdivision 4.

Sec. 114. Minnesota Statutes 2014, section 116.02, subdivision 1, is amended to read:

Subdivision 1. **Creation.** A pollution control agency, designated as the Minnesota Pollution Control Agency, is hereby created. ~~The agency shall consist of the commissioner and eight members appointed by the governor, by and with the advice and consent of the senate. One of such members shall be a person knowledgeable in the field of agriculture and one shall be representative of organized labor.~~

Sec. 115. Minnesota Statutes 2014, section 116.02, subdivision 5, is amended to read:

Subd. 5. **Agency is successor to commission.** The Pollution Control Agency is the successor of the Water Pollution Control Commission, and all powers and duties now vested in or imposed upon said commission by chapter 115, or any act amendatory thereof or supplementary thereto, are hereby transferred

to, imposed upon, and vested in the Minnesota commissioner of the Pollution Control Agency, ~~except as to those matters pending before the commission in which hearings have been held and evidence has been adduced. The Water Pollution Commission shall complete its action in such pending matters not later than six months from May 26, 1967. The Water Pollution Control Commission, as heretofore constituted, is hereby abolished, (a) effective upon completion of its action in the pending cases, as hereinbefore provided for; or (b) six months from May 26, 1967, whichever is the earlier.~~

Sec. 116. Minnesota Statutes 2014, section 116.03, subdivision 1, is amended to read:

Subdivision 1. **Office.** (a) The Office of Commissioner of the Pollution Control Agency is created and is under the supervision and control of the commissioner, who is appointed by the governor under the provisions of section 15.06.

(b) The commissioner may appoint a deputy commissioner and assistant commissioners who shall be in the unclassified service.

(c) The commissioner shall make all decisions on behalf of the agency ~~that are not required to be made by the agency under section 116.02.~~

Sec. 117. Minnesota Statutes 2014, section 116.03, subdivision 2a, is amended to read:

Subd. 2a. **Mission; efficiency.** It is part of the agency's mission that within the agency's resources the commissioner ~~and the members of the agency~~ shall endeavor to:

- (1) prevent the waste or unnecessary spending of public money;
- (2) use innovative fiscal and human resource practices to manage the state's resources and operate the agency as efficiently as possible;
- (3) coordinate the agency's activities wherever appropriate with the activities of other governmental agencies;
- (4) use technology where appropriate to increase agency productivity, improve customer service, increase public access to information about government, and increase public participation in the business of government;
- (5) utilize constructive and cooperative labor-management practices to the extent otherwise required by chapters 43A and 179A;
- (6) report to the legislature on the performance of agency operations and the accomplishment of agency goals in the agency's biennial budget according to section 16A.10, subdivision 1; and
- (7) recommend to the legislature appropriate changes in law necessary to carry out the mission and improve the performance of the agency.

Sec. 118. Minnesota Statutes 2014, section 116.07, subdivision 4d, is amended to read:

Subd. 4d. **Permit fees.** (a) The agency may collect permit fees in amounts not greater than those necessary to cover the reasonable costs of developing, reviewing, and acting upon applications for agency

permits and implementing and enforcing the conditions of the permits pursuant to agency rules. Permit fees shall not include the costs of litigation. The fee schedule must reflect reasonable and routine direct and indirect costs associated with permitting, implementation, and enforcement. The agency may impose an additional enforcement fee to be collected for a period of up to two years to cover the reasonable costs of implementing and enforcing the conditions of a permit under the rules of the agency. Any money collected under this paragraph shall be deposited in the environmental fund.

(b) Notwithstanding paragraph (a), the agency shall collect an annual fee from the owner or operator of all stationary sources, emission facilities, emissions units, air contaminant treatment facilities, treatment facilities, potential air contaminant storage facilities, or storage facilities ~~subject to the requirement to obtain a permit a notification, permit, or license requirement under subchapter this chapter, subchapters I and V of the federal Clean Air Act, United States Code, title 42, section 7401 et seq., or section 116.081 or rules adopted thereunder.~~ The annual fee shall be used to pay for all direct and indirect reasonable costs, including ~~attorney general legal costs, required to develop and administer the notification, permit, or license program requirements of subchapter this chapter, subchapters I and V of the federal Clean Air Act, United States Code, title 42, section 7401 et seq., and sections of this chapter and the or rules adopted under this chapter related to air contamination and noise thereunder.~~ Those costs include the reasonable costs of reviewing and acting upon an application for a permit; implementing and enforcing statutes, rules, and the terms and conditions of a permit; emissions, ambient, and deposition monitoring; preparing generally applicable regulations; responding to federal guidance; modeling, analyses, and demonstrations; preparing inventories and tracking emissions; and providing information to the public about these activities.

(c) The agency shall set fees that:

(1) will result in the collection, in the aggregate, from the sources listed in paragraph (b), of an amount not less than \$25 per ton of each volatile organic compound; pollutant regulated under United States Code, title 42, section 7411 or 7412 (section 111 or 112 of the federal Clean Air Act); and each pollutant, except carbon monoxide, for which a national primary ambient air quality standard has been promulgated;

(2) may result in the collection, in the aggregate, from the sources listed in paragraph (b), of an amount not less than \$25 per ton of each pollutant not listed in clause (1) that is regulated under this chapter or air quality rules adopted under this chapter; and

(3) shall collect, in the aggregate, from the sources listed in paragraph (b), the amount needed to match grant funds received by the state under United States Code, title 42, section 7405 (section 105 of the federal Clean Air Act).

The agency must not include in the calculation of the aggregate amount to be collected under clauses (1) and (2) any amount in excess of 4,000 tons per year of each air pollutant from a source. The increase in air permit fees to match federal grant funds shall be a surcharge on existing fees. The commissioner may not collect the surcharge after the grant funds become unavailable. In addition, the commissioner shall use nonfee funds to the extent practical to match the grant funds so that the fee surcharge is minimized.

(d) To cover the reasonable costs described in paragraph (b), the agency shall provide in the rules promulgated under paragraph (c) for an increase in the fee collected in each year by the percentage, if any, by which the Consumer Price Index for the most recent calendar year ending before the beginning of the year the fee is collected exceeds the Consumer Price Index for the calendar year 1989. For purposes of this paragraph the Consumer Price Index for any calendar year is the average of the Consumer Price Index for

all-urban consumers published by the United States Department of Labor, as of the close of the 12-month period ending on August 31 of each calendar year. The revision of the Consumer Price Index that is most consistent with the Consumer Price Index for calendar year 1989 shall be used.

(e) Any money collected under paragraphs (b) to (d) must be deposited in the environmental fund and must be used solely for the activities listed in paragraph (b).

(f) Permit applicants who wish to construct, reconstruct, or modify a facility may offer to reimburse the agency for the costs of staff time or consultant services needed to expedite the permit development process, including the analysis of environmental review documents. The reimbursement shall be in addition to permit application fees imposed by law. When the agency determines that it needs additional resources to develop the permit application in an expedited manner, and that expediting the development is consistent with permitting program priorities, the agency may accept the reimbursement. Reimbursements accepted by the agency are appropriated to the agency for the purpose of developing the permit or analyzing environmental review documents. Reimbursement by a permit applicant shall precede and not be contingent upon issuance of a permit; shall not affect the agency's decision on whether to issue or deny a permit, what conditions are included in a permit, or the application of state and federal statutes and rules governing permit determinations; and shall not affect final decisions regarding environmental review.

(g) The fees under this subdivision are exempt from section 16A.1285.

Sec. 119. Minnesota Statutes 2014, section 116.07, subdivision 4j, is amended to read:

Subd. 4j. **Permits; solid waste facilities.** (a) The agency may not issue a permit for new or additional capacity for a mixed municipal solid waste resource recovery or disposal facility as defined in section 115A.03 unless each county using or projected in the permit to use the facility has in place a solid waste management plan approved under section 115A.46 or 473.803 and amended as required by section 115A.96, subdivision 6. The agency shall issue the permit only if the capacity of the facility is consistent with the needs for resource recovery or disposal capacity identified in the approved plan or plans. Consistency must be determined by the Pollution Control Agency. Plans approved before January 1, 1990, need not be revised if the capacity sought in the permit is consistent with the approved plan or plans.

(b) The agency shall require as part of the permit application for a waste incineration facility identification of preliminary plans for ash management and ash leachate treatment or ash utilization. The permit issued by the agency must include requirements for ash management and ash leachate treatment.

(c) Within 180 days of receipt of a completed application, the agency shall approve, disapprove, or delay decision on the application, with reasons for the delay, in writing.

(d) The agency may not issue a permit for a new disposal facility, as defined in section 115A.03, subdivision 10, or a permit to expand an existing disposal facility unless:

(1) all local units of government in which the facility is to be sited and exercising their respective land use and zoning authority pursuant to chapter 366, 494, or 462 have granted approval for and provided any required public notices of the new or expanded facility prior to the issuance of the permit;

(2) all local units of government in which the facility is to be sited and exercising their respective land use and zoning authority pursuant to chapter 366, 494, or 462 have authorized the permit to be issued prior to or concurrent with the required approval by the local unit of government; or

(3) the new or expanded facility is part of and will be sited on land already identified in an approved solid waste management plan as described in paragraph (a).

(e) The commissioners of the Pollution Control Agency and natural resources shall apply Minnesota Rules, parts 7001.3050, subpart 3, item G, and 7035.2525, subpart 2, item G, to solid waste facilities permitted under and in compliance with those rules and in compliance with Minnesota Rules, chapter 6132.

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

Sec. 120. Minnesota Statutes 2014, section 116.07, subdivision 7, is amended to read:

Subd. 7. Counties; processing of applications for animal lot permits. Any Minnesota county board may, by resolution, with approval of the Pollution Control Agency, assume responsibility for processing applications for permits required by the Pollution Control Agency under this section for livestock feedlots, poultry lots or other animal lots. The responsibility for permit application processing, if assumed by a county, may be delegated by the county board to any appropriate county officer or employee.

(a) For the purposes of this subdivision, the term "processing" includes:

(1) the distribution to applicants of forms provided by the Pollution Control Agency;

(2) the receipt and examination of completed application forms, and the certification, in writing, to the Pollution Control Agency either that the animal lot facility for which a permit is sought by an applicant will comply with applicable rules and standards, or, if the facility will not comply, the respects in which a variance would be required for the issuance of a permit; and

(3) rendering to applicants, upon request, assistance necessary for the proper completion of an application.

(b) For the purposes of this subdivision, the term "processing" may include, at the option of the county board, issuing, denying, modifying, imposing conditions upon, or revoking permits pursuant to the provisions of this section or rules promulgated pursuant to it, subject to review, suspension, and reversal by the Pollution Control Agency. The Pollution Control Agency shall, after written notification, have 15 days to review, suspend, modify, or reverse the issuance of the permit. After this period, the action of the county board is final, subject to appeal as provided in chapter 14. For permit applications filed after October 1, 2001, section 15.99 applies to feedlot permits issued by the agency or a county pursuant to this subdivision.

(c) For the purpose of administration of rules adopted under this subdivision, the commissioner and the agency may provide exceptions for cases where the owner of a feedlot has specific written plans to close the feedlot within five years. These exceptions include waiving requirements for major capital improvements.

(d) For purposes of this subdivision, a discharge caused by an extraordinary natural event such as a precipitation event of greater magnitude than the 25-year, 24-hour event, tornado, or flood in excess of the 100-year flood is not a "direct discharge of pollutants."

(e) In adopting and enforcing rules under this subdivision, the commissioner shall cooperate closely with other governmental agencies.

(f) The Pollution Control Agency shall work with the Minnesota Extension Service, the Department of Agriculture, the Board of Water and Soil Resources, producer groups, local units of government, as well as

with appropriate federal agencies such as the Natural Resources Conservation Service and the Farm Service Agency, to notify and educate producers of rules under this subdivision at the time the rules are being developed and adopted and at least every two years thereafter.

(g) The Pollution Control Agency shall adopt rules governing the issuance and denial of permits for livestock feedlots, poultry lots or other animal lots pursuant to this section. Pastures are exempt from the rules authorized under this paragraph. A feedlot permit is not required for livestock feedlots with more than ten but less than 50 animal units; provided they are not in shoreland areas. A livestock feedlot permit does not become required solely because of a change in the ownership of the buildings, grounds, or feedlot. These rules apply both to permits issued by counties and to permits issued by the Pollution Control Agency directly.

(h) The Pollution Control Agency shall exercise supervising authority with respect to the processing of animal lot permit applications by a county.

(i) Any new rules or amendments to existing rules proposed under the authority granted in this subdivision, or to implement new fees on animal feedlots, must be submitted to the members of legislative policy and finance committees with jurisdiction over agriculture and the environment prior to final adoption. The rules must not become effective until 90 days after the proposed rules are submitted to the members.

(j) Until new rules are adopted that provide for plans for manure storage structures, any plans for a liquid manure storage structure must be prepared or approved by a registered professional engineer or a United States Department of Agriculture, Natural Resources Conservation Service employee.

(k) A county may adopt by ordinance standards for animal feedlots that are more stringent than standards in Pollution Control Agency rules.

(l) After January 1, 2001, a county that has not accepted delegation of the feedlot permit program must hold a public meeting prior to the agency issuing a feedlot permit for a feedlot facility with 300 or more animal units, unless another public meeting has been held with regard to the feedlot facility to be permitted.

(m) After the proposed rules published in the State Register, volume 24, number 25, are finally adopted, the agency may not impose additional conditions as a part of a feedlot permit, unless specifically required by law or agreed to by the feedlot operator.

(n) For the purposes of feedlot permitting, a discharge from land-applied manure or a manure stockpile that is managed according to agency rule must not be subject to a fine for a discharge violation.

(o) For the purposes of feedlot permitting, manure that is land applied, or a manure stockpile that is managed according to agency rule, must not be considered a discharge into waters of the state, unless the discharge is to waters of the state, as defined by section 103G.005, subdivision 17, except type 1 or type 2 wetlands, as defined in section 103G.005, subdivision 17b, and does not meet discharge standards established for feedlots under agency rule.

(p) Unless the upgrade is needed to correct an immediate public health threat under section 145A.04, subdivision 8, or the facility is determined to be a concentrated animal feeding operation under Code of Federal Regulations, title 40, section 122.23, in effect on April 15, 2003, the agency may not require a feedlot operator:

(1) to spend more than \$3,000 to upgrade an existing feedlot with less than 300 animal units unless cost-share money is available to the feedlot operator for 75 percent of the cost of the upgrade; or

(2) to spend more than \$10,000 to upgrade an existing feedlot with between 300 and 500 animal units, unless cost-share money is available to the feedlot operator for 75 percent of the cost of the upgrade or \$50,000, whichever is less.

(q) For the purposes of this section, "pastures" means areas, including winter feeding areas as part of a grazing area, where grass or other growing plants are used for grazing and where the concentration of animals allows a vegetative cover to be maintained during the growing season except that vegetative cover is not required:

(1) in the immediate vicinity of supplemental feeding or watering devices;

(2) in associated corrals and chutes where livestock are gathered for the purpose of sorting, veterinary services, loading and unloading trucks and trailers, and other necessary activities related to good animal husbandry practices; and

(3) in associated livestock access lanes used to convey livestock to and from areas of the pasture.

(r) A feedlot operator who stores and applies up to 100,000 gallons per calendar year of private truck wash wastewater resulting from trucks that transport animals or supplies to and from the feedlot does not require a permit to land-apply industrial by-products if the feedlot operator stores and applies the wastewater in accordance with Pollution Control Agency requirements for land applications of industrial by-product that do not require a permit.

(s) A feedlot operator who holds a permit from the Pollution Control Agency to land-apply industrial by-products from a private truck wash is not required to have a certified land applicator apply the private truck wash wastewater if the wastewater is applied by the feedlot operator to cropland owned or leased by the feedlot operator or by a commercial animal waste technician licensed by the commissioner of agriculture under chapter 18C.

For purposes of this paragraph and paragraph (r), "private truck wash" means a truck washing facility owned or leased, operated, and used only by a feedlot operator to wash trucks owned or leased by the feedlot operator and used to transport animals or supplies to and from the feedlot.

Sec. 121. Minnesota Statutes 2014, section 116C.991, is amended to read:

116C.991 ENVIRONMENTAL REVIEW; SILICA SAND PROJECTS.

(a) Until July 1, 2015 a final rule is adopted pursuant to Laws 2013, chapter 114, article 4, section 105, paragraph (d), an environmental assessment worksheet must be prepared for any silica sand project that meets or exceeds the following thresholds, unless the project meets or exceeds the thresholds for an environmental impact statement under rules of the Environmental Quality Board and an environmental impact statement must be prepared:

(1) excavates 20 or more acres of land to a mean depth of ten feet or more during its existence. The local government is the responsible governmental unit; or

(2) is designed to store or is capable of storing more than 7,500 tons of silica sand or has an annual throughput of more than 200,000 tons of silica sand and is not required to receive a permit from the Pollution Control Agency. The Pollution Control Agency is the responsible governmental unit.

(b) In addition to the contents required under statute and rule, an environmental assessment worksheet completed according to this section must include:

(1) a hydrogeologic investigation assessing potential groundwater and surface water effects and geologic conditions that could create an increased risk of potentially significant effects on groundwater and surface water;

(2) for a project with the potential to require a groundwater appropriation permit from the commissioner of natural resources, an assessment of the water resources available for appropriation;

(3) an air quality impact assessment that includes an assessment of the potential effects from airborne particulates and dust;

(4) a traffic impact analysis, including documentation of existing transportation systems, analysis of the potential effects of the project on transportation, and mitigation measures to eliminate or minimize adverse impacts;

(5) an assessment of compatibility of the project with other existing uses; and

(6) mitigation measures that could eliminate or minimize any adverse environmental effects for the project.

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

Sec. 122. Minnesota Statutes 2014, section 116D.04, is amended by adding a subdivision to read:

Subd. 17. Discretionary review notification. The commissioners of natural resources and the Pollution Control Agency, when ordering the preparation of a discretionary environmental impact statement or discretionary environmental assessment worksheet for a proposed action, must notify the proposer of the action by certified mail at least 14 calendar days prior to making the order.

Sec. 123. Minnesota Statutes 2014, section 127A.353, subdivision 1, is amended to read:

Subdivision 1. **Appointment.** The school trust lands director shall be appointed by the governor. ~~The commissioner of administration shall provide office space for the director.~~ The commissioner shall provide human resources, payroll, accounting, procurement, and other similar administrative services to the school trust lands director. The director's appointment is subject to the advice and consent of the senate.

Sec. 124. Minnesota Statutes 2014, section 144.12, is amended by adding a subdivision to read:

Subd. 4. Camper cabins and bunk houses. Camper cabins and bunk houses are exempt from floor space, air space, or bed spacing requirements applicable to lodging establishments adopted by the commissioner. For the purposes of this section:

(1) "bunk house" means a building, structure, or enclosure intended to sleep more than one person for up to three nights that does not include a kitchen or bathroom; and

(2) "camper cabin" means a permanent rustic enclosure with walls and a floor that does not include a kitchen or bath; is located in a state park administered by the commissioner of natural resources, at a resort as defined under section 157.15, subdivision 11, or at a recreational camping area as defined under section

327.14, subdivision 8; and is intended to be a place where sleeping accommodations are furnished to the public.

Sec. 125. Minnesota Statutes 2014, section 171.07, is amended by adding a subdivision to read:

Subd. 18. **All-terrain vehicle safety certificate.** (a) The department shall maintain in its records information transmitted electronically from the commissioner of natural resources identifying each person to whom the commissioner has issued an all-terrain vehicle safety certificate. The records transmitted from the Department of Natural Resources must contain the full name and date of birth as required for the driver's license or identification card. Records that are not matched to a driver's license or identification card record may be deleted after seven years.

(b) After receiving information under paragraph (a) that a person has received an all-terrain vehicle safety certificate, the department shall include, on all drivers' licenses or Minnesota identification cards subsequently issued to the person, a graphic or written indication that the person has received the certificate.

(c) If a person who has received an all-terrain vehicle safety certificate applies for a driver's license or Minnesota identification card before that information has been transmitted to the department, the department may accept a copy of the certificate as proof of its issuance and shall then follow the procedures in paragraph (b).

EFFECTIVE DATE. This section is effective January 1, 2016, or the date the new driver and vehicle services information technology system is implemented, whichever comes later.

Sec. 126. Minnesota Statutes 2014, section 282.011, subdivision 3, is amended to read:

Subd. 3. **Title examination.** The commissioner of revenue shall, if requested by the purchaser or the county attorney of the county where all or a portion of the land is situated, deliver the deed to the county attorney for use under Minnesota Statutes 2014, section 88.48, subdivision 5, but such delivery shall not be considered delivery to the purchaser. The county attorney shall be instructed when taking the transferral of the deed that said deed shall not be delivered to the purchaser unless the land involved is accepted as and placed into an auxiliary forest.

Sec. 127. Minnesota Statutes 2014, section 446A.073, subdivision 1, is amended to read:

Subdivision 1. **Program established.** When money is appropriated for grants under this program, the authority shall award grants up to a maximum of \$3,000,000 to governmental units to cover up to one-half the cost of ~~wastewater treatment or storm~~ water infrastructure projects made necessary by:

(1) a wasteload reduction prescribed under a total maximum daily load plan required by section 303(d) of the federal Clean Water Act, United States Code, title 33, section 1313(d);

(2) a phosphorus concentration or mass limit which requires discharging one milligram per liter or less at permitted design flow which is incorporated into a permit issued by the Pollution Control Agency;

(3) any other water quality-based effluent limit established under section 115.03, subdivision 1, paragraph (e), clause (8), and incorporated into a permit issued by the Pollution Control Agency that exceeds secondary treatment limits; or

(4) a total nitrogen limit of ten milligrams per liter or less for a land-based treatment system.

Sec. 128. Minnesota Statutes 2014, section 446A.073, subdivision 3, is amended to read:

Subd. 3. **Project priorities.** When money is appropriated for grants under this program, the authority shall accept applications during the month of July and reserve money for projects expected to proceed with construction by the end of the fiscal year in the order listed on the Pollution Control Agency's project priority list and in an amount based on the cost estimate submitted to the authority in the grant application or the as-bid costs, whichever is less. Notwithstanding Minnesota Rules, chapter 7077, the Pollution Control Agency may rank a drinking water infrastructure project on the agency's project priority list if the project is necessary to meet an applicable requirement in subdivision 1.

Sec. 129. Minnesota Statutes 2014, section 446A.073, subdivision 4, is amended to read:

Subd. 4. **Grant approval.** The authority must make a grant for an eligible project only after:

(1) the applicant has submitted the as-bid cost for the ~~wastewater treatment or storm water~~ infrastructure project;

(2) the Pollution Control Agency has approved the as-bid costs and certified the grant eligible portion of the project; and

(3) the authority has determined that the additional financing necessary to complete the project has been committed from other sources.

Sec. 130. Minnesota Statutes 2014, section 473.1565, is amended to read:

**473.1565 METROPOLITAN AREA WATER SUPPLY PLANNING ACTIVITIES;
ADVISORY ~~COMMITTEE~~ COMMITTEES.**

Subdivision 1. **Planning activities.** (a) The Metropolitan Council must carry out planning activities addressing the water supply needs of the metropolitan area as defined in section 473.121, subdivision 2. The planning activities must include, at a minimum:

(1) development and maintenance of a base of technical information needed for sound water supply decisions including surface and groundwater availability analyses, water demand projections, water withdrawal and use impact analyses, modeling, and similar studies;

(2) development and periodic update of a metropolitan area master water supply plan, prepared in cooperation with and subject to the approval of the ~~commissioner of natural resources~~ policy advisory committee established in this section, that:

(i) provides guidance for local water supply systems and future regional investments;

(ii) emphasizes conservation, interjurisdictional cooperation, and long-term sustainability; and

(iii) addresses the reliability, security, and cost-effectiveness of the metropolitan area water supply system and its local and subregional components;

(3) recommendations for clarifying the appropriate roles and responsibilities of local, regional, and state government in metropolitan area water supply;

(4) recommendations for streamlining and consolidating metropolitan area water supply decision-making and approval processes; and

(5) recommendations for the ongoing and long-term funding of metropolitan area water supply planning activities and capital investments.

(b) The council must carry out the planning activities in this subdivision in consultation with the Metropolitan Area Water Supply Policy and Technical Advisory Committee Committees established in ~~subdivision 2~~ this section.

Subd. 2. **Policy advisory committee.** (a) A Metropolitan Area Water Supply Policy Advisory Committee is established to assist the council in its planning activities in subdivision 1. The policy advisory committee has the following membership:

(1) the commissioner of agriculture or the commissioner's designee;

(2) the commissioner of health or the commissioner's designee;

(3) the commissioner of natural resources or the commissioner's designee;

(4) the commissioner of the Pollution Control Agency or the commissioner's designee;

(5) two officials of counties that are located in the metropolitan area, appointed by the governor, in consultation with the Association of Minnesota Counties;

(6) five officials of noncounty local governmental units that are located in the metropolitan area, appointed by the governor, in consultation with the Association of Metropolitan Municipalities;

(7) the chair of the Metropolitan Council or the chair's designee, who is chair of the advisory committee;
and

(8) one official each from the counties of Chisago, Isanti, Sherburne, and Wright, appointed by the governor, in consultation with the Association of Minnesota Counties and the League of Minnesota Cities;
and

(9) a representative of the Saint Paul Regional Water Services, appointed by and serving at the pleasure of the Saint Paul Regional Water Services, and a representative of the Minneapolis Water Department, appointed by and serving at the pleasure of the mayor of the city of Minneapolis.

A local government unit in each of the seven counties in the metropolitan area and Chisago, Isanti, Sherburne, and Wright Counties must be represented in the 11 appointments made under clauses (5), (6), and (8).

(b) Members of the advisory committee appointed by the governor serve at the pleasure of the governor. Members of the advisory committee serve without compensation but may be reimbursed for their reasonable expenses as determined by the Metropolitan Council. ~~The advisory committee expires December 31, 2016.~~

(c) The council must consider the work and recommendations of the policy advisory committee when the council is preparing its regional development framework.

Subd. 2a. **Technical advisory committee.** A Metropolitan Area Water Supply Technical Advisory Committee is established to inform the policy advisory committee's work by providing scientific and engineering expertise necessary to provide the region an adequate and sustainable water supply. The technical advisory committee consists of 15 members appointed by the policy advisory committee, with the majority of members representing single-city and multicity public water supply systems in the metropolitan area and including experts in:

- (1) water resources analysis and modeling;
- (2) hydrology; and
- (3) the engineering, planning, design, and construction of water systems or water systems finance.

Members of the technical advisory committee serve at the pleasure of the policy advisory committee, without compensation, but may be reimbursed for their reasonable expenses as determined by the council.

Subd. 3. **Reports to legislature.** (a) The council must submit reports to the legislature regarding its findings, recommendations, and continuing planning activities under subdivision 1. These reports shall be included in the "Minnesota Water Plan" required in section 103B.151, and five-year interim reports may be provided as necessary.

(b) By February 15, 2017, and at least every five years thereafter, the policy advisory committee shall report to the council, the Legislative Water Commission, and the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over environment and natural resources with the information required under this section. The policy advisory committee's report and recommendations must include information provided by the technical advisory committee.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 131. **SURPLUS STATE LAND SALES.**

The school trust lands director shall identify, in consultation with the commissioner of natural resources, at least \$5,000,000 in state-owned lands suitable for sale. The lands identified shall not be within a unit of the outdoor recreation system under Minnesota Statutes, section 86A.05, an administrative site, or trust land. The commissioner shall sell at least \$3,000,000 worth of lands identified under this section by June 30, 2017. Notwithstanding Minnesota Statutes, section 94.16, subdivision 3, or any other law to the contrary, the amount of the proceeds from the sale of lands that exceeds the actual expenses of selling the lands must be deposited in the school trust lands account and used to extinguish the school trust interest as provided under Minnesota Statutes, section 92.83, on school trust lands that have public water access sites or old growth forests located on them.

Sec. 132. **REQUIRED RULEMAKING; SUBSURFACE SEWAGE TREATMENT SYSTEMS.**

The commissioner of the Pollution Control Agency shall adopt rules, using the expedited rulemaking process in Minnesota Statutes, section 14.389, that set forth procedures to conform with the changes to Minnesota Statutes, chapter 115, under this act and to streamline the subsurface sewage treatment system (SSTS) license application and renewal process in a manner that:

(1) surety bond and insurance requirements of licensed SSTS businesses meet the requirements of Minnesota Statutes, chapter 115 and section 326B.46, subdivision 2; and

(2) properly trained SSTS installers may complete work on a building sewer with respect to the Plumbing Code and plumbing program and SSTS designers and inspectors may complete work on a building sewer connected to an SSTS with respect to the Plumbing Code and plumbing program.

Sec. 133. WETLAND CONSERVATION ACT REPORT.

By March 15, 2016, the Board of Water and Soil Resources, in cooperation with the Department of Natural Resources, shall report to the committees with jurisdiction over environment and natural resources on the proposals to implement high priority areas for wetland replacement and in-lieu fees for replacement and modify wetland replacement siting and actions eligible for credit. In developing the report, the board and department shall consult with stakeholders and agencies.

Sec. 134. ALL-TERRAIN VEHICLE REGISTRATION TRANSITION.

(a) A person must have an unexpired class 1 or class 2 all-terrain vehicle or off-road vehicle registration and may continue to display the unexpired class 1 or class 2 all-terrain vehicle or off-road vehicle registration until the electronic licensing system has been upgraded to conform with the amendments to Minnesota Statutes, section 84.92, under this act.

(b) When the electronic licensing system has been upgraded, a person who possesses an unexpired class 1 or class 2 all-terrain vehicle or off-road vehicle registration may continue to display that unexpired class 1 or class 2 all-terrain vehicle or off-road vehicle registration until the class 1 or class 2 all-terrain vehicle or off-road vehicle registration is renewed, transferred, or replacement registration is applied for.

Sec. 135. COST ANALYSIS OF WATER QUALITY STANDARDS.

(a) The commissioner of management and budget, after consultation with the commissioner of the Pollution Control Agency, shall issue a request for proposal not to exceed \$500,000 to contract with a nonstate entity for an engineering cost analysis of current and recently adopted, proposed, or anticipated changes to water quality standards and rules, including:

(1) recently adopted or proposed changes to total suspended solid, nutrient, chloride, nitrate, and sulfate standards;

(2) proposed nondegradation rulemaking provisions; and

(3) proposed changes to water quality standards to incorporate a tiered aquatic life use framework.

(b) The contractor may employ engineering subcontractors serving local governments to complete the analysis. The analysis must include a cost analysis for a representative sample of at least 15 communities and provide an estimate of the cost impact to average residential and commercial connections in those communities. The sample must include a diverse set of communities based on geography, watersheds, community size, wastewater facility types and operators, storm water system types, and other factors to ensure the analysis is representative of the state as a whole. The analysis must include:

(1) an estimate of the overall capital and operating costs to maintain and upgrade wastewater and storm water systems for existing water quality standards;

(2) an estimate of the overall capital and operating costs likely to be incurred to upgrade wastewater and storm water systems for recently adopted, proposed, or anticipated changes to water quality standards; and

(3) an estimate of the incremental effect to overall water quality in the receiving waters as a direct result of the recently adopted, proposed, or anticipated changes to water quality standards.

(c) The commissioner shall submit the analysis to the chairs and ranking minority members of the committees and divisions of the house of representatives and senate with jurisdiction over water quality standards no later than January 1, 2017.

(d) Any appropriation for the contract under paragraph (a) does not cancel and is available until expended. Any money in excess of the \$500,000 needed must be paid from the agency's base budget.

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

Sec. 136. WILD RICE WATER QUALITY STANDARDS.

(a) Until the commissioner of the Pollution Control Agency amends rules refining the wild rice water quality standard in Minnesota Rules, part 7050.0224, subpart 2, to consider all independent research and publicly funded research and to include criteria for identifying waters and a list of waters subject to the standard, implementation of the wild rice water quality standard in Minnesota Rules, part 7050.0224, subpart 2, shall be limited to the following, unless the permittee requests additional conditions:

(1) when issuing, modifying, or renewing national pollutant discharge elimination system (NPDES) or state disposal system (SDS) permits, the agency shall endeavor to protect wild rice, and in doing so shall be limited by the following conditions:

(i) the agency shall not require permittees to expend money for design or implementation of sulfate treatment technologies or other forms of sulfate mitigation; and

(ii) the agency may require sulfate minimization plans in permits; and

(2) the agency shall not list waters containing natural beds of wild rice as impaired for sulfate under section 303(d) of the federal Clean Water Act, United States Code, title 33, section 1313, until the rulemaking described in this paragraph takes effect.

(b) Upon the rule described in paragraph (a) taking effect, the agency may reopen permits issued or reissued after the effective date of this section as needed to include numeric permit limits based on the wild rice water quality standard.

(c) The commissioner shall complete the rulemaking described in paragraph (a) by January 15, 2018.

Sec. 137. FEDERAL CLEAN WATER ACT SECTION 404 PERMIT PROGRAM FEASIBILITY STUDY.

(a) The Board of Water and Soil Resources and the commissioner of natural resources shall study the feasibility of the state assuming administration of the section 404 permit program of the federal Clean Water Act. The United States Army Corps of Engineers, St. Paul District; and the United States Environmental Protection Agency shall be consulted with during the development of the study. The study shall identify:

- (1) the federal requirements for state assumption of the 404 program;
 - (2) the potential extent of assumption, including those waters that would remain under the jurisdiction of the United States Army Corps of Engineers due to the prohibition of 404 assumption in certain waters as defined in section 404(g)(1) of the federal Clean Water Act;
 - (3) differences in waters regulated under Minnesota laws compared to waters of the United States, including complications and potential solutions to address the current uncertainties relating to determining waters of the United States;
 - (4) measures to ensure the protection of aquatic resources consistent with the Clean Water Act, Wetland Conservation Act, and the public waters program administered by the Department of Natural Resources;
 - (5) changes to existing state law, including changes to current implementation structure and processes, that would need to occur to allow for state assumption of the 404 program;
 - (6) new agency responsibilities for implementing federal requirements and procedures that would become the obligation of the state under assumption, including the staff and resources needed for implementation;
 - (7) the estimated costs and savings that would accrue to affected units of government;
 - (8) the effect on application review and approval processes and time frames;
 - (9) alternatives to assumption that would also achieve the goals of regulatory simplification, efficiency, and reduced permitting times;
 - (10) options for financing any additional costs of implementation; and
 - (11) other information as determined by the board and commissioner.
- (b) The board and commissioner shall involve stakeholders in the development of the plan of study consistent with Minnesota Statutes, section 103B.101, subdivision 16.
- (c) By January 15, 2017, the board and commissioner must report the study to the legislative policy and finance committees and divisions with jurisdiction over environment and natural resources.

Sec. 138. METROPOLITAN PARKS; INTEREST EARNINGS.

Notwithstanding Laws 1985, First Special Session chapter 15, section 5, subdivision 2, paragraph (b), and Laws 1987, chapter 384, article 3, section 45, the Metropolitan Council shall use the interest earnings in Laws 1985, First Special Session chapter 15, section 5, subdivision 2, for the use and betterment of all regional recreational open space lands under the jurisdiction of the Metropolitan Council.

EFFECTIVE DATE. This section is effective January 1, 2018.

Sec. 139. REFUNDS; YOUTH BEAR LICENSES.

The commissioner of natural resources may issue refunds for youth bear licenses that were purchased between August 1, 2013, and June 30, 2014, to individuals who were 10, 11, or 12 years old at the time of purchase until June 30, 2016.

Sec. 140. WATER RETENTION PROJECTS.

By August 1, 2015, the commissioner of natural resources, in cooperation with the commissioners of agriculture and the Pollution Control Agency, the Board of Water and Soil Resources, and other interested parties, shall develop proposals for significant large-scale projects that provide flood water retention, water quality improvements, nutrient and sediment reduction, and wildlife habitat for submission to the Lessard-Sams Outdoor Heritage Council, Clean Water Council, and the Legislative-Citizen Commission on Minnesota Resources for funding in fiscal year 2017. Any deadlines established by the Lessard-Sams Outdoor Heritage Council, Clean Water Council, or the Legislative-Citizen Commission on Minnesota Resources are waived for purposes of the submissions.

Sec. 141. WILD TURKEY CRITICAL HABITAT PLATE.

The commissioner of natural resources and the commissioner of public safety must select a design depicting wild turkey when selecting designs for the next selection of critical habitat plates as provided under Minnesota Statutes, section 168.1296, subdivision 2.

Sec. 142. BASE BUDGET REPORT.

The commissioners of agriculture, natural resources, and the Pollution Control Agency shall each submit a report that contains the details of their base budgets, including prior appropriation riders, to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over the environment and natural resources by October 15, 2016.

Sec. 143. NEGATIVE SURFACE WATER IMPACTS; RECOMMENDATIONS.

By December 15, 2015, the commissioner of natural resources shall consult with interested stakeholders and submit a report to the Legislative Water Commission and the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over the environment and natural resources policy and finance on recommendations for statutory or rule definitions and thresholds for negative impacts to surface waters as described in Minnesota Statutes, sections 103G.285 and 103G.287, subdivision 2. Stakeholders must include but are not limited to agricultural interests; environmental interests; businesses; community water suppliers; state, federal, and local agencies; universities; and other interested stakeholders.

Sec. 144. RULEMAKING; SSTS; EXISTING CAMPGROUNDS AND RESORTS.

(a) The commissioner of the Pollution Control Agency shall adopt rules, using the expedited rulemaking process in Minnesota Statutes, section 14.389, to eliminate the need for existing campgrounds and resorts that are open for 180 days or less per year to estimate wastewater flow rates to subsurface sewage treatment systems as required by Minnesota Rules, part 7081.0040, subpart 1, item B. The rules shall establish flow monitoring and recording for subsurface sewage treatment systems at existing campgrounds and resorts that are open for 180 days or less per year as provided in paragraphs (b) to (f).

(b) The rules shall provide that existing campgrounds and resorts are allowed to use the following flow measurement methods:

(1) sewage lift station pump with runtime meter and counter;

(2) sewage flow meter;

(3) flow meters on wells; and

(4) water softener system with flow measurement when the measurement includes all flow to the subsurface soil treatment system, including backwash.

(c) The measured flow rate must include the total of all treatment systems that are located on the resort or campground. If fewer than 25 percent of the systems are not measured, an average of the metered systems can be used to determine the flow from the unmetered systems.

(d) A daily flow rate and daily campground occupancy rate must be recorded for a minimum of two weeks, centered on and including July 4. Weekly monitoring must also be done for an additional continuous two weeks prior and two weeks following July 4.

(e) If no flow data exists, the existing campground or resort owner or operator shall implement an acceptable flow measurement plan and start measuring and recording flow data within 120 days of notification.

(f) Flow measurement devices must be calibrated before start-up of monitoring and another calibration during the test to verify results.

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

Sec. 145. **RULEMAKING; SEPTIC SYSTEM PROFESSIONALS; ELIGIBILITY.**

The commissioner of the Pollution Control Agency shall adopt rules, using the expedited rulemaking process in Minnesota Statutes, section 14.389, to create a procedure for previously or currently certification-eligible septic system professionals to apply to re-establish or maintain certification eligibility. The conditional eligibility shall begin upon acceptance of an application by the Pollution Control Agency and end upon completion of recertification procedures, including completion of necessary continuing education and examinations. The length of the conditional eligibility shall be limited to one year.

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

Sec. 146. **INITIAL IMPLEMENTATION; WAIVERS.**

A soil and water conservation district must grant a conditional compliance waiver under Minnesota Statutes, section 103F.48, to landowners who have applied for and maintained eligibility for financial assistance within one year of the dates listed in Minnesota Statutes, section 103F.48, subdivision 3, paragraph (e), according to Minnesota Statutes, section 103F.48. A conditional compliance waiver also must be granted to landowners who are subject to a drainage proceeding commenced under Minnesota Statutes, sections 103E.011, subdivision 5; 103E.021, subdivision 6; and 103E.715. The conditional compliance waiver is valid until financial assistance is available for buffer installation, but not later than November 1, 2018.

Sec. 147. **TRANSFERS.**

(a) By June 30, 2015, the commissioner of management and budget shall transfer to the natural resources conservation easement stewardship account, established in Minnesota Statutes, section 84.69, the remaining balance in the forests for the future conservation easement account under Minnesota Statutes, section 84.68.

(b) By June 30, 2015, the commissioner of management and budget shall transfer to the natural resources conservation easement stewardship account, established in Minnesota Statutes, section 84.69, the following amounts:

(1) \$114,840 from Laws 2011, First Special Session chapter 6, article 1, section 2, subdivision 3, paragraph (a);

(2) \$25,000 from Laws 2012, chapter 264, article 1, section 2, subdivision 5, paragraph (a); and

(3) \$14,000 from Laws 2013, chapter 137, article 1, section 2, subdivision 2, paragraph (c).

(c) The commissioner of management and budget shall transfer additional amounts from Laws 2013, chapter 137, article 1, section 2, subdivision 2, paragraph (c), to the natural resources conservation easement stewardship account, established in Minnesota Statutes, section 84.69, upon closing on conservation easements funded by the appropriation, provided that total transfers to the account shall not exceed \$42,000.

(d) The commissioner of management and budget shall transfer amounts from Laws 2014, chapter 256, article 1, section 2, subdivision 2, paragraph (e), to the natural resources conservation easement stewardship account, established in Minnesota Statutes, section 84.69, upon closing on conservation easements funded by the appropriation, provided that total transfers to the account shall not exceed \$112,000.

(e) By June 30, 2015, the commissioner of management and budget shall transfer to the water and soil conservation easement stewardship account, established in Minnesota Statutes, section 103B.103, the following amounts:

(1) \$191,667 from Laws 2011, First Special Session chapter 6, article 1, section 2, subdivision 2, paragraph (c);

(2) \$57,750 from Laws 2011, First Special Session chapter 6, article 1, section 2, subdivision 4, paragraph (a);

(3) \$15,750 from Laws 2011, First Special Session chapter 6, article 1, section 2, subdivision 4, paragraph (c);

(4) \$48,000 from Laws 2012, chapter 264, article 1, section 2, subdivision 2, paragraph (a);

(5) \$1,821 from Laws 2012, chapter 264, article 1, section 2, subdivision 3, paragraph (a);

(6) \$26,400 from Laws 2013, chapter 137, article 1, section 2, subdivision 3, paragraph (b);

(7) \$26,400 from Laws 2013, chapter 137, article 1, section 2, subdivision 2, paragraph (e);

(8) \$4,800 from Laws 2013, chapter 137, article 1, section 2, subdivision 4, paragraph (d); and

(9) \$4,500 from Laws 2014, chapter 256, article 1, section 2, subdivision 2, paragraph (f).

(f) The commissioner of management and budget shall continue to transfer money, appropriated to the Board of Water and Soil Resources on or before June 30, 2015, for conservation easement monitoring and enforcement funds to the water and soil conservation easement stewardship account, established in

Minnesota Statutes, section 103B.103, upon closing on conservation easements, provided that total transfers to the account shall not exceed the "up to" amount specified in each appropriation.

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

Sec. 148. **REVISOR'S INSTRUCTIONS.**

(a) The revisor of statutes shall delete the range reference "88.47 to 88.53" wherever it appears in Minnesota Statutes and Minnesota Rules and insert "88.49 to 88.53."

(b) The revisor of statutes shall renumber the subdivisions of Minnesota Statutes, section 103G.005, to retain alphabetical order and shall correct cross-references to the renumbered subdivisions.

Sec. 149. **REVISOR'S INSTRUCTION.**

The revisor of statutes shall prepare draft legislation to amend statutes to conform with structural changes to the Minnesota Pollution Control Agency under sections 114 to 117 and 150. The revisor shall submit the proposed legislation to the chairs of the house of representatives and senate committees with jurisdiction over environment policy by January 1, 2016.

Sec. 150. **REPEALER.**

(a) Minnesota Statutes 2014, sections 84.68; 88.47; 88.48; 88.49, subdivisions 1, 2, and 10; 88.491, subdivision 1; 88.51, subdivision 2; and 282.013, are repealed.

(b) Minnesota Statutes 2014, section 86B.13, subdivisions 2 and 4, are repealed.

(c) Minnesota Statutes 2014, sections 103F.421, subdivision 5; 103F.451; and 114D.50, subdivision 4a, are repealed.

(d) Minnesota Statutes 2014, section 116.02, subdivisions 2, 3, 4, 6, 7, 8, 9, and 10, are repealed.

EFFECTIVE DATE. Paragraph (b) of this section is effective the day following final enactment.

ARTICLE 5

GAME AND FISH

Section 1. Minnesota Statutes 2014, section 84.027, subdivision 13a, is amended to read:

Subd. 13a. **Game and fish expedited permanent rules.** (a) In addition to the authority granted in subdivision 13, the commissioner of natural resources may adopt rules under section 14.389 that are authorized under:

(1) chapters 97A, 97B, and 97C to describe zone or permit area boundaries, to designate fish spawning beds or fish preserves, to select hunters or anglers for areas, to provide for registration of game or fish, to prevent or control wildlife disease, or to correct errors or omissions in rules that do not have a substantive effect on the intent or application of the original rule; or

(2) section 84D.12 to list prohibited invasive species, regulated invasive species, and unregulated nonnative species.

(b) The commissioner of natural resources may adopt rules under section 14.389 that are authorized under chapters 97A, 97B, and 97C, for purposes in addition to those listed in paragraph (a), clause (1), subject to the notice and public hearing provisions of section 14.389, subdivision 5.

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

Sec. 2. Minnesota Statutes 2014, section 84.0274, subdivision 3, is amended to read:

Subd. 3. **Condemnation limits.** No lands shall be acquired by the commissioner of natural resources by means of condemnation unless the owner requests that the owner's lands be condemned or the condemnation is specifically authorized by law. Notwithstanding subdivision 5, paragraph (g), and sections 117.52 and 117.521, the owner shall not be paid relocation costs when the owner requests that their lands be condemned.

Sec. 3. Minnesota Statutes 2014, section 84.0274, subdivision 5, is amended to read:

Subd. 5. **Owner's rights.** When the state proposes to purchase in fee or any lesser interest in land which will be administered by the commissioner of natural resources, the landowner shall have the following rights:

(a) the right to be informed of the specific intended use of the property and of any change in the intended use of the property which occurs during the acquisition process. The owner shall also be informed that the documents regarding the purchase will be public records if the land is purchased by the state;

(b) the right to be paid a fair price for the property. The price shall include the fair market value of the land plus:

(1) all necessary incidental costs such as abstracting and recording fees related to the sale. The costs of clearing title defects, paying taxes, and attorney's fees are not reimbursable; and

(2) any penalties incurred by the owner where the property is security for a loan or advance of credit that contains a provision requiring or permitting the imposition of a penalty if the loan or advance of credit is prepaid;

(c) the right to payment, at the owner's election, in a lump sum or in up to four annual installments;

(d) the right to have the property fairly appraised by the state. The state's appraiser shall physically inspect the property and the owner shall be allowed to accompany the appraiser when the appraisal is made. The state's appraiser shall certify in the appraisal report to having physically inspected the property and having given the landowner an opportunity to accompany the appraiser on inspections. Notwithstanding section 13.44, subdivision 3, before an offer is made, the landowner shall be informed of the value determined pursuant to section 84.0272;

(e) the right to retain a qualified independent appraiser to conduct an appraisal at any time prior to certification of the state's appraisal of the property ~~and to be reimbursed for appraisal fees as provided in section 117.232, subdivision 1, if the land is sold to the state and to have that appraisal considered along with the state's in certifying the selling price and the right to be reimbursed for appraisal fees up to \$1,500 if the land is sold to the state;~~

(f) the right to have the state acquire the property by means of condemnation upon the owner's request with the agreement of the commissioner;

(g) when the property is being acquired by condemnation or the condemnation is specifically authorized by law, the right to receive or waive relocation assistance, services, payments and benefits as provided in sections 117.52 and 117.521 and to contest the state's offer for relocation and moving expenses;

(h) the right to accept the state's offer for the property ~~and contest the state's offer for relocation and moving expenses;~~

(i) the right to continue occupancy of the property until full payment is received, provided that when the owner elects to receive payment in annual installments pursuant to clause (c), the owner may retain occupancy until the first payment is made; and

(j) the right to seek the advice of counsel regarding any aspect of the land transaction.

Sec. 4. Minnesota Statutes 2014, section 84D.03, subdivision 3, is amended to read:

Subd. 3. **Bait harvest from infested waters.** (a) Taking wild animals from infested waters for bait or aquatic farm purposes is prohibited, except as provided in paragraph (b), ~~(c), or (d)~~, and section 97C.341.

(b) In waters that are listed as infested waters, except those listed ~~because they contain~~ as infested with prohibited invasive species of fish or certifiable diseases of fish, as defined under section 17.4982, subdivision 6, taking wild animals may be permitted for:

(1) commercial taking of wild animals for bait and aquatic farm purposes ~~according to~~ as provided in a permit issued under section 84D.11, subject to rules adopted by the commissioner; ~~and~~

(2) bait purposes for noncommercial personal use in waters that contain Eurasian water milfoil, when the infested waters are listed solely because they contain Eurasian water milfoil and if the equipment for taking is limited to cylindrical minnow traps not exceeding 16 inches in diameter and 32 inches in length; ~~and~~

~~(3) (c) In streams or rivers that are listed as infested waters, except those listed as infested with certifiable diseases of fish, as defined under section 17.4982, subdivision 6, the harvest of bullheads, goldeyes, mooneyes, sheepshead (freshwater drum), and suckers for bait from streams or rivers listed as infested waters; by hook and line for noncommercial personal use. Other provisions that apply to this clause are allowed as follows:~~

~~(i) (1) fish taken under this clause paragraph must be used on the same body of water where caught and while still on that water body. Where the river or stream is divided by barriers such as dams, the fish must be caught and used on the same section of the river or stream;~~

~~(ii) (2) fish taken under this clause paragraph may not be transported live from or off the water body;~~

~~(iii) (3) fish harvested under this clause paragraph may only be used in accordance with this section;~~

~~(iv) (4) any other use of wild animals used for bait from infested waters is prohibited;~~

~~(v) (5) fish taken under this clause paragraph must meet all other size restrictions and requirements as established in rules; and~~

~~(vi) (6) all species listed under this clause paragraph shall be included in the person's daily limit as established in rules, if applicable.~~

(d) In the Mississippi River downstream of St. Anthony Falls and the St. Croix River downstream of the dam at Taylors Falls, including portions described as Minnesota-Wisconsin boundary waters in Minnesota Rules, part 6266.0500, subpart 1, items A and B, the harvest of gizzard shad by cast net for noncommercial personal use as bait for angling, as provided in a permit issued under section 84D.11, is allowed as follows:

(1) nontarget species must immediately be returned to the water;

(2) gizzard shad taken under this paragraph must be used on the same body of water where caught and while still on that water body. Where the river is divided by barriers such as dams, the gizzard shad must be caught and used on the same section of the river;

(3) gizzard shad taken under this paragraph may not be transported off the water body; and

(4) gizzard shad harvested under this paragraph may only be used in accordance with this section.

This paragraph expires December 1, 2017.

(e) (e) Equipment authorized for minnow harvest in a listed infested water by permit issued under paragraph (b) may not be transported to, or used in, any waters other than waters specified in the permit.

Sec. 5. Minnesota Statutes 2014, section 86B.201, is amended by adding a subdivision to read:

Subd. 4. **Construction area restrictions.** The commissioner, after consulting with the governmental units and contractors involved in a construction project, may adopt, by written order, temporary water surface use controls for recreational uses at public construction and maintenance sites that cross or are adjacent to waters of the state for a period of time not to exceed the duration of the construction or maintenance project. Temporary controls adopted under this subdivision are exempt from the rulemaking requirements of chapter 14 and section 14.386 does not apply.

Sec. 6. Minnesota Statutes 2014, section 86B.313, subdivision 1, is amended to read:

Subdivision 1. **General requirements.** (a) In addition to requirements of other laws relating to watercraft, a person may not operate or permit the operation of a personal watercraft:

(1) without each person on board the personal watercraft wearing a United States Coast Guard (USCG) approved Type I, II, III, or V wearable personal flotation device with a USCG label indicating it either is approved for or does not prohibit use with personal watercraft or water skiing;

(2) between one hour before sunset and 9:30 a.m.;

(3) at greater than slow-no wake speed within 150 feet of:

(i) a shoreline;

(ii) a dock;

(iii) a swimmer;

(iv) a raft used for swimming or diving; or

(v) a moored, anchored, or nonmotorized watercraft;

(4) while towing a person on water skis, a kneeboard, an inflatable craft, or any other device unless:

(i) an observer is on board; or

(ii) the personal watercraft is equipped with factory-installed or factory-specified accessory mirrors that give the operator a wide field of vision to the rear;

(5) without the lanyard-type engine cutoff switch being attached to the person, clothing, or personal flotation device of the operator, if the personal watercraft is equipped by the manufacturer with such a device;

(6) if any part of the spring-loaded throttle mechanism has been removed, altered, or tampered with so as to interfere with the return-to-idle system;

(7) to chase or harass wildlife;

(8) through emergent or floating vegetation at other than a slow-no wake speed;

(9) in a manner that unreasonably or unnecessarily endangers life, limb, or property, including weaving through congested watercraft traffic, jumping the wake of another watercraft within 150 feet of the other watercraft, or operating the watercraft while facing backwards;

(10) in any other manner that is not reasonable and prudent; or

(11) without a personal watercraft rules decal, issued by the commissioner, attached to the personal watercraft so as to be in full view of the operator.

(b) Paragraph (a), clause (3), does not apply to a person operating a personal watercraft to launch or land a person on water skis, a kneeboard, or similar device by the most direct route to open water.

Sec. 7. Minnesota Statutes 2014, section 86B.313, subdivision 4, is amended to read:

Subd. 4. **Dealers and rental operations.** (a) A dealer of personal watercraft shall distribute a summary of the laws and rules governing the operation of personal watercraft and, upon request, shall provide instruction to a purchaser regarding:

(1) the laws and rules governing personal watercraft; and

(2) the safe operation of personal watercraft.

(b) A person who offers personal watercraft for rent:

(1) shall provide a summary of the laws and rules governing the operation of personal watercraft and provide instruction regarding the laws and rules and the safe operation of personal watercraft to each person renting a personal watercraft;

(2) shall provide a United States Coast Guard (USCG) approved Type I, II, III, or V-wearable personal flotation device with a USCG label indicating it either is approved for or does not prohibit use with personal watercraft or water skiing and any other required safety equipment to all persons who rent a personal watercraft at no additional cost; and

(3) shall require that a watercraft operator's permit from this state or from the operator's state of residence be shown each time a personal watercraft is rented to any person younger than age 18 and shall record the permit on the form provided by the commissioner.

(c) Each dealer of personal watercraft or person offering personal watercraft for rent shall have the person who purchases or rents a personal watercraft sign a form provided by the commissioner acknowledging that the purchaser or renter has been provided a copy of the laws and rules regarding personal watercraft operation and has read them. The form must be retained by the dealer or person offering personal watercraft for rent for a period of six months following the date of signature and must be made available for inspection by sheriff's deputies or conservation officers during normal business hours.

Sec. 8. Minnesota Statutes 2014, section 86B.315, is amended to read:

86B.315 TOWING PERSON ON WATER SKIS OR OTHER DEVICE.

Subdivision 1. **Observer or mirror required.** A person may not operate a watercraft on waters of this state and create a wake for a wake surfer or tow a person on water skis, an aquaplane, a surfboard, a saucer, or a similar device unless:

(1) there is another person in the watercraft in addition to the operator who is in a position to continually observe the person being towed; or

(2) the boat is equipped with a mirror providing the operator a wide field of vision to the rear.

Subd. 2. **Prohibited night skiing or towing prohibited activities.** On waters of this state, from one-half hour after sunset to sunrise of the following day, a person may not:

(1) wake surf;

(2) operate a watercraft creating a wake for a wake surfer;

(3) be towed by a watercraft; or

(4) operate a watercraft towing a person on water skis, an aquaplane, a surfboard, a saucer, or another device on waters of this state from one hour after sunset to sunrise of the following day.

Sec. 9. Minnesota Statutes 2014, section 97A.015, subdivision 49, is amended to read:

Subd. 49. **Undressed bird.** "Undressed bird" means:

(1) a bird, ~~excluding~~ including ducks, with a fully feathered wing intact; or

~~(2) a duck with a fully feathered wing and head attached; or~~

~~(3) a pheasant, Hungarian partridge, or wild turkey with one leg and foot intact.~~

Sec. 10. Minnesota Statutes 2014, section 97A.045, subdivision 11, is amended to read:

Subd. 11. **Power to prevent or control wildlife disease.** (a) If the commissioner determines that action is necessary to prevent or control a wildlife disease, the commissioner may prevent or control wildlife

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

(b) The commissioner shall restrict wildlife feeding within the modified accredited bovine tuberculosis zone proposed by the Board of Animal Health. In addition to any other penalties provided by law, a person who violates wildlife feeding restrictions required under this paragraph may not obtain a hunting license to take a wild animal for two years after the date of conviction.

(c) The commissioner may prevent or control wildlife disease in a species of wild animal in the state by posting restrictions on public access to active disease areas or by emergency rule adopted under section 84.027, subdivision 13.

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

Sec. 11. Minnesota Statutes 2014, section 97A.057, subdivision 1, is amended to read:

Subdivision 1. **Compliance with federal law.** The commissioner shall take any action necessary to comply with the Federal Aid in Wildlife Restoration Act, United States Code, title 16, sections 669 to 669i, and the Federal Aid in Fish Restoration Act, United States Code, title 16, sections 777 to 777k. Notwithstanding section 16E.145 or any other law to the contrary, an appropriation for an information or telecommunications technology project from the game and fish fund, as established in section 97A.055, must be made to the commissioner. Any assets acquired with or expenditures made from the game and fish fund must remain under control of the commissioner.

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

Sec. 12. Minnesota Statutes 2014, section 97A.211, subdivision 1, is amended to read:

Subdivision 1. **Notice to appear in court.** (a) A person must be given notice to appear in court for a misdemeanor violation of the game and fish laws; chapter 84, 84D, 103E, or 103G; sections 103F.201 to 103F.221; or section 103F.601 or 609.68 if:

(1) the person is arrested and is released from custody prior to appearing before a court; or

(2) the person is subject to a lawful arrest and is not arrested because it reasonably appears to the enforcement officer that arrest is unnecessary to prevent further criminal conduct and that there is a substantial likelihood that the person will respond to a notice.

(b) The enforcement officer shall prepare, ~~in quadruplicate,~~ a written or electronic notice to appear in court as provided by Rules of Criminal Procedure and section 169.99. The notice must be in the form and has the effect of a summons and complaint. The notice must contain the name and address of the person charged; and the offense, and. The notice must contain the time and the place to appear in court. ~~The court must have jurisdiction within the county where the offense is alleged to have been committed or must direct the defendant to contact the court or violations bureau to schedule an appearance.~~

Sec. 13. Minnesota Statutes 2014, section 97A.211, subdivision 2, is amended to read:

Subd. 2. **Release after arrest.** A person arrested for a misdemeanor violation of the game and fish laws; chapter 84, 84D, 103E, or 103G; sections 103F.201 to 103F.221; or section 103F.601 or 609.68 may obtain release by ~~signing the written notice prepared by the arresting officer~~ promising to appear in court. The officer shall deliver a copy marked "SUMMONS" notice to the person arrested. The officer must then release the person from custody.

Sec. 14. Minnesota Statutes 2014, section 97A.255, subdivision 4, is amended to read:

Subd. 4. **Each violation a separate offense; prosecution of aggregated offenses.** (a) Except as allowed in paragraph (b), each wild animal unlawfully taken, bought, sold, transported, or possessed is a separate offense. If acquitted, a person may not be prosecuted for a similar offense involving another animal in the same incident.

(b) In any prosecution that involves two or more offenses committed by the same person within six months in two or more counties, the accused may be prosecuted in any county in which one of the offenses was committed for all of the offenses in aggregate.

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

Sec. 15. Minnesota Statutes 2014, section 97A.411, subdivision 3, is amended to read:

Subd. 3. **Deer license.** (a) Except as provided in paragraphs (b) and (c), a license to take deer by archery, firearms, or muzzleloader issued after the opening of the related archery, firearms, or muzzleloader deer season, respectively, is not valid ~~until the second day after~~ unless it is was issued prior to legal shooting hours on the day of its first use.

(b) The commissioner may issue a license to take additional deer under section 97B.301, subdivision 4, that is not valid immediately upon issuance unless it was issued prior to legal shooting hours on the day the license is first used.

(c) Paragraph (a) does not apply to deer licenses for discharged military personnel under section 97A.465, subdivision 4.

Sec. 16. Minnesota Statutes 2014, section 97A.435, subdivision 4, is amended to read:

Subd. 4. **Separate selection of eligible licensees.** (a) The commissioner may conduct a separate selection for up to 20 percent of the turkey licenses to be issued for any area. Only persons who are owners or tenants of and who live on at least 40 acres of land in the permit area, and their family members who live on the qualifying land, are eligible applicants for turkey licenses for the separate selection. The qualifying land may be noncontiguous. Persons who are unsuccessful in a separate selection must be included in the selection for the remaining licenses. Persons who obtain a license in a separate selection must allow public turkey hunting on their land during that turkey season. A license issued under this subdivision is restricted to the permit area where the qualifying land is located.

(b) The commissioner may by rule establish criteria for determining eligible family members under this subdivision.

Sec. 17. Minnesota Statutes 2014, section 97A.465, is amended by adding a subdivision to read:

Subd. 7. Residents of veterans homes. (a) A resident from a Minnesota veterans home may obtain a firearm or muzzleloader deer license during the season and take antlerless deer without a permit in all areas of the state open during the respective regular firearms or muzzleloader deer seasons in any permit area. This subdivision does not authorize the taking of an antlerless deer by another member of a party under section 97B.301, subdivision 3, in an area closed to taking antlerless deer or where the number of antlerless deer that may be taken is limited by a quota on the number of permits.

(b) A person may assist a Minnesota veterans home resident during the firearms or muzzleloader deer season without having a deer hunting license, but the person may not shoot a deer.

Sec. 18. **97A.56] FERAL SWINE.**

Subdivision 1. Definition. For purposes of this section, "feral swine" means a member of the genus and species *Sus scrofa* that lives in the wild.

Subd. 2. Prohibited actions; penalty. (a) A person may not possess or release feral swine or swine that were feral during any part of the swines' lifetime or allow feral swine to run at large.

(b) A person may not hunt or trap feral swine, except as authorized by the commissioner for feral swine control or eradication. It is not a violation of this section if a person shoots a feral swine and reports the taking to the commissioner within 24 hours. All swine taken in this manner must be surrendered to the commissioner.

(c) A person who violates this subdivision is guilty of a misdemeanor.

Subd. 3. Authorized removal of feral swine. A person authorized under game and fish laws to take feral swine is not liable to the owner for the value of the animals.

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

Sec. 19. Minnesota Statutes 2014, section 97B.031, subdivision 5, is amended to read:

Subd. 5. Scopes; visually impaired hunters. (a) Notwithstanding any other law to the contrary, the commissioner may issue a special permit, without a fee, to use a muzzleloader with a scope to take deer during the muzzleloader season to a person who is under age 60, who obtains the required licenses, and who has a visual impairment. The scope may not have magnification capabilities.

(b) The visual impairment must be to the extent that the applicant is unable to identify targets and the rifle sights at the same time without a scope. The visual impairment and specific conditions must be established by medical evidence verified in writing by (1) a licensed physician or a certified nurse practitioner or certified physician assistant acting under the direction of a licensed physician; (2) a licensed ophthalmologist; or (3) a licensed optometrist. The commissioner may request additional information from the physician if needed to verify the applicant's eligibility for the permit.

(c) A permit issued under this subdivision may be valid for up to five years, based on the permanence of the visual impairment as determined by the licensed physician, ophthalmologist, or optometrist.

(d) The permit must be in the immediate possession of the permittee when hunting under the special permit.

(e) The commissioner may deny, modify, suspend, or revoke a permit issued under this subdivision for cause, including a violation of the game and fish laws or rules.

(f) A person who knowingly makes a false application or assists another in making a false application for a permit under this subdivision is guilty of a misdemeanor. A physician, certified nurse practitioner, certified physician assistant, ophthalmologist, or optometrist who fraudulently certifies to the commissioner that a person is visually impaired as described in this subdivision is guilty of a misdemeanor.

(g) A permit is not required under this subdivision to use an electronic range finder according to section 97B.081, subdivision 3, paragraph (c).

Sec. 20. Minnesota Statutes 2014, section 97B.031, is amended by adding a subdivision to read:

Subd. 6. **Scopes; age 60 or over.** A person age 60 or over may use a muzzleloader with a scope to take deer during the muzzleloader season. The scope may have magnification capabilities.

Sec. 21. Minnesota Statutes 2014, section 97B.041, is amended to read:

97B.041 POSSESSION OF FIREARMS AND AMMUNITION RESTRICTED IN DEER ZONES.

(a) A person may not possess a firearm or ammunition outdoors during the period beginning the fifth day before the open firearms season and ending the second day after the close of the season within an area where deer may be taken by a firearm, except:

(1) during the open season and in an area where big game may be taken, a firearm and ammunition authorized for taking big game in that area may be used to take big game in that area if the person has a valid big game license in possession;

(2) an unloaded firearm that is in a case or in a closed trunk of a motor vehicle;

(3) a shotgun and shells containing No. 4 buckshot or smaller diameter lead shot or steel shot;

(4) a handgun or rifle capable of firing only rimfire cartridges of .17 and .22 caliber, including .22 magnum caliber cartridges;

(5) handguns possessed by a person authorized to carry a handgun under sections 624.714 and 624.715 for the purpose authorized; and

(6) on a target range operated under a permit from the commissioner.

(b) This section does not apply during an open firearms season in an area where deer may be taken only by muzzleloader, except that muzzle-loading firearms lawful for the taking of deer may be possessed only by persons with a valid license to take deer by muzzleloader during the muzzleloader season. While muzzleloader hunting, a person with a valid license to take deer by muzzleloader may not possess a firearm other than:

- (1) a muzzleloader that is legal for taking deer under section 97B.031, subdivision 1; and
- (2) a firearm as described in paragraph (a), clauses (2) to (5).
- (c) A first violation of paragraph (a) is punishable by a warning.

Sec. 22. Minnesota Statutes 2014, section 97B.063, is amended to read:

97B.063 HUNTER SATISFACTION SURVEY.

The commissioner shall annually administer the collection of hunter information related to participation and satisfaction. This may include information on preferences, values, interests, participation rates and patterns, barriers to participation, or other factors. The data shall be collected using established social science methods. The commissioner shall annually submit a summary of the information gathered under this section to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over environment and natural resources no later than January 1 for the preceding fiscal year. The commissioner shall also make the summary information available on the department's Web site.

Sec. 23. Minnesota Statutes 2014, section 97B.081, subdivision 3, is amended to read:

Subd. 3. **Exceptions.** (a) It is not a violation of this section for a person to:

(1) cast the rays of a spotlight, headlight, or other artificial light to take raccoons according to section 97B.621, subdivision 3, or tend traps according to section 97B.931;

(2) hunt fox or coyote from January 1 to March 15 while using a handheld artificial light, provided that the person is:

- (i) on foot;
- (ii) using a shotgun;
- (iii) not within a public road right-of-way;
- (iv) using a handheld or electronic calling device; and
- (v) not within 200 feet of a motor vehicle; or

(3) cast the rays of a handheld artificial light to retrieve wounded or dead big game animals, provided that the person is:

- (i) on foot; and
- (ii) not in possession of a firearm or bow.

(b) It is not a violation of subdivision 2 for a person to cast the rays of a spotlight, headlight, or other artificial light to:

(1) carry out any agricultural, safety, emergency response, normal vehicle operation, or occupation-related activities that do not involve taking wild animals; or

(2) carry out outdoor recreation as defined in section 97B.001 that is not related to spotting, locating, or taking a wild animal.

(c) Except as otherwise provided by the game and fish laws, it is not a violation of this section for a person to use an electronic range finder device from one-half hour before sunrise until one-half hour after sunset while lawfully hunting wild animals.

(d) It is not a violation of this section for a licensed bear hunter to cast the rays of a handheld artificial light to track or retrieve a wounded or dead bear while possessing a firearm, provided that the person:

(1) has the person's valid bear hunting license in possession;

(2) is on foot; and

(3) is following the blood trail of a bear that was shot during legal shooting hours.

Sec. 24. Minnesota Statutes 2014, section 97B.085, subdivision 2, is amended to read:

Subd. 2. **Taking unprotected wild animals; permit required.** A person may not use radio equipment to take unprotected wild animals without a permit. The commissioner may issue a permit to take unprotected animals with radio equipment. The commissioner shall cancel the permit upon receiving a valid complaint of misconduct regarding the permittee's hunting activities.

Sec. 25. Minnesota Statutes 2014, section 97B.301, is amended by adding a subdivision to read:

Subd. 9. **Residents age 84 or over may take deer of either sex.** A resident age 84 or over may take a deer of either sex. This subdivision does not authorize the taking of an antlerless deer by another member of a party under subdivision 3.

Sec. 26. **[97B.722] POSSESSION OF FIREARMS; HUNTING TURKEY.**

(a) While afield hunting turkeys, licensees may not have in possession or control any firearm or bow and arrow except those defined as legal for taking turkeys in rules adopted by the commissioner.

(b) Paragraph (a) does not apply to a person carrying a handgun in compliance with section 624.714.

Sec. 27. **[97B.9251] BEAVER SEASON.**

The commissioner may establish open seasons and restrictions for taking beaver from 9:00 a.m. on the Saturday nearest October 26 in the North Zone and from 9:00 a.m. on the Saturday nearest October 30 in the South Zone. The seasons shall be open until May 15.

Sec. 28. Minnesota Statutes 2014, section 97C.345, is amended by adding a subdivision to read:

Subd. 3a. **Cast nets for gizzard shad.** (a) Cast nets may be used only to take gizzard shad for use as bait for angling:

(1) from July 1 to November 30; and

(2) from the Mississippi River downstream of St. Anthony Falls and the St. Croix River downstream of the dam at Taylors Falls, including portions described as Minnesota-Wisconsin boundary waters in Minnesota Rules, part 6266.0500, subpart 1, items A and B, that are listed as infested waters as allowed under section 84D.03, subdivision 3.

(b) Cast nets used under this subdivision must be monofilament and may not exceed seven feet in diameter, and mesh size must be from three-eighths to five-eighths inch bar measure.

(c) This subdivision expires December 1, 2017. The commissioner must report to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over environment and natural resources by March 1, 2018, on the number of permits issued, conservation impacts from the use of cast nets, and recommendations for any necessary changes in statutes or rules.

Sec. 29. Minnesota Statutes 2014, section 97C.501, subdivision 2, is amended to read:

Subd. 2. **Minnow dealers.** (a) A person may not be a minnow dealer without a minnow dealer license except as provided in subdivision 3.

(b) A minnow dealer must obtain a minnow dealer's vehicle license for each motor vehicle used to transport minnows. The serial number, motor vehicle license number, make, and model must be on the license. The license must be conspicuously displayed in the vehicle.

(c) A minnow dealer may not transport minnows out of the state without an exporting minnow dealer license. A minnow dealer must obtain an exporting minnow dealer's vehicle license for each motor vehicle used to transport minnows out of the state. The serial number, motor vehicle license number, make, and model must be on the license. The license must be conspicuously displayed in the vehicle.

(d) A person with a minnow dealer's license may sell minnows at one retail outlet. A minnow dealer must obtain a minnow retailer license for each additional retail outlet operated. A minnow dealer operating a retail outlet under a minnow dealer's license must list the following information for the retail outlet: name of the business; city; state; zip code; and legal description or fire number. The retail outlet name and location may be changed by making application to the commissioner.

(e) A minnow dealer may designate employees as helpers who are authorized to take, buy, sell, and transport minnows on behalf of the minnow dealer. The employees designated as helpers must be listed on the minnow dealer's license, and a copy of the license designating the employee as a helper must be in the helper's possession when acting on behalf of the minnow dealer. The minnow dealer may add and delete helpers listed on the dealer's license within a license year by notifying the commissioner in writing of the change to the license. Employees who are acting under the direction and control of the minnow dealer but who are not designated as helpers may not buy or sell minnows on behalf of the minnow dealer. This paragraph does not apply to employees selling minnows at the retail outlet location under paragraph (d).

EFFECTIVE DATE. This section is effective March 1, 2016.

Sec. 30. **RULEMAKING; LIFTING SPEARING BANS AND NORTHERN PIKE REGULATIONS.**

(a) The commissioner of natural resources shall amend Minnesota Rules, parts 6262.0575, subpart 9, and 6264.0400, subparts 70 and 72, to delete the language prohibiting spearing.

(b) Notwithstanding Minnesota Statutes, section 97C.007, the commissioner of natural resources shall amend Minnesota Rules, part 6264.0400, subpart 71, to delete the language prohibiting spearing and modify the northern pike protected slot to 26 to 40 inches.

(c) The commissioner may use the good cause exemption under Minnesota Statutes, section 14.388, subdivision 1, clause (3), to adopt rules under this section, and Minnesota Statutes, section 14.386, does not apply.

EFFECTIVE DATE. This section is effective July 1, 2015.

Sec. 31. RULEMAKING; WATER SURFACE USE RESTRICTIONS.

(a) The commissioner of natural resources shall amend Minnesota Rules, part 6110.3700, subpart 9, to allow a longer period of temporary special controls in situations of local emergency by deleting "five" and inserting "30" and deleting "five-day" and inserting "30-day."

(b) The commissioner may use the good cause exemption under Minnesota Statutes, section 14.388, subdivision 1, clause (3), to adopt rules under this section, and Minnesota Statutes, section 14.386, does not apply except as provided under Minnesota Statutes, section 14.388.

Sec. 32. RULEMAKING; PERSONAL FLOTATION DEVICES.

(a) To conform with changes in federal regulation, the commissioner of natural resources shall amend Minnesota Rules, part 6110.1200, subpart 3, as follows:

- (1) delete the term "Type I, II, or III" and insert "wearable";
- (2) delete the term "Type IV" and insert "throwable";
- (3) delete items B and D and reletter the remaining items; and
- (4) insert a new item that reads:

"C. All personal flotation devices required by this subpart must be:

- (1) approved by the U.S. Coast Guard;
- (2) legibly marked with any requirements and the approval number issued by the U.S. Coast Guard;
- (3) in serviceable condition free of tears, rot, punctures, or waterlogging, and with all straps and fasteners present and in good condition;
- (4) of the appropriate size for the intended wearer, if the device is designed to be worn, and in compliance with any requirements listed on the U.S. Coast Guard approval label;

(5) for wearable devices, either readily accessible or worn, except when:

- (a) devices are required to be worn to be accepted as U.S. Coast Guard-approved; or
- (b) wearing a U.S. Coast Guard-approved wearable personal flotation device is mandatory; and

(6) for throwable devices, immediately available.

"Readily accessible" means easily retrievable within a reasonable amount of time in an emergency. "Immediately available" means easily reached in time of emergency. Personal flotation devices located in locked containers, under heavy objects, or left in shipping bags are not considered readily accessible or immediately available."

(b) The commissioner may use the good cause exemption under Minnesota Statutes, section 14.388, subdivision 1, clause (3), to adopt rules under this section, and Minnesota Statutes, section 14.386, does not apply except as provided under Minnesota Statutes, section 14.388.

Sec. 33. **RULEMAKING; MOTORIZED TRAIL ENVIRONMENTAL REVIEW.**

(a) The Environmental Quality Board shall amend Minnesota Rules, chapter 4410, to allow the following without preparing a mandatory environmental assessment worksheet:

(1) constructing a recreational trail less than 25 miles long on forested or other naturally vegetated land for a recreational use;

(2) adding a new motorized recreational use or a seasonal motorized recreational use to an existing motorized recreational trail if the treadway width is not expanded as a result of the added use; and

(3) designating an existing, legally constructed route, such as a logging road, for motorized recreational trail use.

(b) The board may use the good cause exemption rulemaking procedure under Minnesota Statutes, section 14.388, subdivision 1, clause (3), to adopt rules under this section, and Minnesota Statutes, section 14.386, does not apply except as provided under Minnesota Statutes, section 14.388.

Sec. 34. **REPEALER.**

(a) Minnesota Statutes 2014, section 97A.475, subdivision 25, is repealed.

(b) Minnesota Rules, part 6264.0400, subparts 27 and 28, are repealed.

EFFECTIVE DATE. Paragraph (b) is effective July 1, 2015.

Presented to the governor June 13, 2015

Signed by the governor June 13, 2015, 1:49 p.m.