

CHAPTER 172--S.F.No. 2527

An act relating to state government; appropriating money from outdoor heritage fund and clean water fund; modifying Lessard-Sams Outdoor Heritage Council provisions; modifying legacy funds provisions; modifying prior appropriations; amending Minnesota Statutes 2014, section 97A.056, subdivisions 2, 10; Minnesota Statutes 2015 Supplement, sections 85.53, subdivision 2; 129D.17, subdivision 2; Laws 2011, First Special Session chapter 6, article 2, sections 3; 5; 7, as amended; Laws 2013, chapter 137, article 2, sections 3; 5; 6, as amended; 7; 8; Laws 2015, First Special Session chapter 2, article 1, section 2, subdivisions 2, 3, 5; article 2, sections 3; 5; 7; article 4, section 2, subdivision 3.

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

ARTICLE 1**OUTDOOR HERITAGE FUND****Section 1. OUTDOOR HERITAGE APPROPRIATION.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the outdoor heritage fund for the fiscal year indicated for each purpose. The figures "2016" and "2017" used in this act 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. The appropriations in this act are onetime.

	<u>APPROPRIATIONS</u>			
	<u>Available for the Year</u>			
	<u>Ending June 30</u>			
	<u>2016</u>	<u>2017</u>		
Sec. 2. <u>OUTDOOR HERITAGE FUND</u>				
Subdivision 1. <u>Total Appropriation</u>	<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>109,847,000</u>
<u>This appropriation is from the outdoor heritage fund.</u>				
<u>The amounts that may be spent for each purpose are specified in the following subdivisions.</u>				
Subd. 2. <u>Prairies</u>		<u>-0-</u>		<u>31,000,000</u>
<u>(a) DNR Wildlife Management Area and Scientific and Natural Area Acquisition - Phase VIII</u>				
<u>\$3,250,000 the second year is to the commissioner of natural resources to acquire land in fee for wildlife management purposes under Minnesota Statutes,</u>				

section 86A.05, subdivision 8, and to acquire land in fee for scientific and natural area purposes under Minnesota Statutes, section 86A.05, subdivision 5. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquisition of lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

(b) Accelerating Wildlife Management Area Acquisition - Phase VIII

\$5,229,000 the second year is to the commissioner of natural resources for an agreement with Pheasants Forever to acquire in fee and restore lands for wildlife management area purposes under Minnesota Statutes, section 86A.05, subdivision 8. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquisition of lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

(c) Martin County/Fox Lake Wildlife Management Area Acquisition

\$1,000,000 the second year is to the commissioner of natural resources for an agreement with Fox Lake Conservation League, Inc. to acquire land in fee and restore strategic prairie grassland, wetland, and other wildlife habitat for wildlife management area purposes under Minnesota Statutes, section 86A.05, subdivision 8. A list of proposed acquisitions must be provided as part of the required accomplishment plan.

(d) Northern Tallgrass Prairie National Wildlife Refuge Land Acquisition - Phase VII

\$2,754,000 the second year is to the commissioner of natural resources for an agreement with The Nature Conservancy in cooperation with the United States Fish and Wildlife Service to acquire land in fee or permanent conservation easements and restore lands within the Northern Tallgrass Prairie Habitat Preservation Area in western Minnesota for addition to the Northern Tallgrass Prairie National Wildlife Refuge. Subject to evaluation criteria in Minnesota

Rules, part 6136.0900, priority must be given to acquisition of lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie. A list of proposed land acquisitions must be provided as part of the required accomplishment plan and must be consistent with the priorities in the Minnesota Prairie Conservation Plan.

(e) Cannon River Headwaters Habitat Complex - Phase VI

\$583,000 the second year is to the commissioner of natural resources for an agreement with The Trust for Public Land to acquire land in fee and restore lands in the Cannon River watershed for wildlife management purposes under Minnesota Statutes, section 86A.05, subdivision 8. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquisition of lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

(f) Accelerated Native Prairie Bank Protection - Phase V

\$2,541,000 the second year is to the commissioner of natural resources to implement the Minnesota Prairie Conservation Plan through the acquisition of permanent conservation easements to protect and restore native prairie. Of this amount, up to \$120,000 is for establishing monitoring and enforcement funds as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquisition of lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie. A list of permanent conservation easements must be provided as part of the final report.

(g) Reinvest In Minnesota (RIM) Buffers for Wildlife and Water - Phase VI

\$6,708,000 the second year is to the Board of Water and Soil Resources to acquire permanent conservation easements and restore habitat under

Minnesota Statutes, section 103F.515, to protect, restore, and enhance habitat by expanding the clean water fund riparian buffer program for at least equal wildlife benefits from buffers on private land. Of this amount, up to \$130,000 is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of permanent conservation easements must be provided as part of the final report.

(h) Prairie Chicken Habitat Partnership of the Southern Red River Valley - Phase II

\$2,269,000 the second year is to the commissioner of natural resources for an agreement with Pheasants Forever, in cooperation with the Minnesota Prairie Chicken Society, to acquire land in fee and restore and enhance lands in the southern Red River Valley for wildlife management purposes under Minnesota Statutes, section 86A.05, subdivision 8, or for designation and management as waterfowl production areas in Minnesota, in cooperation with the United States Fish and Wildlife Service. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquisition of lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

(i) Grassland Conservation Partnership - Phase II

\$1,475,000 the second year is to the commissioner of natural resources for an agreement with The Conservation Fund, in cooperation with Minnesota Land Trust, to acquire permanent conservation easements and restore high priority grassland, prairie, and wetland habitats as follows: \$64,000 to The Conservation Fund; and \$1,411,000 to Minnesota Land Trust, of which up to \$100,000 is for establishing a monitoring and enforcement fund, as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquisition of lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie. A list of proposed ac-

quisitions must be provided as part of the required accomplishment plan and must be consistent with the priorities in the Minnesota Prairie Conservation Plan.

(j) Accelerated Prairie Restoration and Enhancement on DNR Lands - Phase VIII

\$3,983,000 the second year is to the commissioner of natural resources to accelerate restoration and enhancement of prairies, grasslands, and savannas on wildlife management areas, scientific and natural areas, native prairie bank land, and bluff prairies on state forest land in southeastern Minnesota. A list of proposed land restorations and enhancements must be provided as part of the required accomplishment plan.

(k) Anoka Sandplain Habitat Restoration and Enhancement - Phase IV

\$1,208,000 the second year is to the commissioner of natural resources for agreements to restore and enhance wildlife habitat on public lands in Anoka, Isanti, Morrison, Sherburne, and Todd Counties as follows: \$93,000 to Anoka Conservation District; \$25,000 to Isanti County Parks and Recreation Department; \$813,000 to Great River Greening; and \$277,000 to the National Wild Turkey Federation. A list of proposed land restorations and enhancements must be provided as part of the required accomplishment plan.

Subd. 3. Forests

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18,379,000

(a) Young Forest Conservation - Phase II

\$1,369,000 the second year is to the commissioner of natural resources for an agreement with the American Bird Conservancy to restore publicly owned, permanently protected forest lands for wildlife management purposes. A list of proposed forest land restorations must be provided as part of the required accomplishment plan.

(b) Jack Pine Forest/Crow Wing River Watershed Habitat Acquisition

\$3,570,000 the second year is to the commissioner of natural resources for an agreement with the Minnesota Deer Hunters Association to acquire in fee and restore and enhance forest habitat lands in Cass and Hubbard Counties for county forest purposes. A list of

proposed land acquisitions must be provided as part of the required accomplishment plan.

(c) Camp Ripley Partnership - Phase VI

\$1,500,000 the second year is to the Board of Water and Soil Resources, in cooperation with the Morrison County Soil and Water Conservation District, to acquire permanent conservation easements and restore forest wildlife habitat within the boundaries of the Minnesota National Guard Camp Ripley Compatible Use Buffer. Of this amount, up to \$72,000 is to establish a monitoring and enforcement fund, as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of permanent conservation easements must be provided as part of the final report.

(d) Southeast Minnesota Protection and Restoration - Phase IV

\$5,000,000 the second year is to the commissioner of natural resources for an agreement with The Nature Conservancy, in cooperation with The Trust for Public Land and Minnesota Land Trust, to acquire land in fee for wildlife management purposes under Minnesota Statutes, section 86A.05, subdivision 8, to acquire land in fee for scientific and natural areas under Minnesota Statutes, section 86A.05, subdivision 5, to acquire land in fee for state forest purposes under Minnesota Statutes, section 86A.05, subdivision 7, to acquire permanent conservation easements, and to restore and enhance prairie, grasslands, forest, and savanna as follows: \$1,506,000 to The Nature Conservancy; \$2,930,000 to The Trust for Public Land; and \$564,000 to Minnesota Land Trust, of which up to \$80,000 to Minnesota Land Trust is to establish a monitoring and enforcement fund, as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. Annual income statements and balance sheets for income and expenses from land acquired in fee with this appropriation and not transferred to state or local government ownership must be submitted to the Lessard-Sams Outdoor Heritage Council. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

(e) Minnesota Forests for the Future - Phase IV

\$1,840,000 the second year is to the commissioner of natural resources to acquire forest, wetland, and shoreline habitat through working forest permanent conservation easements under the Minnesota forests for the future program pursuant to Minnesota Statutes, section 84.66. A conservation easement acquired with money appropriated under this paragraph must comply with Minnesota Statutes, section 97A.056, subdivision 13. The accomplishment plan must include an easement monitoring and enforcement plan. Of this amount, up to \$25,000 is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of permanent conservation easements must be provided as part of the final report.

(f) Protect Key Forest Lands in Cass County - Phase VII

\$500,000 the second year is to the commissioner of natural resources for an agreement with Cass County to acquire land in fee in Cass County for forest wildlife habitat or to prevent forest fragmentation. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

(g) State Forest Acquisitions - Phase III

\$1,000,000 the second year is to the commissioner of natural resources to acquire lands in fee for wildlife habitat purposes under Minnesota Statutes, section 86A.05, subdivision 7. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

(h) Forest Habitat Protection Revolving Account

\$1,000,000 the second year is to the commissioner of natural resources to acquire lands in fee and permanent conservation easements for wildlife habitat purposes, for forest consolidation and connective corridor purposes, or to prevent forest fragmentation under Minnesota Statutes, section 86A.05, subdivision 7. Proceeds from any subsequent sale of lands acquired with this appropriation must be used for the purposes of this appropriation. Any sale proceeds remaining unused upon close of the appropriation availability must be returned to the outdoor heritage fund. A list of proposed land acquisitions must be

provided as part of the required accomplishment plan. Unless otherwise provided, this appropriation is available until June 30, 2022. For acquisition of real property, this appropriation is available until June 30, 2023, if a binding agreement with a landowner or purchase agreement is entered into by June 30, 2022, and closed no later than June 30, 2023. Of this amount, up to \$50,000 is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of permanent conservation easements must be provided as part of the final report.

(i) Mississippi River Floodplain Forest Enhancement - Phase II

\$412,000 the second year is to the commissioner of natural resources for an agreement with the National Audubon Society to restore and enhance floodplain forest habitat for wildlife on public lands along the Mississippi River. A list of restorations and enhancements must be provided as part of the required accomplishment plan.

(j) Protecting Forest Wildlife Habitat in the Wild Rice River Watershed

\$2,188,000 the second year is to the commissioner of natural resources for an agreement with the White Earth Band of Ojibwe to acquire lands in fee in Clearwater County to be managed for wildlife habitat purposes. A list of proposed land acquisitions must be provided as part of the required accomplishment plan. As a condition of receiving the grant under this paragraph, the White Earth Band of Ojibwe shall:

(1) ensure that current access roads and trails on the property are maintained and open to continue the current access to adjoining lands;

(2) ensure that the property remains open to hunting and fishing for individuals of the public who are not members of a federally recognized tribe in a manner consistent with current law; and

(3) not transfer fee interest in whole or in part to the United States either directly or through an intermediary in trust for the White Earth Band of Ojibwe.

Failure to comply with the provisions of this paragraph shall trigger the reversion provisions of Minnesota Statutes, section 97A.056, subdivision 15.

Subd. 4. Wetlands

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31,055,000

(a) Accelerating the Waterfowl Production Area Acquisition - Phase VIII

\$5,650,000 the second year is to the commissioner of natural resources for an agreement with Pheasants Forever to acquire in fee and restore and enhance wetlands and grasslands to be designated and managed as waterfowl production areas in Minnesota, in cooperation with the United States Fish and Wildlife Service. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

(b) Shallow Lake and Wetland Protection Program - Phase V

\$5,801,000 the second year is to the commissioner of natural resources for an agreement with Ducks Unlimited to acquire in fee and restore prairie lands, wetlands, and land buffering shallow lakes for wildlife management purposes under Minnesota Statutes, section 86A.05, subdivision 8. A list of proposed acquisitions must be provided as part of the required accomplishment plan.

(c) RIM Wetlands Partnership - Phase VII

\$13,808,000 the second year is to the Board of Water and Soil Resources to acquire lands in permanent conservation easements and to restore wetlands and native grassland habitat under Minnesota Statutes, section 103F.515. Of this amount, up to \$195,000 is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of permanent conservation easements must be provided as part of the final report.

(d) Wetland Habitat Protection Program - Phase II

\$1,629,000 the second year is to the commissioner of natural resources for an agreement with Minnesota Land Trust to acquire permanent conservation easements in high-priority wetland habitat complexes

in the prairie and forest/prairie transition regions. Of this amount, up to \$180,000 is to establish a monitoring and enforcement fund, as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of proposed easement acquisitions must be provided as part of the final report.

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

\$2,167,000 the second year is to the commissioner of natural resources to enhance and restore shallow lakes and wetland habitat statewide. A list of proposed land restorations and enhancements must be provided as part of the required accomplishment plan.

(f) Marsh Lake - Phase II

\$2,000,000 the second year is to the commissioner of natural resources to modify the dam at Marsh Lake for improved habitat management and to return the historic outlet of the Pomme de Terre River to Lac Qui Parle.

Subd. 5. Habitats

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29,138,000

(a) DNR Aquatic Habitat Protection - Phase VIII

\$1,578,000 the second year is to the commissioner of natural resources to acquire land in fee and permanent conservation easements for aquatic management purposes under Minnesota Statutes, sections 86A.05, subdivision 14, and 97C.02, to acquire permanent conservation easements under the Minnesota forests for the future program pursuant to Minnesota Statutes, section 84.66, and to restore and enhance aquatic and adjacent upland habitat. Of this amount, up to \$153,000 is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of proposed land acquisitions, conservation easements, restorations, and enhancements must be provided as part of the required accomplishment plan.

(b) Metro Big Rivers Habitat - Phase VII

\$4,000,000 the second year is to the commissioner of natural resources for agreements to acquire land

in fee and permanent conservation easements and to restore and enhance natural systems associated with the Mississippi, Minnesota, and St. Croix Rivers within the metropolitan area as follows: \$500,000 to Minnesota Valley National Wildlife Refuge Trust, Inc.; \$430,000 to Friends of the Mississippi River; \$1,170,000 to Great River Greening; \$800,000 to The Trust for Public Land; and \$1,100,000 to Minnesota Land Trust, of which up to \$60,000 to Minnesota Land Trust is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of proposed land acquisitions and permanent conservation easements must be provided as part of the required accomplishment plan.

(c) Mississippi Headwaters Habitat Corridor Partnership - Phase II

\$2,105,000 the second year is to the commissioner of natural resources for agreements to acquire lands in fee in the Mississippi Headwaters and for agreements as follows: \$76,000 to the Mississippi Headwaters Board; and \$2,029,000 to The Trust for Public Land. \$1,045,000 the second year is to the Board of Water and Soil Resources to acquire permanent conservation easements and to restore wildlife habitat, of which up to \$78,000 is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of proposed acquisitions must be included as part of the required accomplishment plan.

(d) Fisheries Habitat Protection on Strategic North Central Minnesota Lakes - Phase II

\$1,425,000 the second year is to the commissioner of natural resources for agreements with the Leech Lake Area Watershed Foundation and Minnesota Land Trust to acquire land in fee and permanent conservation easements to sustain healthy fish habitat on cold water lakes in Aitkin, Cass, Crow Wing, and Hubbard Counties as follows: \$480,000 to Leech Lake Area Watershed Foundation; and \$945,000 to Minnesota Land Trust, of which up to \$180,000 to Minnesota Land Trust is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes,

section 97A.056, subdivision 17. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

(e) Minnesota Trout Unlimited Coldwater Fish Habitat Enhancement and Restoration - Phase VIII

\$1,975,000 the second year is to the commissioner of natural resources for an agreement with Minnesota Trout Unlimited to restore or enhance habitat for trout and other species in and along cold water rivers, lakes, and streams in Minnesota. A list of proposed restorations and enhancements must be provided as part of the required accomplishment plan.

(f) DNR Stream Habitat

\$2,074,000 the second year is to the commissioner of natural resources to restore and enhance habitat to facilitate fish passage, degraded streams, and critical aquatic species habitat. A list of proposed land restorations and enhancements must be provided as part of the required accomplishment plan.

(g) St. Louis River Restoration Initiative - Phase III

\$2,707,000 the second year is to the commissioner of natural resources to restore aquatic habitats in the St. Louis River estuary. A list of proposed restorations must be provided as part of the required accomplishment plan.

(h) Sand Hill River Fish Passage - Phase II

\$828,000 the second year is to the commissioner of natural resources for an agreement with the Sand Hill River Watershed District, in cooperation with the Department of Natural Resources and Army Corps of Engineers, to restore and enhance fish passage and habitat in the Sand Hill River watershed. A list of proposed restorations must be provided as part of the required accomplishment plan.

(i) Shell Rock River Watershed Habitat Restoration Program - Phase V

\$1,200,000 the second year is to the commissioner of natural resources for an agreement with the Shell Rock River Watershed District to acquire in fee, restore, and enhance aquatic habitat in the Shell Rock River watershed. A list of proposed acquisitions,

restorations, and enhancements must be provided as part of the required accomplishment plan.

(j) Roseau Lake Rehabilitation

\$2,763,000 the second year is to the commissioner of natural resources to acquire land in fee and permanent conservation easements for wildlife management purposes in Roseau County under Minnesota Statutes, section 86A.05, subdivision 8, to restore and enhance wildlife habitat. A list of proposed land acquisitions and restorations and enhancements must be provided as part of the required accomplishment plan.

(k) Conservation Partners Legacy Grant Program: Statewide and Metro Habitat - Phase VIII

\$7,438,000 the second year is to the commissioner of natural resources for a program to provide competitive, matching grants of up to \$400,000 to local, regional, state, and national organizations for enhancing, restoring, or protecting forests, wetlands, prairies, or habitat for fish, game, or wildlife in Minnesota. Of this amount, up to \$2,500,000 is for grants in the seven-county metropolitan area and cities with a population of 50,000 or greater. Grants shall not be made for activities required to fulfill the duties of owners of lands subject to conservation easements. Grants shall not be made from the appropriation in this paragraph for projects that have a total project cost exceeding \$575,000. Of the total appropriation, \$588,000 may be spent for personnel costs and other direct and necessary administrative costs. Grantees may acquire land or interests in land. Easements must be permanent. Grants may not be used to establish easement stewardship accounts. Land acquired in fee must be open to hunting and fishing during the open season unless otherwise provided by law. The program must require a match of at least ten percent from nonstate sources for all grants. The match may be cash or in-kind resources. For grant applications of \$25,000 or less, the commissioner shall provide a separate, simplified application process. Subject to Minnesota Statutes, the commissioner of natural resources shall, when evaluating projects of equal value, give priority to organizations that have a history of receiving or a charter to receive private contributions for local conservation or habitat projects. If acquiring land in fee or a conservation easement,

priority must be given to projects associated with or within one mile of existing wildlife management areas under Minnesota Statutes, section 86A.05, subdivision 8; scientific and natural areas under Minnesota Statutes, sections 84.033 and 86A.05, subdivision 5; or aquatic management areas under Minnesota Statutes, sections 86A.05, subdivision 14, and 97C.02. All restoration or enhancement projects must be on land permanently protected by a permanent covenant ensuring perpetual maintenance and protection of restored and enhanced habitat, by a conservation easement, by public ownership, or in public waters as defined in Minnesota Statutes, section 103G.005, subdivision 15. Priority must be given to restoration and enhancement projects on public lands. Minnesota Statutes, section 97A.056, subdivision 13, applies to grants awarded under this paragraph. This appropriation is available until June 30, 2020. No less than five percent of the amount of each grant must be held back from reimbursement until the grant recipient has completed a grant accomplishment report by the deadline and in the form prescribed by and satisfactory to the Lessard-Sams Outdoor Heritage Council. The commissioner shall provide notice of the grant program in the game and fish law summary prepared under Minnesota Statutes, section 97A.051, subdivision 2.

Subd. 6. Administration

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275,000

(a) Contract Management

\$150,000 the second year is to the commissioner of natural resources for contract management duties assigned in this section. The commissioner shall provide an accomplishment plan in the form specified by the Lessard-Sams Outdoor Heritage Council on the expenditure of this appropriation. The accomplishment plan must include a copy of the grant contract template and reimbursement manual. No money may be expended prior to Lessard-Sams Outdoor Heritage Council approval of the accomplishment plan.

(b) Technical Evaluation Panel

\$125,000 the second year is to the commissioner of natural resources for a technical evaluation panel to conduct up to 15 restoration and en-

hancement evaluations under Minnesota Statutes, section 97A.056, subdivision 10.

Subd. 7. Availability of Appropriation

Money appropriated in this section may not be spent on activities unless they are directly related to and necessary for a specific appropriation and are specified in the accomplishment plan approved by the Lessard-Sams Outdoor Heritage Council. Money appropriated in this section must not be spent on indirect costs or other institutional overhead charges that are not directly related to and necessary for a specific appropriation. Unless otherwise provided, the amounts in this section are available until June 30, 2019. For acquisition of real property, the amounts in this section are available until June 30, 2020, if a binding agreement with a landowner or purchase agreement is entered into by June 30, 2019, and closed no later than June 30, 2020. Funds for restoration or enhancement are available until June 30, 2021, or five years after acquisition, whichever is later, in order to complete initial restoration or enhancement work. If a project receives at least 15 percent of its funding from federal funds, the time period of the appropriation may be extended to equal the availability of federal funding to a maximum of six years, provided the federal funding was confirmed and included in the first draft accomplishment plan. Money appropriated for fee title acquisition of land may be used to restore, enhance, and provide for public use of the land acquired with the appropriation. Public use facilities must have a minimal impact on habitat in acquired lands.

Subd. 8. Payment Conditions and Capital Equipment Expenditures

All agreements referred to in this section must be administered on a reimbursement basis unless otherwise provided in this section. Notwithstanding Minnesota Statutes, section 16A.41, expenditures directly related to each appropriation's purpose made on or after July 1, 2016, or the date of accomplishment plan approval, whichever is later, are eligible for reimbursement unless otherwise provided in this section. For the purposes of administering appropriations and legislatively authorized agreements paid out of the outdoor heritage fund, an expense

must be considered reimbursable by the administering agency when the recipient presents the agency with an invoice, or binding agreement with the landowner, and the recipient attests that the goods have been received or the landowner agreement is binding. Periodic reimbursement must be made upon receiving documentation that the items articulated in the accomplishment plan approved by the Lessard-Sams Outdoor Heritage Council have been achieved, including partial achievements as evidenced by progress reports approved by the Lessard-Sams Outdoor Heritage Council. Reasonable amounts may be advanced to projects to accommodate cash flow needs, support future management of acquired lands, or match a federal share. The advances must be approved as part of the accomplishment plan. Capital equipment expenditures for specific items in excess of \$10,000 must be itemized in and approved as part of the accomplishment plan.

Subd. 9. Mapping

Each direct recipient of money appropriated in this section, as well as each recipient of a grant awarded pursuant to this section, must provide geographic information to the Lessard-Sams Outdoor Heritage Council for mapping of any lands acquired in fee with funds appropriated in this section and open to public taking of fish and game. The commissioner of natural resources shall include the lands acquired in fee with money appropriated in this section on maps showing public recreation opportunities. Maps must include information on and acknowledgment of the outdoor heritage fund, including a notation of any restrictions.

Subd. 10. RIM Buffers for Wildlife and Water Restorations

The following appropriations to the Board of Water and Soil Resources for the RIM buffers for wildlife and water program may be used for restoration of lands acquired by conservation easement with the appropriations:

(1) Laws 2015, First Special Session chapter 2, article 1, section 2, subdivision 2, paragraph (f);

(2) Laws 2014, chapter 256, article 1, section 2, subdivision 2, paragraph (f);

(3) Laws 2013, chapter 137, article 1, section 2, subdivision 2, paragraph (e);

(4) Laws 2012, chapter 264, article 1, section 2, subdivision 2, paragraph (a); and

(5) Laws 2011, First Special Session chapter 6, article 1, section 2, subdivision 2, paragraph (c).

Subd. 11. Carryforward of Appropriation

(a) The availability of the appropriation in Laws 2013, chapter 137, article 1, section 2, subdivision 5, paragraph (b), for Habitat Protection in Dakota County - Phase IV is extended to June 30, 2017.

(b) Paragraph (a) is effective the day following final enactment.

Sec. 3. Minnesota Statutes 2014, section 97A.056, subdivision 2, is amended to read:

Subd. 2. **Lessard-Sams Outdoor Heritage Council.** (a) The Lessard-Sams Outdoor Heritage Council of 12 members is created in the legislative branch, consisting of:

(1) two public members appointed by the senate Subcommittee on Committees of the Committee on Rules and Administration;

(2) two public members appointed by the speaker of the house;

(3) four public members appointed by the governor;

(4) two members of the senate appointed by the senate Subcommittee on Committees of the Committee on Rules and Administration; and

(5) two members of the house of representatives appointed by the speaker of the house.

(b) Members appointed under paragraph (a) must not be registered lobbyists. In making appointments, the governor, senate Subcommittee on Committees of the Committee on Rules and Administration, and the speaker of the house shall consider geographic balance, gender, age, ethnicity, and varying interests including hunting and fishing. The governor's appointments to the council are subject to the advice and consent of the senate.

(c) Public members appointed under paragraph (a) shall have practical experience or expertise or demonstrated knowledge in the science, policy, or practice of restoring, protecting, and enhancing wetlands, prairies, forests, and habitat for fish, game, and wildlife.

(d) Legislative members appointed under paragraph (a) shall include the chairs of the legislative committees with jurisdiction over environment and natural resources finance or their designee, one member from the minority party of the senate, and one member from the minority party of the house of representatives.

(e) Public members serve four-year terms. Appointed legislative members serve at the pleasure of the appointing authority. Public and legislative members continue to serve until their successors are appointed. Public members shall be initially appointed according to the following schedule of terms:

(1) two public members appointed by the governor for a term ending the first Monday in January 2011;

(2) one public member appointed by the senate Subcommittee on Committees of the Committee on Rules and Administration for a term ending the first Monday in January 2011;

(3) one public member appointed by the speaker of the house for a term ending the first Monday in January 2011;

(4) two public members appointed by the governor for a term ending the first Monday in January 2013;

(5) one public member appointed by the senate Subcommittee on Committees of the Committee on Rules and Administration for a term ending the first Monday in January 2013; and

(6) one public member appointed by the speaker of the house for a term ending the first Monday in January 2013.

(f) Terms, compensation, and removal of public members are as provided in section 15.0575. A vacancy on the council may be filled by the appointing authority for the remainder of the unexpired term.

~~(g) The first meeting of the council shall be convened by the chair of the Legislative Coordinating Commission no later than December 1, 2008.~~ Members shall elect a chair, vice-chair, secretary, and other officers as determined by the council. The chair may convene meetings as necessary to conduct the duties prescribed by this section.

~~(h) Upon coordination with The Legislative Coordinating Commission, the council may appoint non-partisan staff and contract with consultants as necessary to carry out support the functions of the council. The council has final approval authority for the hiring of a candidate for executive director. Up to one percent of the money appropriated from the fund may be used to pay for administrative expenses of the council and for compensation and expense reimbursement of council members.~~

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

Sec. 4. Minnesota Statutes 2014, section 97A.056, subdivision 10, is amended to read:

Subd. 10. **Restoration and enhancements evaluations.** The commissioner of natural resources and the Board of Water and Soil Resources ~~may~~ must convene a technical evaluation panel comprised of five members, including one technical representative from the Board of Water and Soil Resources, one technical representative from the Department of Natural Resources, one technical expert from the University of Minnesota or the Minnesota State Colleges and Universities, and two representatives with expertise in the project being evaluated. The board and the commissioner may add a technical representative from a unit of federal or local government. The members of the technical evaluation panel may not be associated with the restoration or enhancement, may vary depending upon the projects being reviewed, and shall avoid any potential conflicts of interest. Each year, the board and the commissioner may assign a coordinator to identify ~~a sample of up to ten~~ habitat restoration or enhancement projects completed with outdoor heritage funding. The coordinator shall secure the ~~restoration~~ plans for the projects specified and direct the technical evaluation panel to evaluate the restorations and enhancements relative to the law, current science, and the

stated goals and standards in the restoration project plan and, when applicable, to the Board of Water and Soil Resources' native vegetation establishment and enhancement guidelines. The coordinator shall summarize the findings of the panel and provide a report to the chair of the Lessard-Sams Outdoor Heritage Council and the chairs of the respective house of representatives and senate policy and finance committees with jurisdiction over natural resources and spending from the outdoor heritage fund. The report shall determine if the restorations and enhancements are meeting planned goals, any problems with the implementation of restorations and enhancements, and, if necessary, recommendations on improving restorations and enhancements. The report shall be focused on improving future restorations and enhancements. At least one-tenth of one percent of forecasted receipts from the outdoor heritage fund must be used for restoration and enhancements evaluations under this section.

Sec. 5. Laws 2015, First Special Session chapter 2, article 1, section 2, subdivision 2, is amended to read:

Subd. 2. Prairies	40,948,000	-0-
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(a) DNR Wildlife Management Area and Scientific and Natural Area Acquisition - Phase VII

\$4,570,000 in the first year is to the commissioner of natural resources to acquire land in fee for wildlife management purposes under Minnesota Statutes, section 86A.05, subdivision 8, and to acquire land in fee for scientific and natural area purposes under Minnesota Statutes, section 86A.05, subdivision 5. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquisition of lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie. A list of proposed land and permanent conservation easement acquisitions must be provided as part of the required accomplishment plan.

(b) Accelerating Wildlife Management Area Acquisition - Phase VII

\$7,452,000 in the first year is to the commissioner of natural resources for an agreement with Pheasants Forever to acquire land in fee for wildlife management area purposes under Minnesota Statutes, section 86A.05, subdivision 8. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquisition of lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

(c) Minnesota Prairie Recovery Project - Phase VI

\$4,032,000 in the first year is to the commissioner of natural resources for an agreement with The Nature Conservancy to acquire native prairie, wetlands, and savanna and restore and enhance grasslands, wetlands, and savanna. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquisition of lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie. Annual income statements and balance sheets for income and expenses from land acquired with this appropriation must be submitted to the Lessard-Sams Outdoor Heritage Council no later than 180 days following the close of The Nature Conservancy's fiscal year. A list of proposed land acquisitions must be provided as part of the required accomplishment plan and must be consistent with the priorities identified in the Minnesota Prairie Conservation Plan.

(d) Northern Tallgrass Prairie National Wildlife Refuge Land Acquisition - Phase ~~V~~ VI

\$3,430,000 in the first year is to the commissioner of natural resources for an agreement with The Nature Conservancy in cooperation with the United States Fish and Wildlife Service to acquire land in fee or permanent conservation easements within the Northern Tallgrass Prairie Habitat Preservation Area in western Minnesota for addition to the Northern Tallgrass Prairie National Wildlife Refuge. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquisition of lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie. A list of proposed land acquisitions must be provided as part of the required accomplishment plan and must be consistent with the priorities in the Minnesota Prairie Conservation Plan.

(e) Accelerated Native Prairie Bank Protection - Phase IV

\$3,740,000 in the first year is to the commissioner of natural resources to implement the Minnesota Prairie Conservation Plan through the acquisition of

permanent conservation easements to protect native prairie and grasslands. Up to \$165,000 is for establishing monitoring and enforcement funds as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquisition of lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie. A list of permanent conservation easements must be provided as part of the final report.

(f) Minnesota Buffers for Wildlife and Water - Phase V

\$4,544,000 in the first year is to the Board of Water and Soil Resources to acquire permanent conservation easements to protect and enhance habitat by expanding the clean water fund riparian buffer program for at least equal wildlife benefits from buffers on private land. Up to \$72,500 is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of permanent conservation easements must be provided as part of the final report.

(g) Cannon River Headwaters Habitat Complex - Phase V

\$1,380,000 in the first year is to the commissioner of natural resources for an agreement with The Trust for Public Land to acquire and restore lands in the Cannon River watershed for wildlife management purposes under Minnesota Statutes, section 86A.05, subdivision 8. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquisition of lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

(h) Prairie Chicken Habitat Partnership of the Southern Red River Valley

\$1,800,000 in the first year is to the commissioner of natural resources for an agreement with Pheasants

Forever in cooperation with the Minnesota Prairie Chicken Society to acquire and restore lands in the southern Red River Valley for wildlife management purposes under Minnesota Statutes, section 86A.05, subdivision 8, or for designation and management as waterfowl production areas in Minnesota, in cooperation with the United States Fish and Wildlife Service. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

(i) Protecting and Restoring Minnesota's Important Bird Areas

\$1,730,000 in the first year is to the commissioner of natural resources for agreements to acquire conservation easements within important bird areas identified in the Minnesota Prairie Conservation Plan, to be used as follows: \$408,000 is to Audubon Minnesota and \$1,322,000 is to Minnesota Land Trust, of which up to \$100,000 is for establishing monitoring and enforcement funds as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of permanent conservation easements must be provided as part of the final report.

(j) Wild Rice River Corridor Habitat Restoration

\$2,270,000 in the first year is to the commissioner of natural resources for an agreement with the Wild Rice Watershed District to acquire land in fee and permanent conservation easement and to restore river and related habitat in the Wild Rice River corridor. A list of proposed acquisitions and restorations must be provided as part of the required accomplishment plan.

(k) Accelerated Prairie Restoration and Enhancement on DNR Lands - Phase VII

\$4,880,000 in the first year is to the commissioner of natural resources to accelerate the restoration and enhancement of prairie communities on wildlife management areas, scientific and natural areas, state forest land, and land under native prairie bank easements. A list of proposed land restorations and enhancements must be provided as part of the required accomplishment plan.

(l) Enhanced Public Land Grasslands - Phase II

\$1,120,000 in the first year is to the commissioner of natural resources for an agreement with Pheasants Forever to enhance and restore habitat on public lands. A list of proposed land restorations and enhancements must be provided as part of the final report.

Sec. 6. Laws 2015, First Special Session chapter 2, article 1, section 2, subdivision 3, is amended to read:

Subd. 3. **Forests** 12,634,000 -0-

(a) Camp Ripley Partnership - Phase V

\$1,500,000 in the first year is to the Board of Water and Soil Resources in cooperation with the Morrison County Soil and Water Conservation District to acquire permanent conservation easements within the boundaries of the Minnesota National Guard Compatible Use Buffer to protect forest wildlife habitat. Up to \$55,000 is for establishing a monitoring and enforcement fund, as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of permanent conservation easements must be provided as part of the final report.

(b) Southeast Minnesota Protection and Restoration - Phase III

\$2,910,000 in the first year is to the commissioner of natural resources for an agreement with The Nature Conservancy to acquire land in fee for wildlife management purposes under Minnesota Statutes, section 86A.05, subdivision 8; to acquire land in fee for scientific and natural areas under Minnesota Statutes, section 86A.05, subdivision 5; for state forest purposes under Minnesota Statutes, section 86A.05, subdivision 7; and to enhance grasslands, forest, and savanna. A list of proposed acquisitions must be provided as part of the required accomplishment plan.

(c) Protecting Pinelands Sands Aquifer Forestlands - Phase II

\$2,180,000 in the first year is to the commissioner of natural resources to acquire forest lands in Cass, Hubbard, and Wadena Counties for wildlife

management purposes under Minnesota Statutes, section 86A.05, subdivision 8, and to acquire land in fee for state forests under Minnesota Statutes, section 86A.05, subdivision 7. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

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

\$442,000 in the first year is to the commissioner of natural resources for an agreement with Cass County to acquire land in fee in Cass County for forest wildlife habitat or to prevent forest fragmentation. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

(e) Critical Shoreland Protection Program - Phase III

\$1,690,000 in the first year is to the commissioner of natural resources for an agreement with Minnesota Land Trust to acquire permanent conservation easements along rivers and lakes in the northern forest region. Up to \$220,000 is for establishing a monitoring and enforcement fund, as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of proposed permanent conservation easements must be provided as part of the required accomplishment plan.

(f) Mississippi Headwaters Habitat Partnership

\$3,002,000 in the first year is to the commissioner of natural resources to acquire lands in fee and for permanent conservation easements in the Mississippi Headwaters and for agreements as follows: \$1,217,000 to The Trust for Public Land; and \$824,000 to Minnesota Land Trust, of which up to \$80,000 is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of proposed acquisitions must be included as part of the required accomplishment plan.

(g) Southeast Forest Habitat Enhancement

\$910,000 in the first year is to the commissioner of natural resources to enhance forests in southeastern

Minnesota. A list of proposed land enhancements must be provided as part of the required accomplishment plan.

EFFECTIVE DATE. This section is effective retroactively from July 1, 2015.

Sec. 7. Laws 2015, First Special Session chapter 2, article 1, section 2, subdivision 5, is amended to read:

Subd. 5. **Habitats** 22,368,000 -0-

(a) DNR Aquatic Habitat - Phase VII

\$4,540,000 in the first year is to the commissioner of natural resources to acquire interests in land in fee and permanent conservation easements for aquatic management purposes under Minnesota Statutes, sections 86A.05, subdivision 14, and 97C.02, to acquire interests in land in permanent conservation easements for fish and wildlife habitat under Minnesota Statutes, section 84.66, and to restore and enhance aquatic habitat. Up to \$130,000 is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of proposed land acquisitions and restorations and enhancements must be provided as part of the required accomplishment plan.

(b) Metro Big Rivers - Phase VI

\$2,000,000 in the first year is to the commissioner of natural resources for agreements to acquire land in fee and in permanent conservation easements and to restore and enhance natural systems associated with the Mississippi, Minnesota, and St. Croix Rivers as follows: \$475,000 to Minnesota Valley National Wildlife Refuge Trust, Inc.; \$275,000 to Friends of the Mississippi River; \$400,000 to Great River Greening; \$375,000 to Minnesota Land Trust; and \$475,000 to The Trust for Public Land. Up to \$60,000 to Minnesota Land Trust is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of proposed land acquisitions and permanent conservation easements must be provided as part of the required accomplishment plan.

(c) Minnesota Trout Unlimited Coldwater Fish Habitat Enhancement and Restoration - Phase VII

\$1,890,000 in the first year is to the commissioner of natural resources for an agreement with Minnesota Trout Unlimited to restore and enhance habitat for trout and other species in and along coldwater rivers and streams in Minnesota. A list of proposed restorations and enhancements must be provided as part of the required accomplishment plan.

(d) Lake Bemidji South Shore Restoration and Enhancement

\$1,650,000 in the first year is to the commissioner of natural resources for an agreement with the city of Bemidji to restore and enhance fish habitat on Lake Bemidji. A list of proposed restorations and enhancements must be provided as part of the required accomplishment plan.

(e) Sand Hill River Fish Passage

\$990,000 in the first year is to the commissioner of natural resources for an agreement with the Sand Hill River Watershed District to restore fish habitat in the Sand Hill River watershed. A list of proposed restorations must be provided as part of the required accomplishment plan.

(f) Shell Rock River Watershed Habitat Restoration Program - Phase IV

\$2,414,000 in the first year is to the commissioner of natural resources for an agreement with the Shell Rock River Watershed District to protect, restore, and enhance aquatic habitat in the Shell Rock River watershed. A list of proposed acquisitions, restorations, and enhancements must be provided as part of the required accomplishment plan.

(g) Lake Nokomis Integrated Habitat Enhancement

\$444,000 in the first year is to the commissioner of natural resources for an agreement with the Minneapolis Park and Recreation Board to enhance aquatic habitat on Lake Nokomis. A list of proposed enhancements must be provided as part of the required accomplishment plan.

**(h) Conservation Partners Legacy Grant Program:
Statewide and Metro Habitat - Phase VII**

\$8,440,000 in the first year is to the commissioner of natural resources for a program to provide competitive, matching grants of up to \$400,000 to local, regional, state, and national organizations for enhancing, restoring, or protecting forests, wetlands, prairies, or habitat for fish, game, or wildlife in Minnesota. Of this amount, \$3,692,000 is for grants in the seven-county metropolitan area and cities with a population of 50,000 or greater. Grants shall not be made for activities required to fulfill the duties of owners of lands subject to conservation easements. Grants shall not be made from the appropriation in this paragraph for projects that have a total project cost exceeding \$575,000. Of this appropriation, \$596,000 may be spent for personnel costs and other direct and necessary administrative costs. Grantees may acquire land or interests in land. Easements must be permanent. Grants may not be used to establish easement stewardship accounts. Land acquired in fee must be open to hunting and fishing during the open season unless otherwise provided by law. The program must require a match of at least ten percent from nonstate sources for all grants. The match may be cash or in-kind resources. For grant applications of \$25,000 or less, the commissioner shall provide a separate, simplified application process. Subject to Minnesota Statutes, the commissioner of natural resources shall, when evaluating projects of equal value, give priority to organizations that have a history of receiving or a charter to receive private contributions for local conservation or habitat projects. If acquiring land or a conservation easement, priority must be given to projects associated with or within one mile of existing wildlife management areas under Minnesota Statutes, section 86A.05, subdivision 8; scientific and natural areas under Minnesota Statutes, sections 84.033 and 86A.05, subdivision 5; or aquatic management areas under Minnesota Statutes, sections 86A.05, subdivision 14, and 97C.02. All restoration or enhancement projects must be on land permanently protected by a permanent covenant ensuring perpetual maintenance and protection of restored and enhanced habitat, by a conservation easement, or by public ownership or in public waters as defined in Minnesota

Statutes, section 103G.005, subdivision 15. Priority must be given to restoration and enhancement projects on public lands. Minnesota Statutes, section 97A.056, subdivision 13, applies to grants awarded under this paragraph. This appropriation is available until June 30, ~~2018~~ 2019. No less than five percent of the amount of each grant must be held back from reimbursement until the grant recipient has completed a grant accomplishment report by the deadline and in the form prescribed by and satisfactory to the Lessard-Sams Outdoor Heritage Council. The commissioner shall provide notice of the grant program in the game and fish law summary prepared under Minnesota Statutes, section 97A.051, subdivision 2.

ARTICLE 2

CLEAN WATER FUND

Section 1. Laws 2011, First Special Session chapter 6, article 2, section 3, is amended to read:

Sec. 3. DEPARTMENT OF AGRICULTURE	\$	7,700,000	\$	<u>7,700,000</u>	<u>7,110,000</u>
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(a) \$350,000 the first year and \$350,000 the second year are to increase monitoring for pesticides and pesticide degradates in surface water and groundwater and to use data collected to assess pesticide use practices.

(b) \$850,000 the first year and \$850,000 the second year are to increase monitoring and evaluate trends in the concentration of nitrates in groundwater in high-risk areas and regionally and to promote and evaluate regional and crop-specific nutrient best management practices. This appropriation is available until June 30, 2016.

(c) \$4,500,000 the first year and \$4,500,000 the second year are for the agriculture best management practices loan program. At least \$3,500,000 the first year and at least \$3,900,000 the second year are for transfer to the clean water agricultural best management practices loan account and are available for pass-through to local governments and lenders for low-interest loans under Minnesota Statutes, section 17.117. Any unencumbered balance that is not used for pass-through to local governments does not cancel

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

(d) ~~\$775,000~~ the first year and ~~\$775,000~~ \$675,000 the second year are for research, pilot projects, and technical assistance on proper implementation of best management practices and more precise information on nonpoint contributions to impaired waters. This appropriation is available until June 30, 2016.

(e) ~~\$1,050,000~~ the first year and ~~\$1,050,000~~ \$560,000 the second year are for research to quantify agricultural contributions to impaired waters and for development and evaluation of best management practices to protect and restore water resources while maintaining productivity. This appropriation is available until June 30, 2016.

(f) ~~\$175,000~~ the first year and ~~\$175,000~~ the second year are for a research inventory database containing water-related research activities. This appropriation is available until June 30, 2016.

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

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

	\$	24,212,000	\$	<u>23,558,000</u>
Sec. 5. POLLUTION CONTROL AGENCY				<u>23,400,000</u>

(a) ~~\$7,500,000~~ the first year and ~~\$7,500,000~~ \$7,485,000 the second year are for completion of 20 percent of the needed statewide assessments of surface water quality and trends. Of this amount, ~~\$100,000~~ the first year and ~~\$100,000~~ the second year are for grants to the Red River Watershed Management Board to enhance and expand the existing water quality and watershed monitoring river watch activities in the schools in the Red River of the North. The Red River Watershed Management Board shall provide a report to the commissioner of the Pollution Control Agency and the legislative committees and divisions with jurisdiction over environment and natural resources finance and policy and the clean water fund by February 15, 2013, on the expenditure of these funds.

(b) ~~\$9,400,000~~ the first year and ~~\$9,400,000~~ \$9,261,000 the second year are to develop total

maximum daily load (TMDL) studies and TMDL implementation plans for waters listed on the United States Environmental Protection Agency approved impaired waters list in accordance with Minnesota Statutes, chapter 114D. The agency shall complete an average of ten percent of the TMDL's each year over the biennium.

(c) \$1,125,000 the first year and \$1,125,000 the second year are for groundwater assessment, including enhancing the ambient monitoring network, modeling, and continuing to monitor for and assess contaminants of emerging concern.

(d) \$750,000 the first year and \$750,000 the second year are for water quality improvements in the lower St. Louis River and Duluth harbor. This appropriation must be matched at a rate of 65 percent nonstate money to 35 percent state money.

(e) \$1,000,000 the first year and \$1,000,000 the second year are for the clean water partnership program to provide grants to protect and improve the basins and watersheds of the state and provide financial and technical assistance to study waters with nonpoint source pollution problems. Priority shall be given to projects preventing impairments and degradation of lakes, rivers, streams, and groundwater in accordance with Minnesota Statutes, section 114D.20, subdivision 2, clause (4). Any balance remaining in the first year does not cancel and is available for the second year.

(f) \$400,000 the first year and \$400,000 the second year are for storm water research and guidance.

(g) \$1,150,000 the first year and \$1,150,000 the second year are for TMDL research and database development.

(h) \$800,000 the first year and \$800,000 the second year are for national pollutant discharge elimination system wastewater and storm water TMDL implementation efforts.

(i) \$225,000 the first year and \$225,000 the second year are transferred to the commissioner of administration for the Environmental Quality Board in cooperation with the United States Geological

Survey to characterize groundwater flow and aquifer properties in the I-94 corridor in cooperation with local units of government. This appropriation is available until June 30, 2016.

(j) \$1,000,000 the first year and \$500,000 the second year are for a wild rice standards study.

(k) \$862,000 the first year and ~~\$708,000~~ \$704,000 the second year are for groundwater protection or prevention of groundwater degradation activities through enhancing the county-level delivery system for subsurface sewage treatment systems (SSTS). The commissioner shall consult with the SSTS Compliance Task Force in developing a distribution allocation for the county base grants.

(l) Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered on or before June 30, 2013, as grants or contracts in this section are available until June 30, 2016.

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

Sec. 3. Laws 2011, First Special Session chapter 6, article 2, section 7, as amended by Laws 2012, chapter 264, article 2, section 3, is amended to read:

Sec. 7. BOARD OF WATER AND SOIL			31,734,000
RESOURCES	\$	27,534,000	\$ <u>30,662,000</u>

(a) \$13,750,000 the first year and ~~\$15,350,000~~ \$14,751,000 the second year are for pollution reduction and restoration grants to local government units and joint powers organizations of local government units to protect surface water and drinking water; to keep water on the land; to protect, enhance, and restore water quality in lakes, rivers, and streams; and to protect groundwater and drinking water, including feedlot water quality and subsurface sewage treatment system (SSTS) projects and stream bank, stream channel, and shoreline restoration projects. The projects must be of long-lasting public benefit, include a match, and be consistent with TMDL implementation plans or local water management plans.

(b) \$3,000,000 the first year and ~~\$3,600,000~~ \$3,475,000 the second year are for targeted local resource protection and enhancement grants. The board shall give priority consideration to projects

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

(c) \$900,000 the first year and ~~\$1,200,000~~ \$897,000 the second year are to provide state oversight and accountability, evaluate results, and develop an electronic system to measure and track the value of conservation program implementation by local governments, including submission to the legislature by March 1 each year an annual report prepared by the board, in consultation with the commissioners of natural resources, health, agriculture, and the Pollution Control Agency, detailing the recipients and projects funded under this section. The board shall require grantees to specify the outcomes that will be achieved by the grants prior to any grant awards.

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

(e) \$6,000,000 the first year and \$6,000,000 the second year are to purchase and restore permanent conservation easements on riparian buffers adjacent to public waters, excluding wetlands, to keep water on the land in order to decrease sediment, pollutant, and nutrient transport; reduce hydrologic impacts to surface waters; and increase infiltration for groundwater recharge. The riparian buffers must be at least 50 feet unless there is a natural impediment, a road, or other impediment beyond the control of the landowner. This appropriation may be used for restoration of riparian buffers protected by easements

purchased with this appropriation and for stream bank restorations when the riparian buffers have been restored.

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

(g) \$1,500,000 the first year and \$1,500,000 \$1,455,000 the second year are for community partners grants to local units of government for: (1) structural or vegetative management practices that reduce storm water runoff from developed or disturbed lands to reduce the movement of sediment, nutrients, and pollutants for restoration, protection, or enhancement of water quality in lakes, rivers, and streams and to protect groundwater and drinking water; and (2) installation of proven and effective water retention practices including, but not limited to, rain gardens and other vegetated infiltration basins and sediment control basins in order to keep water on the land. The projects must be of long-lasting public benefit, include a local match, and be consistent with TMDL implementation plans or local water management plans. Local government unit staff and administration costs may be used as a match.

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

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

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

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

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

Sec. 4. Laws 2013, chapter 137, article 2, section 3, is amended to read:

	\$	7,310,000	\$	7,460,000
Sec. 3. DEPARTMENT OF AGRICULTURE				<u>7,399,000</u>

(a) \$350,000 the first year and \$350,000 the second year are to increase monitoring for pesticides and pesticide degradates in surface water and groundwater and to use data collected to assess pesticide use practices.

(b) \$2,500,000 the first year and \$2,500,000 the second year are to increase monitoring and evaluate trends in the concentration of nitrates in groundwater in areas vulnerable to groundwater degradation, including a substantial increase of monitoring of private wells in cooperation with the commissioner of health, monitoring for pesticides when nitrates are detected, and promoting and evaluating regional and crop-specific nutrient best management practices to protect groundwater from degradation. Of this amount, \$75,000 may be used for accelerating the update for the commercial manure applicator manual. This amount is to be matched with general funds. This appropriation is available until June 30, 2016, when the commissioner shall submit a report to the chairs and ranking minority members of the senate and house of representatives committees and divisions with jurisdiction over agriculture and environment and natural resources policy and finance on the expenditure of these funds, including the progress in preventing groundwater degradation and recommendations. By October 15, 2014, the commissioner shall submit an interim report to the chairs and ranking minority members of the senate and house of representatives committees and divisions with jurisdiction over agriculture

and environment and natural resources policy and finance on the expenditure of these funds, including recommendations.

(c) \$200,000 the first year and \$200,000 the second year are for the agriculture best management practices loan program. At least \$170,000 each year is for transfer to an agricultural and environmental revolving account created under Minnesota Statutes, section 17.117, subdivision 5a, and is available for pass-through to local government and lenders for low-interest loans under Minnesota Statutes, section 17.117. Any unencumbered balance that is not used for pass-through to local governments does not cancel at the end of the first year and is available for the second year.

(d) \$1,500,000 the first year and \$1,500,000 the second year are for research, pilot projects, and technical assistance on proper implementation of best management practices and more precise information on nonpoint contributions to impaired waters. This appropriation is available until June 30, 2018.

(e) \$1,000,000 the first year and \$1,100,000 the second year are for research to quantify agricultural contributions to impaired waters and for development and evaluation of best management practices to protect and restore water resources while maintaining productivity. This appropriation is available until June 30, 2018.

(f) \$100,000 the first year and ~~\$150,000~~ \$90,000 the second year are for a research inventory database containing water-related research activities. Any information technology development or support or costs necessary for this research inventory database will be incorporated into the agency's service level agreement with and paid to the Office of Enterprise Technology. This appropriation is available until June 30, 2018.

(g) \$1,500,000 the first year and \$1,500,000 the second year are to implement a Minnesota agricultural water quality certification program. This appropriation is available until June 30, 2018.

(h) \$110,000 the first year and \$110,000 the second year are to provide funding for a regional

irrigation water quality specialist through University of Minnesota Extension.

(i) \$50,000 the first year and ~~\$50,000~~ \$49,000 the second year are to develop and implement a comprehensive, up-to-date instruction system for animal waste technicians who apply manure to the ground for hire.

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

Sec. 5. Laws 2013, chapter 137, article 2, section 5, is amended to read:

	\$	28,365,000	\$	<u>28,265,000</u>
Sec. 5. POLLUTION CONTROL AGENCY				<u>28,010,000</u>

(a) \$7,600,000 the first year and ~~\$7,600,000~~ \$7,522,000 the second year are for completion of 20 percent of the needed statewide assessments of surface water quality and trends. Of this amount, \$500,000 each year is to monitor and assess contaminants of emerging concern in groundwater and surface water, and \$100,000 each year is for grants to the Red River Watershed Management Board to enhance and expand the existing water quality and watershed monitoring river watch activities in the schools in the Red River of the North Watershed. The Red River Watershed Management Board shall provide a report to the commissioner of the Pollution Control Agency and the legislative committees and divisions with jurisdiction over environment and natural resources finance and policy and the clean water fund by February 15, 2015, on the expenditure of these funds.

(b) \$9,400,000 the first year and ~~\$9,400,000~~ \$9,323,000 the second year are to develop watershed restoration and protection strategies (WRAPS), which include total maximum daily load (TMDL) studies and TMDL implementation plans for waters listed on the United States Environmental Protection Agency approved impaired waters list in accordance with Minnesota Statutes, chapter 114D. The agency shall complete an average of ten percent of the TMDL's each year over the biennium.

(c) \$1,125,000 the first year and ~~\$1,125,000~~ \$1,108,000 the second year are for groundwater assessment, including enhancing the ambient

monitoring network, modeling, and evaluating trends, including the reassessment of groundwater that was assessed ten to 15 years ago and found to be contaminated. By January 15, 2016, the commissioner shall submit a report with recommendations for reducing or preventing groundwater degradation from contaminants to the chairs and ranking minority members of the senate and house of representatives committees and divisions with jurisdiction over environment and natural resources policy and finance.

(d) \$750,000 the first year and \$750,000 the second year are for water quality improvements in the lower St. Louis River and Duluth harbor within the St. Louis River System Area of Concern. This appropriation must be matched at a rate of 65 percent nonstate money to 35 percent state money.

(e) \$1,000,000 the first year and \$2,000,000 the second year are for the clean water partnership program to provide grants to protect and improve the basins and watersheds of the state and provide financial and technical assistance to study waters with nonpoint source pollution problems. Priority shall be given to projects preventing impairments and degradation of lakes, rivers, streams, and groundwater in accordance with Minnesota Statutes, section 114D.20, subdivision 2, clause (4). Any balance remaining in the first year does not cancel and is available for the second year.

(f) \$275,000 the first year and \$275,000 the second year are for storm water research and guidance.

(g) \$1,150,000 the first year and \$1,150,000 \$1,131,000 the second year are for TMDL research and database development.

(h) \$1,000,000 the first year and ~~\$1,000,000~~ \$936,000 the second year are to initiate development of a multiagency watershed database reporting portal. Any information technology development or support or costs necessary for this research inventory database will be incorporated into the agency's service level agreement with and paid to the Office of Enterprise Technology.

(i) \$900,000 the first year and \$900,000 the second year are for national pollutant discharge

elimination system wastewater and storm water TMDL implementation efforts.

(j) \$3,250,000 the first year and \$3,650,000 the second year are for enhancing the county-level delivery systems for subsurface sewage treatment systems (SSTS) activities necessary to implement Minnesota Statutes, sections 115.55 and 115.56, for protection of groundwater, including base grants for all counties with SSTS programs and competitive grants to counties with specific plans to significantly reduce water pollution by reducing the number of systems that are an imminent threat to public health or safety or are otherwise failing. Counties that receive base grants must report the number of sewage noncompliant properties upgraded through SSTS replacement, connection to a centralized sewer system, or other means including property abandonment or buy-out. Counties also must report the number of compliance inspections of existing SSTS's conducted in areas under county jurisdiction. These required reports are to be part of established annual reporting for SSTS programs. Counties that conduct SSTS inventories or those with an ordinance in place that requires an SSTS to be inspected as a condition of transferring property or as a condition of obtaining a local permit shall be given priority for competitive grants under this paragraph. Of this amount, \$750,000 each year is available to counties for grants to low-income landowners to address systems that pose an imminent threat to public health or safety or fail to protect groundwater. A grant awarded under this paragraph may not exceed \$500,000 for the biennium. A county receiving a grant under this paragraph must submit a report to the agency listing the projects funded, including an account of the expenditures.

(k) \$1,500,000 the first year is for a competitive grant program for sewer projects that helps protect or restore the water quality of waters in any national park located in the state. Grants may be awarded to local government units and must be matched with 25 percent non-clean-water-fund dollars.

(l) \$375,000 the first year and \$375,000 the second year are for developing wastewater treatment system designs and practices and providing technical

assistance. Of this amount, \$145,000 each year is for transfer to the Board of Regents of the University of Minnesota to provide ongoing support for design teams with scientific and technical expertise pertaining to wastewater management and treatment that will include representatives from the University of Minnesota, Pollution Control Agency, and municipal wastewater utilities and other wastewater engineering experts. The design teams shall promote the use of new technology, designs, and practices to address existing and emerging wastewater treatment challenges, including the treatment of wastewater for reuse and the emergence of new and other unregulated contaminants. This appropriation is available until June 30, 2016.

(m) \$40,000 the first year and \$40,000 the second year are to support activities of the Clean Water Council according to Minnesota Statutes, section 114D.30, subdivision 1.

(n) Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered on or before June 30, 2015, as grants or contracts in this section are available until June 30, 2018.

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

Sec. 6. Laws 2013, chapter 137, article 2, section 6, as amended by Laws 2015, First Special Session chapter 2, article 2, section 17, is amended to read:

Sec. 6. DEPARTMENT OF NATURAL		<u>12,135,000</u>		
RESOURCES	\$	<u>10,943,000</u>	\$	8,950,000

(a) \$2,000,000 the first year and \$2,000,000 the second year are for stream flow monitoring, including the installation of additional monitoring gauges, and monitoring necessary to determine the relationship between stream flow and groundwater.

(b) \$1,300,000 the first year and \$1,300,000 the second year are for lake Index of Biological Integrity (IBI) assessments.

(c) \$135,000 the first year and \$135,000 the second year are for assessing mercury and other contaminants of fish, including monitoring to track the status of waters impaired by mercury and mercury reduction efforts over time.

(d) \$1,850,000 the first year and \$1,850,000 the second year are for developing targeted, science-based watershed restoration and protection strategies, including regional technical assistance for TMDL plans and development of a watershed assessment tool, in cooperation with the commissioner of the Pollution Control Agency. By January 15, 2016, the commissioner shall submit a report to the chairs and ranking minority members of the senate and house of representatives committees and divisions with jurisdiction over environment and natural resources policy and finance providing the outcomes to lakes, rivers, streams, and groundwater achieved with this appropriation and recommendations.

(e) \$1,375,000 the first year and \$1,375,000 the second year are for water supply planning, aquifer protection, and monitoring activities.

(f) \$1,000,000 the first year and \$1,000,000 the second year are for technical assistance to support local implementation of nonpoint source restoration and protection activities, including water quality protection in forested watersheds.

(g) \$675,000 the first year and \$675,000 the second year are for applied research and tools, including watershed hydrologic modeling; maintaining and updating spatial data for watershed boundaries, streams, and water bodies and integrating high-resolution digital elevation data; assessing effectiveness of forestry best management practices for water quality; and developing an ecological monitoring database.

(h) \$615,000 the first year and \$615,000 the second year are for developing county geologic atlases.

(i) \$85,000 the first year is to develop design standards and best management practices for public water access sites to maintain and improve water quality by avoiding shoreline erosion and runoff.

(j) ~~\$3,000,000~~ \$1,808,000 the first year is for beginning to develop and designate groundwater management areas under Minnesota Statutes, section 103G.287, subdivision 4. The commissioner, in consultation with the commissioners of the Pollution Control Agency, health, and agriculture, shall

establish a uniform statewide hydrogeologic mapping system that will include designated groundwater management areas. The mapping system must include wellhead protection areas, special well construction areas, groundwater provinces, groundwater recharge areas, and other designated or geographical areas related to groundwater. This mapping system shall be used to implement all groundwater-related laws and for reporting and evaluations. This appropriation is available until June 30, 2017.

(k) \$100,000 the first year is for the commissioner of natural resources for rulemaking under Minnesota Statutes, section 116G.15, subdivision 7.

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

Sec. 7. Laws 2013, chapter 137, article 2, section 7, is amended to read:

Sec. 7. BOARD OF WATER AND SOIL		34,740,000
RESOURCES	\$ 30,689,000 \$	<u>34,647,000</u>

(a) \$5,000,000 the first year and \$7,000,000 the second year are for grants to local government units organized for the management of water in a watershed or subwatershed that have multiyear plans that will result in a significant reduction in water pollution in a selected subwatershed. The grants may be used for the following purposes: establishment of riparian buffers; practices to store water for natural treatment and infiltration, including rain gardens; capturing storm water for reuse; stream bank, shoreland, and ravine stabilization; enforcement activities; and implementation of best management practices for feedlots within riparian areas and other practices demonstrated to be most effective in protecting, enhancing, and restoring water quality in lakes, rivers, and streams and protecting groundwater from degradation. Grant recipients must identify a nonstate cash match of at least 25 percent of the total eligible project costs. Grant recipients may use other legacy funds to supplement projects funded under this paragraph. Grants awarded under this paragraph are available for four years and priority shall be given to the three to six best designed plans each year. By January 15, 2016, the board shall submit an interim report on the outcomes achieved with this appropriation, including recommendations, to the chairs and ranking minority members of

the senate and house of representatives committees and divisions with jurisdiction over environment and natural resources policy and finance. This appropriation is available until June 30, 2018.

(b) \$9,705,000 the first year and ~~\$10,756,000~~ \$10,684,000 the second year are for grants to protect and restore surface water and drinking water; to keep water on the land; to protect, enhance, and restore water quality in lakes, rivers, and streams; and to protect groundwater and drinking water, including feedlot water quality and subsurface sewage treatment system (SSTS) projects and stream bank, stream channel, shoreline restoration, and ravine stabilization projects. The projects must use practices demonstrated to be effective, be of long-lasting public benefit, include a match, and be consistent with total maximum daily load (TMDL) implementation plans or local water management plans or their equivalents.

(c) \$3,500,000 the first year and \$4,500,000 the second year are for targeted local resource protection and enhancement grants for projects and practices that supplement or exceed current state standards for protection, enhancement, and restoration of water quality in lakes, rivers, and streams or that protect groundwater from degradation, including compliance.

(d) \$950,000 the first year and \$950,000 the second year are to provide state oversight and accountability, evaluate results, and measure the value of conservation program implementation by local governments, including submission to the legislature by March 1 each year an annual report prepared by the board, in consultation with the commissioners of natural resources, health, agriculture, and the Pollution Control Agency, detailing the recipients, projects funded under this section, and the amount of pollution reduced.

(e) \$1,700,000 the first year and \$1,700,000 the second year are for grants to local units of government to ensure compliance with Minnesota Statutes, chapter 103E, and sections 103F.401 to 103F.455, including enforcement efforts. Of this amount, \$235,000 the first year is to update the Minnesota Public Drainage Manual and the Minnesota Public Drainage Law Overview for Decision Makers and to provide outreach to users.

(f) \$6,500,000 the first year and \$6,500,000 the second year are to purchase and restore permanent conservation easements on riparian buffers adjacent to lakes, rivers, streams, and tributaries, to keep water on the land in order to decrease sediment, pollutant, and nutrient transport; reduce hydrologic impacts to surface waters; and increase infiltration for groundwater recharge. This appropriation may be used for restoration of riparian buffers protected by easements purchased with this appropriation and for stream bank restorations when the riparian buffers have been restored.

(g) \$1,300,000 the first year and \$1,300,000 the second year are for permanent conservation easements on wellhead protection areas under Minnesota Statutes, section 103F.515, subdivision 2, paragraph (d). Priority must be placed on land that is located where the vulnerability of the drinking water supply is designated as high or very high by the commissioner of health.

(h) \$1,500,000 the first year and ~~\$1,500,000~~ \$1,479,000 the second year are for community partners grants to local units of government for: (1) structural or vegetative management practices that reduce storm water runoff from developed or disturbed lands to reduce the movement of sediment, nutrients, and pollutants for restoration, protection, or enhancement of water quality in lakes, rivers, and streams and to protect groundwater and drinking water; and (2) installation of proven and effective water retention practices including, but not limited to, rain gardens and other vegetated infiltration basins and sediment control basins in order to keep water on the land. The projects must be of long-lasting public benefit, include a local match, and be consistent with TMDL implementation plans or local water management plans or their equivalents. Local government unit costs may be used as a match.

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

(j) \$450,000 the first year and \$450,000 the second year are for assistance and grants to local governments to transition local water management plans to a

watershed approach as provided for in Minnesota Statutes, chapters 103B, 103C, 103D, and 114D.

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

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

(m) The board shall require grantees to specify the outcomes that will be achieved by the grants prior to any grant awards.

(n) The appropriations in this section are available until June 30, 2018. Returned grant funds are available until expended and shall be regranted consistent with the purposes of this section.

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

Sec. 8. Laws 2013, chapter 137, article 2, section 8, is amended to read:

	\$	4,635,000	\$	4,635,000
Sec. 8. DEPARTMENT OF HEALTH				<u>4,535,000</u>

(a) \$1,150,000 the first year and \$1,150,000 the second year are for addressing public health concerns related to contaminants found in Minnesota drinking water for which no health-based drinking water standards exist, including accelerating the development of health risk limits, including triclosan, and improving the capacity of the department's laboratory to analyze unregulated contaminants.

(b) \$1,615,000 the first year and \$1,615,000 the second year are for protection of drinking water sources.

(c) \$250,000 the first year and \$250,000 the second year are for cost-share assistance to public and private well owners for up to 50 percent of the cost of sealing unused wells.

(d) \$390,000 the first year and ~~\$390,000~~ \$290,000 the second year are to update and expand the county well index, in cooperation with the commissioner of natural resources.

(e) \$325,000 the first year and \$325,000 the second year are for studying the occurrence and magnitude of contaminants in private wells and developing guidance to ensure that new well placement minimizes the potential for risks, in cooperation with the commissioner of agriculture.

(f) \$105,000 the first year and \$105,000 the second year are for monitoring recreational beaches on Lake Superior for pollutants that may pose a public health risk and mitigating sources of bacterial contamination that are identified.

(g) \$800,000 the first year and \$800,000 the second year are for the development and implementation of a groundwater virus monitoring plan, including an epidemiological study to determine the association between groundwater virus concentration and community illness rates. This appropriation is available until June 30, 2017.

(h) Unless otherwise specified, the appropriations in this section are available until June 30, 2016.

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

Sec. 9. Laws 2015, First Special Session chapter 2, article 2, section 3, is amended to read:

Sec. 3. DEPARTMENT OF AGRICULTURE	\$	8,584,000	\$	5,082,000
				<u>7,582,000</u>

(a) \$350,000 the first year and \$350,000 the second year are to increase monitoring for pesticides and pesticide degradates in surface water and groundwater and to use data collected to assess pesticide use practices.

(b) \$2,586,000 the first year and \$2,585,000 the second year are for monitoring and evaluating trends in the concentration of nitrate in groundwater in areas vulnerable to groundwater degradation; monitoring for pesticides when nitrate is detected; promoting, developing, and evaluating regional and crop-specific nutrient best management practices; assessing

best management practice adoption; education and technical support from University of Minnesota Extension; and other actions to protect groundwater from degradation from nitrate. This appropriation is available until June 30, 2018.

(c) \$75,000 the first year and \$75,000 the second year are for administering clean water funds managed through the agriculture best management practices loan program. Any unencumbered balance at the end of the second year shall be added to the corpus of the loan fund.

(d) \$1,125,000 the first year and \$1,125,000 the second year are for technical assistance, research, and demonstration projects on proper implementation of best management practices and more precise information on nonpoint contributions to impaired waters. This appropriation is available until June 30, 2020.

(e) \$788,000 the first year and \$787,000 the second year are for research to quantify and reduce agricultural contributions to impaired waters and for development and evaluation of best management practices to protect and restore water resources. This appropriation is available until June 30, 2020.

(f) \$50,000 the first year and \$50,000 the second year are for a research inventory database containing water-related research activities. Costs for information technology development or support for this research inventory database may be paid to the Office of MN.IT Services. This appropriation is available until June 30, 2018.

(g) \$2,500,000 the first year is and \$2,500,000 the second year are to implement the Minnesota agricultural water quality certification program statewide. The commissioner of agriculture shall consult with the United States Department of Agriculture to determine whether other state spending would qualify as a match for the agricultural water quality certification program funds available from the federal government. By January 1, 2016, the commissioner shall submit a report on funding recommendations to the Clean Water Council and the chairs and ranking minority members of the house of representatives and senate committees and divisions

with jurisdiction over agriculture, the environment and natural resources, and the clean water fund. Funds appropriated in this paragraph are available until June 30, 2016, and the commissioner may request additional funding for this program for fiscal year ~~2017~~ 2019.

(h) \$110,000 the first year and \$110,000 the second year are to provide funding for a regional irrigation water quality specialist through University of Minnesota Extension.

(i) \$1,000,000 the first year is for grants to the Board of Regents of the University of Minnesota to fund the Forever Green Agriculture Initiative and to protect the state's natural resources while increasing the efficiency, profitability, and productivity of Minnesota farmers by incorporating perennial and winter-annual crops into existing agricultural practices.

(j) A portion of the funds in this section may be used for programs to train state and local outreach staff in the intersection between agricultural economics and agricultural conservation.

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

Sec. 10. Laws 2015, First Special Session chapter 2, article 2, section 5, is amended to read:

		27,350,000		27,348,000
Sec. 5. POLLUTION CONTROL AGENCY	\$	<u>27,205,000</u>	\$	<u>28,098,000</u>

(a) ~~\$8,350,000~~ the first year and ~~\$8,350,000~~ \$8,400,000 the second year are for completion of 20 percent of the needed statewide assessments of surface water quality and trends. Of this amount, \$100,000 each year is for grants to the Red River Watershed Management Board to enhance and expand the existing water quality and watershed monitoring river watch activities in the schools along the Red River of the North. The Red River Watershed Management Board shall provide a report to the commissioner of the Pollution Control Agency and the legislative committees and divisions with jurisdiction over environment and natural resources finance and policy and the clean water fund by February 15, 2017, on the expenditure of this appropriation. If the amount in the first year is

insufficient, the amount in the second year is available in the first year.

(b) ~~\$9,795,000~~ the first year and ~~\$9,795,000~~ \$10,495,000 the second year are to develop watershed restoration and protection strategies (WRAPS), which include total maximum daily load (TMDL) studies and TMDL implementation plans for waters listed on the United States Environmental Protection Agency approved impaired waters list in accordance with Minnesota Statutes, chapter 114D. The agency shall complete an average of ten percent of the TMDLs each year over the biennium.

(c) \$1,182,000 the first year and \$1,181,000 the second year are for groundwater assessment, including enhancing the ambient monitoring network, modeling, and evaluating trends, including the reassessment of groundwater that was assessed ten to 15 years ago and found to be contaminated.

(d) \$750,000 the first year and \$750,000 the second year are for implementation of the St. Louis River System Area of Concern Remedial Action Plan. This appropriation must be matched at a rate of 65 percent nonstate money to 35 percent state money.

(e) \$275,000 the first year and \$275,000 the second year are for storm water research and guidance.

(f) ~~\$1,150,000~~ \$1,005,000 the first year and \$1,150,000 the second year are for TMDL research and database development.

(g) \$900,000 the first year and \$900,000 the second year are for national pollutant discharge elimination system wastewater and storm water TMDL implementation efforts.

(h) \$3,623,000 the first year and \$3,622,000 the second year are for enhancing the county-level delivery systems for subsurface sewage treatment system (SSTS) activities necessary to implement Minnesota Statutes, sections 115.55 and 115.56, for protection of groundwater, including base grants for all counties with SSTS programs and competitive grants to counties with specific plans to significantly reduce water pollution by reducing the number of systems that are an imminent threat to public

health or safety or are otherwise failing. Counties that receive base grants must report the number of sewage noncompliant properties upgraded through SSTS replacement, connection to a centralized sewer system, or other means, including property abandonment or buy-out. Counties also must report the number of existing SSTS compliance inspections conducted in areas under county jurisdiction. These required reports are to be part of established annual reporting for SSTS programs. Counties that conduct SSTS inventories or those with an ordinance in place that requires an SSTS to be inspected as a condition of transferring property or as a condition of obtaining a local permit must be given priority for competitive grants under this paragraph. Of this amount, \$750,000 each year is available to counties for grants to low-income landowners to address systems that pose an imminent threat to public health or safety or fail to protect groundwater. A grant awarded under this paragraph may not exceed \$500,000 for the biennium. A county receiving a grant under this paragraph must submit a report to the agency listing the projects funded, including an account of the expenditures.

(i) \$275,000 the first year and \$275,000 the second year are for a storm water best management practice performance evaluation and technology transfer program to enhance data and information management of storm water best management practices; evaluate best management performance and effectiveness to support meeting total maximum daily loads; develop standards and incorporate state of the art guidance using minimal impact design standards as the model; and implement a knowledge and technology transfer system across local government, industry, and regulatory sectors for pass-through to the University of Minnesota. This appropriation is available until June 30, 2018.

(j) \$50,000 the first year and \$50,000 the second year are to support activities of the Clean Water Council according to Minnesota Statutes, section 114D.30, subdivision 1.

(k) \$1,000,000 the first year and \$1,000,000 the second year are for a grant program for sanitary sewer projects that are included in the draft or any updated Voyageurs National Park Clean Water

Project Comprehensive Plan to restore the water quality of waters within Voyageurs National Park. Grants must be awarded to local government units for projects approved by the Voyageurs National Park Clean Water Joint Powers Board and must be matched by at least 25 percent from sources other than the clean water fund.

(l) Notwithstanding Minnesota Statutes, section 16A.28, the appropriations in this section encumbered on or before June 30, 2017, as grants or contracts are available until June 30, 2020.

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

Sec. 11. Laws 2015, First Special Session chapter 2, article 2, section 7, is amended to read:

Sec. 7. BOARD OF WATER AND SOIL RESOURCES	\$	56,841,000	\$	56,322,000
		<u>56,341,000</u>		

(a) \$4,875,000 the first year and \$4,875,000 the second year are for grants to local government units organized for the management of water in a watershed or subwatershed that have multiyear plans that will result in a significant reduction in water pollution in a selected subwatershed. The grants may be used for establishment of riparian buffers; practices to store water for natural treatment and infiltration, including rain gardens; capturing storm water for reuse; stream bank, shoreland, and ravine stabilization; enforcement activities; and implementation of best management practices for feedlots within riparian areas and other practices demonstrated to be most effective in protecting, enhancing, and restoring water quality in lakes, rivers, and streams and protecting groundwater from degradation. Grant recipients must identify a nonstate match and may use other legacy funds to supplement projects funded under this paragraph. Grants awarded under this paragraph are available for four years and priority must be given to the best designed plans each year.

(b) \$10,187,000 the first year and \$10,188,000 the second year are for grants to protect and restore surface water and drinking water; to keep water on the land; to protect, enhance, and restore water quality in lakes, rivers, and streams; and to protect groundwater and drinking water, including feedlot

water quality and subsurface sewage treatment system projects and stream bank, stream channel, shoreline restoration, and ravine stabilization projects. The projects must use practices demonstrated to be effective, be of long-lasting public benefit, include a match, and be consistent with total maximum daily load (TMDL) implementation plans, watershed restoration and protection strategies (WRAPS), or local water management plans or their equivalents. A portion of these funds may be used to seek administrative efficiencies through shared resources by multiple local governmental units.

(c) ~~\$6,000,000~~ \$5,500,000 the first year and \$6,000,000 the second year are for targeted local resource protection and enhancement grants and statewide program enhancements for technical assistance, citizen and community outreach, and training and certification, as well as projects, practices, and programs that supplement or otherwise exceed current state standards for protection, enhancement, and restoration of water quality in lakes, rivers, and streams or that protect groundwater from degradation, including compliance.

(d) \$950,000 the first year and \$950,000 the second year are to provide state oversight and accountability, evaluate results, provide implementation tools, and measure the value of conservation program implementation by local governments, including submission to the legislature by March 1 each even-numbered year a biennial report prepared by the board, in consultation with the commissioners of natural resources, health, agriculture, and the Pollution Control Agency, detailing the recipients, the projects funded under this section, and the amount of pollution reduced.

(e) \$2,500,000 the first year and \$2,500,000 the second year are for grants to local units of government to enhance compliance with riparian buffer or alternate practice requirements.

(f) \$4,875,000 the first year and \$4,875,000 the second year are to restore or preserve permanent conservation on riparian buffers adjacent to lakes, rivers, streams, and tributaries, to keep water on the land in order to decrease sediment, pollutant,

and nutrient transport; reduce hydrologic impacts to surface waters; and increase infiltration for groundwater recharge. This appropriation may be used for restoration of riparian buffers permanently protected by easements purchased with this appropriation or contracts to achieve permanent protection for riparian buffers or stream bank restorations when the riparian buffers have been restored. Up to \$344,000 is for deposit in a monitoring and enforcement account.

(g) \$1,750,000 the first year and \$1,750,000 the second year are for permanent conservation easements on wellhead protection areas under Minnesota Statutes, section 103F.515, subdivision 2, paragraph (d), or for grants to local units of government for fee title acquisition to permanently protect groundwater supply sources on wellhead protection areas or for otherwise assuring long-term protection of groundwater supply sources as described under alternative management tools in the Department of Agriculture's Nitrogen Fertilizer Management Plan, including low nitrogen cropping systems or implementing nitrogen fertilizer best management practices. Priority must be placed on land that is located where the vulnerability of the drinking water supply is designated as high or very high by the commissioner of health, where drinking water protection plans have identified specific activities that will achieve long-term protection, and on lands with expiring Conservation Reserve Program contracts. Up to \$52,500 is for deposit in a monitoring and enforcement account.

(h) \$750,000 the first year and \$750,000 the second year are for community partner grants to local units of government for: (1) structural or vegetative management practices that reduce storm water runoff from developed or disturbed lands to reduce the movement of sediment, nutrients, and pollutants for restoration, protection, or enhancement of water quality in lakes, rivers, and streams and to protect groundwater and drinking water; and (2) installation of proven and effective water retention practices including, but not limited to, rain gardens and other vegetated infiltration basins and sediment control basins in order to keep water on the land. The projects must be of long-lasting public benefit, include a local

match, and be consistent with TMDL implementation plans, watershed restoration and protection strategies (WRAPS), or local water management plans or their equivalents. Local government unit costs may be used as a match.

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

(j) \$2,100,000 the first year and \$2,100,000 the second year are for assistance, oversight, and grants to local governments to transition local water management plans to a watershed approach as provided for in Minnesota Statutes, chapters 103B, 103C, 103D, and 114D.

(k) \$750,000 the first year and \$750,000 the second year are for technical assistance and grants for the conservation drainage program in consultation with the Drainage Work Group, coordinated under Minnesota Statutes, section 103B.101, subdivision 13, that includes projects to improve multipurpose water management under Minnesota Statutes, section 103E.015.

(l) \$9,000,000 the first year and \$9,000,000 the second year are to purchase and restore permanent conservation sites via easements or contracts to treat and store water on the land for water quality improvement purposes and related technical assistance. This work may be done in cooperation with the United States Department of Agriculture with a first priority use to accomplish a conservation reserve enhancement program, or equivalent, in the state. Up to \$1,285,000 is for deposit in a monitoring and enforcement account.

(m) \$1,000,000 the first year and \$1,000,000 the second year are to purchase permanent conservation easements to protect lands adjacent to public waters with good water quality but threatened with degradation. Up to \$190,000 is for deposit in a monitoring and enforcement account.

(n) \$500,000 the first year and \$500,000 the second year are for a program to systematically collect data and produce county, watershed, and statewide

estimates of soil erosion caused by water and wind along with tracking adoption of conservation measures to address erosion.

(o) \$11,000,000 the first year and \$11,000,000 the second year are for payments to soil and water conservation districts for the purposes of Minnesota Statutes, sections 103C.321 and 103C.331. From this appropriation, each soil and water conservation district shall receive an increase in its base funding of \$100,000 per year. Money remaining after the base increase is available for matching grants to soil and water conservation districts based on county allocations to soil and water conservation districts. The board and other agencies may reduce the amount of grants to a county by an amount equal to any reduction in the county's allocation to a soil and water conservation district from the county's previous-year allocation when the board determines that the reduction was disproportionate. The second-year appropriation cancels if new buffer requirements are not enacted in 2015.

(p) \$520,000 the first year is for a grant to Washington County for a water quality improvement project that will improve water quality and restore an essential backwater aquatic area by reconnecting Grey Cloud Slough to the main channel of the Mississippi River Area. This appropriation is not available until at least an equal amount is committed from nonstate sources.

(q) The Board of Water and Soil Resources must consider the inclusion of environmentally suitable annuals the next time the board establishes or revises vegetation establishment and enhancement guidelines for the purposes of riparian buffers.

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

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

(t) The board shall require grantees to specify the outcomes that will be achieved by the grants prior to any grant awards.

(u) The appropriations in this section are available until June 30, 2020. Returned grant funds are available until expended and shall be regrant consistent with the purposes of this section.

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

Sec. 12. **WHITE BEAR LAKE AUGMENTATION.**

(a) \$150,000 in fiscal year 2017 is appropriated from the clean water fund to the commissioner of natural resources for development of three design-build proposals. The commissioner shall request design-build qualifications and select three qualified entities to develop design-build proposals. The proposals must address increasing the water level in White Bear Lake by piping water from Vadnais Lake to White Bear Lake. The design work must ensure that the water in White Bear Lake and Vadnais Lake will remain at least as clean and clear as before the augmentation project is implemented. Among any other issues to be addressed, the design work must ensure that the project does not allow the spread of any invasive species or increase phosphorus levels. The commissioner must develop the design-build request for proposals in consultation with the commissioner of administration with regard to procedures, and in consultation with the Metropolitan Council and its water supply policy and technical advisory committees and the Minnesota Pollution Control Agency with regard to water quality and environmental issues. Any limitations in law on the number or value of design-build contracts do not apply to this project.

(b) No detailed design or construction for the White Bear Lake augmentation project may be undertaken by the commissioner until the commissioner, the city of Vadnais Heights, the White Bear Lake Conservation District, the Metropolitan Council, and any other communities, agencies, or entities involved in the White Bear Lake augmentation project using water drawn from Vadnais Lake enter an agreement as to how the project will proceed, with protections for the city of Vadnais Heights' water system and property including, but not limited to, the following assurances for the city of Vadnais Heights, that:

(1) the city will not lose its ability to develop lands near Vadnais Lake;

(2) the city will be consulted regarding all aspects, including the legal planning process, of the siting of any proposed water filtration or treatment plant facility within its borders necessitated by the augmentation project;

(3) the city will not be required to contribute financially to the construction, maintenance, or operations of the proposed augmentation project and the proposed filtration or treatment plant facility;

(4) all city and county roads and streets affected by the proposed augmentation project and the proposed filtration or treatment plant facility will be reconstructed following project completion;

(5) efforts will be made to minimize disruption and adverse impacts to residents and businesses during construction of the proposed augmentation project and the proposed filtration or treatment plant facility; and

(6) the city will be given authority to force change to ongoing project operations that negatively affect the immediate neighborhood.

ARTICLE 3**PARKS AND TRAILS FUND**

Section 1. Minnesota Statutes 2015 Supplement, section 85.53, subdivision 2, is amended to read:

Subd. 2. **Expenditures; accountability.** (a) A project or program receiving funding from the parks and trails fund must meet or exceed the constitutional requirement to support parks and trails of regional or statewide significance. A project or program receiving funding from the parks and trails fund must include measurable outcomes, as defined in section 3.303, subdivision 10, and a plan for measuring and evaluating the results. A project or program must be consistent with current science and incorporate state-of-the-art technology, except when the project or program is a portrayal or restoration of historical significance.

(b) Money from the parks and trails fund shall be expended to balance the benefits across all regions and residents of the state.

(c) A state agency or other recipient of a direct appropriation from the parks and trails fund must compile and submit all information for funded projects or programs, including the proposed measurable outcomes and all other items required under section 3.303, subdivision 10, to the Legislative Coordinating Commission as soon as practicable or by January 15 of the applicable fiscal year, whichever comes first. The Legislative Coordinating Commission must post submitted information on the Web site required under section 3.303, subdivision 10, as soon as it becomes available.

(d) Grants funded by the parks and trails fund must be implemented according to section 16B.98 and must account for all expenditures. Proposals must specify a process for any regrants envisioned. Priority for grant proposals must be given to proposals involving grants that will be competitively awarded.

(e) Money from the parks and trails fund may only be spent on projects located in Minnesota.

(f) When practicable, a direct recipient of an appropriation from the parks and trails fund shall prominently display on the recipient's Web site home page the legacy logo required under Laws 2009, chapter 172, article 5, section 10, as amended by Laws 2010, chapter 361, article 3, section 5, accompanied by the phrase "Click here for more information." When a person clicks on the legacy logo image, the Web site must direct the person to a Web page that includes both the contact information that a person may use to obtain additional information, as well as a link to the Legislative Coordinating Commission Web site required under section 3.303, subdivision 10.

(g) Future eligibility for money from the parks and trails fund is contingent upon a state agency or other recipient satisfying all applicable requirements in this section, as well as any additional requirements contained in applicable session law. If the Office of the Legislative Auditor, in the course of an audit or investigation, publicly reports that a recipient of money from the parks and trails fund has not complied with the laws, rules, or regulations in this section or other laws applicable to the recipient, the recipient must be listed in an annual report to the legislative committees with jurisdiction over the legacy funds. The list must be publicly available. The legislative auditor shall remove a recipient from the list upon determination that the recipient is in compliance. A recipient on the list is not eligible for future funding from the parks and trails fund until the recipient demonstrates compliance to the legislative auditor.

(h) Any state agency or organization requesting a direct appropriation from the parks and trails fund must inform the house of representatives and senate committees having jurisdiction over the parks and trails

fund, at the time the request for funding is made, whether the request is supplanting or is a substitution for any previous funding that was not from a legacy fund and was used for the same purpose.

ARTICLE 4

ARTS AND CULTURAL HERITAGE FUND

Section 1. Minnesota Statutes 2015 Supplement, section 129D.17, subdivision 2, is amended to read:

Subd. 2. **Expenditures; accountability.** (a) Funding from the arts and cultural heritage fund may be spent only for arts, arts education, and arts access, and to preserve Minnesota's history and cultural heritage. A project or program receiving funding from the arts and cultural heritage fund must include measurable outcomes, and a plan for measuring and evaluating the results. A project or program must be consistent with current scholarship, or best practices, when appropriate and must incorporate state-of-the-art technology when appropriate.

(b) Funding from the arts and cultural heritage fund may be granted for an entire project or for part of a project so long as the recipient provides a description and cost for the entire project and can demonstrate that it has adequate resources to ensure that the entire project will be completed.

(c) Money from the arts and cultural heritage fund shall be expended for benefits across all regions and residents of the state.

(d) A state agency or other recipient of a direct appropriation from the arts and cultural heritage fund must compile and submit all information for funded projects or programs, including the proposed measurable outcomes and all other items required under section 3.303, subdivision 10, to the Legislative Coordinating Commission as soon as practicable or by January 15 of the applicable fiscal year, whichever comes first. The Legislative Coordinating Commission must post submitted information on the Web site required under section 3.303, subdivision 10, as soon as it becomes available.

(e) Grants funded by the arts and cultural heritage fund must be implemented according to section 16B.98 and must account for all expenditures of funds. Priority for grant proposals must be given to proposals involving grants that will be competitively awarded.

(f) All money from the arts and cultural heritage fund must be for projects located in Minnesota.

(g) When practicable, a direct recipient of an appropriation from the arts and cultural heritage fund shall prominently display on the recipient's Web site home page the legacy logo required under Laws 2009, chapter 172, article 5, section 10, as amended by Laws 2010, chapter 361, article 3, section 5, accompanied by the phrase "Click here for more information." When a person clicks on the legacy logo image, the Web site must direct the person to a Web page that includes both the contact information that a person may use to obtain additional information, as well as a link to the Legislative Coordinating Commission Web site required under section 3.303, subdivision 10.

(h) Future eligibility for money from the arts and cultural heritage fund is contingent upon a state agency or other recipient satisfying all applicable requirements in this section, as well as any additional requirements contained in applicable session law. If the Office of the Legislative Auditor, in the course of an audit or investigation, publicly reports that a recipient of money from the arts and cultural heritage fund has not complied with the laws, rules, or regulations in this section or other laws applicable to the recipient, the

recipient must be listed in an annual report to the legislative committees with jurisdiction over the legacy funds. The list must be publicly available. The legislative auditor shall remove a recipient from the list upon determination that the recipient is in compliance. A recipient on the list is not eligible for future funding from the arts and cultural heritage fund until the recipient demonstrates compliance to the legislative auditor.

(i) Any state agency or organization requesting a direct appropriation from the arts and cultural heritage fund must inform the house of representatives and senate committees having jurisdiction over the arts and cultural heritage fund, at the time the request for funding is made, whether the request is supplanting or is a substitution for any previous funding that was not from a legacy fund and was used for the same purpose.

Sec. 2. Laws 2015, First Special Session chapter 2, article 4, section 2, subdivision 3, is amended to read:

Subd. 3. Minnesota State Arts Board	26,819,000	31,312,000
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(a) These amounts are appropriated to the Minnesota State Arts Board for arts, arts education, arts preservation, and arts access. Grant agreements entered into by the Minnesota State Arts Board and other recipients of appropriations in this subdivision must ensure that these funds are used to supplement and not substitute for traditional sources of funding. Each grant program established within this appropriation must be separately administered from other state appropriations for program planning and outcome measurements, but may take into consideration other state resources awarded in the selection of applicants and grant award size.

(b) Arts and Arts Access Initiatives

\$21,155,000 the first year and \$25,350,000 the second year are to support Minnesota artists and arts organizations in creating, producing, and presenting high-quality arts activities; to overcome barriers to accessing high-quality arts activities; to preserve, maintain, and interpret art forms and works of art so that they are accessible to Minnesota audiences; and to instill the arts into the community and public life in this state.

(c) Arts Education

\$4,248,000 the first year and \$4,472,000 the second year are for high-quality, age-appropriate arts education for Minnesotans of all ages to develop knowledge, skills, and understanding of the arts.

(d) Arts and Cultural Heritage

\$1,416,000 the first year and \$1,490,000 the second year are for events and activities that represent, preserve, and maintain the diverse cultural arts traditions, including folk and traditional artists and art organizations, represented in this state.

(e) Up to 4.5 percent of the funds appropriated in paragraphs (b) to (d) may be used by the board for administering grant programs, delivering technical services, providing fiscal oversight for the statewide system, and ensuring accountability.

(f) Up to thirty percent of the remaining total appropriation to each of the categories listed in paragraphs (b) to (d) is for grants to the regional arts councils. Notwithstanding any other provision of law, regional arts council grants or other arts council grants for touring programs, projects, or exhibits must ensure the programs, projects, or exhibits are able to tour in their own region as well as all other regions of the state.

(g) Any unencumbered balance remaining under this section in the first year does not cancel, but is available for the second year of the biennium.

Presented to the governor May 24, 2016