

ARTICLE 1

AGRICULTURE

Section 1. APPROPRIATIONS.

The sums shown in the columns marked "Appropriations" are added to the appropriations in Laws 2015, First Special Session chapter 4, or appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal year indicated for each purpose. The figures "2016" and "2017" used in this article mean that the addition to 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. Appropriations for fiscal year 2016 are effective the day following final enactment.

	<u>APPROPRIATIONS</u>	
	<u>Available for the Year</u>	
	<u>Ending June 30</u>	
	<u>2016</u>	<u>2017</u>

Sec. 2. DEPARTMENT OF AGRICULTURE \$ -0- \$ 3,500,000

\$350,000 the second year is for deposit in the noxious weed and invasive plant species assistance account established under Minnesota Statutes, section 18.89, to be used to implement the noxious weed grant program under Minnesota Statutes, section 18.90. This is a onetime appropriation.

\$1,000,000 the second year is for the tractor rollover protection pilot program under Minnesota Statutes, section 17.119. This is a onetime appropriation.

\$300,000 the second year is for the pollinator investment grant program under Minnesota Statutes, section 17.1195. This is a onetime appropriation.

\$200,000 the second year is for a grant to the city of Duluth to design and construct the

2.1 Deep Winter Greenhouse. This is a onetime
2.2 appropriation.
2.3 \$500,000 the second year is to administer
2.4 the industrial hemp pilot program under
2.5 Minnesota Statutes, section 18K.09. This is
2.6 a onetime appropriation.
2.7 \$150,000 the second year is for grants of up
2.8 to \$750 to farmers who demonstrate financial
2.9 hardship due to the three-year transition
2.10 period required under federal law for organic
2.11 certification. This is a onetime appropriation
2.12 and is in addition to funds appropriated to the
2.13 commissioner of agriculture and available for
2.14 organic certification cost-share grants under
2.15 Laws 2015, First Special Session chapter
2.16 4, article 1, section 2, subdivision 3. The
2.17 commissioner may award both a transition
2.18 grant and a certification cost-share grant to a
2.19 farmer in the same fiscal year.
2.20 \$1,000,000 the second year is for grants
2.21 to the Board of Regents of the University
2.22 of Minnesota to fund the Forever Green
2.23 Agriculture Initiative and to protect the
2.24 state's natural resources while increasing
2.25 the efficiency, profitability, and productivity
2.26 of Minnesota farmers by incorporating
2.27 perennial and winter annual crops into
2.28 existing agricultural practices. This is a
2.29 onetime appropriation and is available until
2.30 June 30, 2019. The appropriation in Laws
2.31 2015, First Special Session chapter 2, article
2.32 2, section 3, paragraph (i), is available until
2.33 June 30, 2018.

2.34 Sec. 3. Minnesota Statutes 2014, section 17.117, subdivision 4, is amended to read:

3.1 Subd. 4. **Definitions.** (a) For the purposes of this section, the terms defined in this
3.2 subdivision have the meanings given them.

3.3 (b) "Agricultural and environmental revolving accounts" means accounts in the
3.4 agricultural fund, controlled by the commissioner, which hold funds available to the
3.5 program.

3.6 (c) "Agriculture supply business" means a person, partnership, joint venture,
3.7 corporation, limited liability company, association, firm, public service company,
3.8 or cooperative that provides materials, equipment, or services to farmers or
3.9 agriculture-related enterprises.

3.10 (d) "Allocation" means the funds awarded to an applicant for implementation of best
3.11 management practices through a competitive or noncompetitive application process.

3.12 (e) "Applicant" means a local unit of government eligible to participate in this
3.13 program that requests an allocation of funds as provided in subdivision 6b.

3.14 (f) "Best management practices" has the meaning given in sections 103F.711,
3.15 subdivision 3, and 103H.151, subdivision 2, ~~or~~. Best management practices also means
3.16 other practices, techniques, and measures that have been demonstrated to the satisfaction
3.17 of the commissioner: (1) to prevent or reduce adverse environmental impacts by using
3.18 the most effective and practicable means of achieving environmental goals; or (2) to
3.19 achieve drinking water quality standards under chapter 103H or under Code of Federal
3.20 Regulations, title 40, parts 141 and 143, as amended.

3.21 (g) "Borrower" means a farmer, an agriculture supply business, or a rural landowner
3.22 applying for a low-interest loan.

3.23 (h) "Commissioner" means the commissioner of agriculture, including when the
3.24 commissioner is acting in the capacity of chair of the Rural Finance Authority, or the
3.25 designee of the commissioner.

3.26 (i) "Committed project" means an eligible project scheduled to be implemented at
3.27 a future date:

3.28 (1) that has been approved and certified by the local government unit; and

3.29 (2) for which a local lender has obligated itself to offer a loan.

3.30 (j) "Comprehensive water management plan" means a state approved and locally
3.31 adopted plan authorized under section 103B.231, 103B.255, 103B.311, 103C.331,
3.32 103D.401, or 103D.405.

3.33 (k) "Cost incurred" means expenses for implementation of a project accrued because
3.34 the borrower has agreed to purchase equipment or is obligated to pay for services or
3.35 materials already provided as a result of implementing an approved eligible project.

4.1 (l) "Farmer" means a person, partnership, joint venture, corporation, limited liability
 4.2 company, association, firm, public service company, or cooperative that regularly
 4.3 participates in physical labor or operations management of farming and files a Schedule F
 4.4 as part of filing United States Internal Revenue Service Form 1040 or indicates farming as
 4.5 the primary business activity under Schedule C, K, or S, or any other applicable report to
 4.6 the United States Internal Revenue Service.

4.7 (m) "Lender agreement" means an agreement entered into between the commissioner
 4.8 and a local lender which contains terms and conditions of participation in the program.

4.9 (n) "Local government unit" means a county, soil and water conservation district,
 4.10 or an organization formed for the joint exercise of powers under section 471.59 with
 4.11 the authority to participate in the program.

4.12 (o) "Local lender" means a local government unit as defined in paragraph (n), a state
 4.13 or federally chartered bank, a savings association, a state or federal credit union, Agribank
 4.14 and its affiliated organizations, or a nonprofit economic development organization or other
 4.15 financial lending institution approved by the commissioner.

4.16 (p) "Local revolving loan account" means the account held by a local government unit
 4.17 and a local lender into which principal repayments from borrowers are deposited and new
 4.18 loans are issued in accordance with the requirements of the program and lender agreements.

4.19 (q) "Nonpoint source" has the meaning given in section 103F.711, subdivision 6.

4.20 (r) "Program" means the agriculture best management practices loan program
 4.21 in this section.

4.22 (s) "Project" means one or more components or activities located within Minnesota
 4.23 that are required by the local government unit to be implemented for satisfactory
 4.24 completion of an eligible best management practice.

4.25 (t) "Rural landowner" means the owner of record of Minnesota real estate located
 4.26 in an area determined by the local government unit to be rural after consideration of
 4.27 local land use patterns, zoning regulations, jurisdictional boundaries, local community
 4.28 definitions, historical uses, and other pertinent local factors.

4.29 (u) "Water-quality cooperative" has the meaning given in section 115.58, paragraph
 4.30 (d), except as expressly limited in this section.

4.31 Sec. 4. Minnesota Statutes 2014, section 17.117, subdivision 11a, is amended to read:

4.32 Subd. 11a. **Eligible projects.** (a) All projects that remediate or mitigate adverse
 4.33 environmental impacts are eligible if:

4.34 (†) the project is eligible under the an allocation agreement and ~~the~~ funding sources
 4.35 ~~designated by the local government unit to finance the project; and.~~

5.1 (2) (b) A manure management projects-remediate project is eligible if the project
 5.2 remediates or mitigate mitigates impacts from facilities with less than 1,000 animal units
 5.3 as defined in Minnesota Rules, chapter 7020, and otherwise meets the requirements of
 5.4 this section.

5.5 (c) A drinking water project is eligible if the project:

5.6 (1) remediates the adverse environmental impacts or presence of contaminants in
 5.7 private well water;

5.8 (2) implements best management practices to achieve drinking water standards; and

5.9 (3) otherwise meets the requirements of this section.

5.10 **Sec. 5. [17.119] TRACTOR ROLLOVER PROTECTION PILOT GRANT**
 5.11 **PROGRAM.**

5.12 Subdivision 1. **Grants; eligibility.** (a) The commissioner must award cost-share
 5.13 grants to Minnesota farmers who retrofit eligible tractors and Minnesota schools that
 5.14 retrofit eligible tractors with eligible rollover protective structures. Grants are limited to
 5.15 70 percent of the farmer's or school's documented cost to purchase, ship, and install an
 5.16 eligible rollover protective structure. The commissioner must increase the grant award
 5.17 amount over the 70 percent grant limitation requirement if necessary to limit a farmer's or
 5.18 school's cost per tractor to no more than \$500.

5.19 (b) A rollover protective structure is eligible if it meets or exceeds SAE International
 5.20 standard J2194.

5.21 (c) A tractor is eligible if the tractor was built before 1987.

5.22 Subd. 2. **Promotion; administration.** The commissioner may spend up to 20
 5.23 percent of total program dollars each fiscal year to promote and administer the program to
 5.24 Minnesota farmers and schools.

5.25 Subd. 3. **Nonstate sources; appropriation.** The commissioner must accept
 5.26 contributions from nonstate sources to supplement state appropriations for this program.
 5.27 Contributions received under this subdivision are appropriated to the commissioner for
 5.28 purposes of this section.

5.29 Subd. 4. **Expiration.** This section expires on June 30, 2019.

5.30 **Sec. 6. [17.1195] POLLINATOR INVESTMENT GRANT PROGRAM.**

5.31 Subdivision 1. **Establishment.** The commissioner may award a pollinator
 5.32 investment grant to a person who implements best management practices to protect wild
 5.33 and managed insect pollinators in this state equal to ten percent of the first \$100,000 of
 5.34 qualifying expenditures, provided the person makes qualifying expenditures of at least

6.1 \$25,000. The commissioner may award multiple pollinator investment grants to a person
6.2 over the life of the program as long as the cumulative amount does not exceed \$30,000.

6.3 Subd. 2. **Definition.** For the purposes of this section, "qualified expenditures"
6.4 means the amount spent for:

6.5 (1) in conventional farming systems, planting neonicotinoid-free seeds,
6.6 implementing integrated pest management practices, and not using a pesticide class
6.7 labeled by the United States Environmental Protection Agency as toxic to bees; or

6.8 (2) creating new pollinator habitat, and not using a pesticide class labeled by the
6.9 United States Environmental Protection Agency as toxic to bees; by:

6.10 (i) seeding native flowering plants as prairie strips within productive cropland to
6.11 provide forage for pollinators;

6.12 (ii) renovating a pasture system by overseeding a pasture with high-diversity native
6.13 forb or native or non-native legume mixtures;

6.14 (iii) interseeding legumes, brassicas, buckwheat, or other pollinator forage plants
6.15 with corn or soybean, or planting these as cover crops before or after corn or soybean;

6.16 (iv) planting or seeding riparian and wetland areas and vegetative buffer strips with
6.17 native perennial cover that provides forage for pollinators;

6.18 (v) planting a native hedgerow; or

6.19 (vi) increasing plant diversity in nonproductive areas by adding native flowering
6.20 forbs, trees, or shrubs, or by introducing pollinator-friendly plant species into existing
6.21 strands of grasses.

6.22 Subd. 3. **Eligibility.** (a) To be eligible for a pollinator investment grant, a person
6.23 must:

6.24 (1) be a resident of Minnesota or an entity specifically defined in section 500.24,
6.25 subdivision 2, that is eligible to own farmland and operate a farm in this state under
6.26 section 500.24;

6.27 (2) be the principal operator of the farm; and

6.28 (3) apply to the commissioner on forms prescribed by the commissioner, including a
6.29 statement of the qualifying expenditures made during the qualifying period along with any
6.30 proof or other documentation the commissioner may require.

6.31 (b) The \$10,000 maximum grant applies at the entity level for partnerships, S
6.32 corporations, C corporations, trusts, and estates as well as at the individual level. In the
6.33 case of married individuals, the grant is limited to \$10,000 for a married couple.

6.34 Sec. 7. Minnesota Statutes 2014, section 41A.12, subdivision 2, is amended to read:

7.1 Subd. 2. **Activities authorized.** For the purposes of this program, the commissioner
 7.2 may issue grants, loans, or other forms of financial assistance. Eligible activities include,
 7.3 but are not limited to, grants to livestock producers under the livestock investment grant
 7.4 program under section 17.118, bioenergy awards ~~made by the NextGen Energy Board~~
 7.5 ~~under section 41A.105~~, cost-share grants for the installation of biofuel blender pumps, and
 7.6 financial assistance to support other rural economic infrastructure activities.

7.7 Sec. 8. Minnesota Statutes 2015 Supplement, section 41A.14, subdivision 1, is
 7.8 amended to read:

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

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

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

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

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

7.29 Sec. 9. Minnesota Statutes 2015 Supplement, section 41A.14, subdivision 2, is
 7.30 amended to read:

7.31 Subd. 2. **Advisory panel.** (a) In awarding grants under this section, the
 7.32 commissioner and a representative of the College of Food, Agricultural, and Natural
 7.33 Resource Sciences at the University of Minnesota must consult with an advisory panel
 7.34 consisting of the following stakeholders:

- 8.1 (1) ~~a representative of the College of Food, Agricultural and Natural Resource~~
 8.2 ~~Sciences at the University of Minnesota;~~
 8.3 (2) a representative of the Minnesota State Colleges and Universities system;
 8.4 (3) ~~(2)~~ a representative of the Minnesota Farm Bureau;
 8.5 (4) ~~(3)~~ a representative of the Minnesota Farmers Union;
 8.6 (5) ~~(4)~~ a person representing agriculture industry statewide;
 8.7 (6) ~~(5)~~ a representative of each of the state commodity councils organized under
 8.8 section 17.54 and the Minnesota Pork Board;
 8.9 (7) ~~(6)~~ a person representing an association of primary manufacturers of forest
 8.10 products;
 8.11 (8) ~~(7)~~ a person representing organic or sustainable agriculture; and
 8.12 (9) ~~(8)~~ a person representing statewide environment and natural resource
 8.13 conservation organizations.
 8.14 (b) Members under paragraph (a), clauses (1) to (3) and (5), shall be chosen by their
 8.15 respective organizations.

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

8.17 Sec. 10. Minnesota Statutes 2015 Supplement, section 41A.15, is amended by adding a
 8.18 subdivision to read:

8.19 Subd. 2a. **Biobased content.** "Biobased content" means a chemical, polymer,
 8.20 monomer, or plastic that is not sold primarily for use as food, feed, or fuel and that has a
 8.21 biobased percentage of at least 51 percent as determined by testing representative samples
 8.22 using American Society for Testing and Materials specification D6866.

8.23 Sec. 11. Minnesota Statutes 2015 Supplement, section 41A.15, is amended by adding a
 8.24 subdivision to read:

8.25 Subd. 2b. **Biobased formulated product.** "Biobased formulated product" means
 8.26 a product that is not sold primarily for use as food, feed, or fuel and that has a biobased
 8.27 content percentage of at least ten percent as determined by testing representative samples
 8.28 using American Society for Testing and Materials specification D6866, or that contains
 8.29 a biobased chemical constituent that displaces a known hazardous or toxic constituent
 8.30 previously used in the product formulation.

8.31 Sec. 12. Minnesota Statutes 2015 Supplement, section 41A.15, is amended by adding a
 8.32 subdivision to read:

9.1 Subd. 2c. **Biobutanol.** "Biobutanol" means fermentation isobutyl alcohol that is
 9.2 derived from agricultural products, including potatoes, cereal grains, cheese whey, and
 9.3 sugar beets; forest products; or other renewable resources, including residue and waste
 9.4 generated from the production, processing, and marketing of agricultural products, forest
 9.5 products, and other renewable resources.

9.6 Sec. 13. Minnesota Statutes 2015 Supplement, section 41A.15, is amended by adding a
 9.7 subdivision to read:

9.8 Subd. 2d. **Biobutanol facility.** "Biobutanol facility" means a facility at which
 9.9 biobutanol is produced.

9.10 Sec. 14. Minnesota Statutes 2015 Supplement, section 41A.15, is amended by adding a
 9.11 subdivision to read:

9.12 Subd. 9a. **Quarterly.** "Quarterly" means any of the following three-month intervals
 9.13 in a calendar year: January through March, April through June, July through September,
 9.14 or October through December.

9.15 Sec. 15. Minnesota Statutes 2015 Supplement, section 41A.15, subdivision 10, is
 9.16 amended to read:

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

9.19 Sec. 16. Minnesota Statutes 2015 Supplement, section 41A.16, subdivision 1, is
 9.20 amended to read:

9.21 Subdivision 1. **Eligibility.** (a) A facility eligible for payment under this section must
 9.22 source at least 80 percent raw materials from Minnesota. If a facility is sited 50 miles or
 9.23 less from the state border, raw materials may be sourced from within a 100-mile radius.
 9.24 Raw materials must be from agricultural or forestry sources or from solid waste. The
 9.25 facility must be located in Minnesota, must begin production at a specific location by June
 9.26 30, 2025, and must not begin operating above ~~95,000~~ 23,750 MMbtu of ~~annual~~ quarterly
 9.27 biofuel production before July 1, 2015. Eligible facilities include existing companies and
 9.28 facilities that are adding advanced biofuel production capacity, or retrofitting existing
 9.29 capacity, as well as new companies and facilities. Production of conventional corn ethanol
 9.30 and conventional biodiesel is not eligible. Eligible advanced biofuel facilities must
 9.31 produce at least ~~95,000~~ 23,750 MMbtu ~~a year~~ of biofuel quarterly.

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

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

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

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

10.11 (f) Biobutanol is eligible under this section.

10.12 Sec. 17. Minnesota Statutes 2015 Supplement, section 41A.17, subdivision 1, is
10.13 amended to read:

10.14 Subdivision 1. **Eligibility.** (a) A facility eligible for payment under this program
10.15 must source at least 80 percent biobased content, ~~as defined in section 41A.105,~~
10.16 ~~subdivision 1a, clause (1),~~ from Minnesota. If a facility is sited 50 miles or less from the
10.17 state border, biobased content must be sourced from within a 100-mile radius. Biobased
10.18 content must be from agricultural or forestry sources or from solid waste. The facility must
10.19 be located in Minnesota, must begin production at a specific location by June 30, 2025, and
10.20 must not begin production of ~~3,000,000~~ 750,000 pounds of chemicals ~~annually~~ quarterly
10.21 before January 1, 2015. Eligible facilities include existing companies and facilities that are
10.22 adding production capacity, or retrofitting existing capacity, as well as new companies and
10.23 facilities. Eligible renewable chemical facilities must produce at least ~~3,000,000~~ 750,000
10.24 pounds ~~per year~~ of renewable chemicals quarterly. Renewable chemicals produced
10.25 through processes that are fully commercial before January 1, 2000, are not eligible.

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

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

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

10.33 (e) Advanced biofuel production for which payment has been received under section
10.34 41A.16, and biomass thermal production for which payment has been received under
10.35 section 41A.18, are not eligible for payment under this section.

11.1 Sec. 18. Minnesota Statutes 2015 Supplement, section 41A.17, subdivision 2, is
11.2 amended to read:

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

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

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

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

11.20 Sec. 19. Minnesota Statutes 2015 Supplement, section 41A.18, subdivision 1, is
11.21 amended to read:

11.22 Subdivision 1. **Eligibility.** (a) A facility eligible for payment under this section must
11.23 source at least 80 percent raw materials from Minnesota. If a facility is sited 50 miles or
11.24 less from the state border, raw materials should be sourced from within a 100-mile radius.
11.25 Raw materials must be from agricultural or forestry sources. The facility must be located
11.26 in Minnesota, must have begun production at a specific location by June 30, 2025, and
11.27 must not begin before July 1, 2015. Eligible facilities include existing companies and
11.28 facilities that are adding production capacity, or retrofitting existing capacity, as well as
11.29 new companies and facilities. Eligible biomass thermal production facilities must produce
11.30 at least ~~1,000~~ 250 MMBtu ~~per year~~ of biomass thermal quarterly.

11.31 (b) No payments shall be made for biomass thermal production that occurs after June
11.32 30, 2035, for those eligible biomass thermal producers under paragraph (a).

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

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

12.3 (e) Biofuel production for which payment has been received under section 41A.16,
12.4 and renewable chemical production for which payment has been received under section
12.5 41A.17, are not eligible for payment under this section.

12.6 Sec. 20. **[41A.20] SIDING PRODUCTION INCENTIVE.**

12.7 **Subdivision 1. Definitions.** (a) For the purposes of this section, the terms defined in
12.8 this subdivision have the meanings given them.

12.9 (b) "Commissioner" means the commissioner of agriculture.

12.10 (c) "Forest resources" means raw wood logs and material primarily made up of
12.11 cellulose, hemicellulose, or lignin, or a combination of those ingredients.

12.12 **Subd. 2. Eligibility.** (a) A facility eligible for payment under this section must
12.13 source at least 80 percent raw materials from Minnesota. If a facility is sited 50 miles
12.14 or less from the state border, raw materials may be sourced from within a 100-mile
12.15 radius. Raw materials must be from forest resources. The facility must be located in
12.16 Minnesota, must begin production at a specific location by June 30, 2025, and must not
12.17 begin operating before July 1, 2017. Eligible facilities include existing companies and
12.18 facilities that are adding siding production capacity, or retrofitting existing capacity, as
12.19 well as new companies and facilities. Eligible siding production facilities must produce at
12.20 least 200,000,000 siding square feet on a 3/8 inch nominal basis of siding each year.

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

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

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

12.27 **Subd. 3. Payment amounts; limits.** (a) The commissioner shall make payments
12.28 to eligible producers of siding. The amount of the payment for each eligible producer's
12.29 annual production is \$7.50 per 1,000 siding square feet on a 3/8 inch nominal basis of
12.30 siding produced at a specific location for ten years after the start of production.

12.31 (b) Total payments under this section to an eligible siding producer in a fiscal year
12.32 may not exceed the amount necessary for 400,000,000 siding square feet on a 3/8 inch
12.33 nominal basis of siding produced. Total payments under this section to all eligible siding
12.34 producers in a fiscal year may not exceed the amount necessary for 400,000,000 siding

13.1 square feet on a 3/8 inch nominal basis of siding produced. The commissioner shall award
13.2 payments on a first-come, first-served basis within the limits of available funding.

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

13.5 Subd. 4. **Forest resources requirements.** Forest resources that come from land
13.6 parcels greater than 160 acres must be certified by the Forest Stewardship Council,
13.7 Sustainable Forestry Initiative, or American Tree Farm System. Uncertified land from
13.8 parcels of 160 acres or less and federal land must be harvested by a logger who has
13.9 completed training from the Minnesota logger education program or the equivalent, and
13.10 have a forest stewardship plan.

13.11 Subd. 5. **Claims.** (a) By the last day of October, January, April, and July, each
13.12 eligible siding producer shall file a claim for payment for siding production during the
13.13 preceding three calendar months. An eligible siding producer that files a claim under this
13.14 subdivision shall include a statement of the eligible producer's total board feet of siding
13.15 produced during the quarter covered by the claim. For each claim and statement of total
13.16 board feet of siding filed under this subdivision, the board feet of siding produced must
13.17 be examined by a certified public accounting firm with a valid permit to practice under
13.18 chapter 326A, in accordance with Statements on Standards for Attestation Engagements
13.19 established by the American Institute of Certified Public Accountants.

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

13.22 Subd. 6. **Appropriation.** A sum sufficient to make the payments required by this
13.23 section, not to exceed \$3,000,000 in a fiscal year, is annually appropriated from the
13.24 general fund to the commissioner.

13.25 Sec. 21. Minnesota Statutes 2015 Supplement, section 116D.04, subdivision 2a,
13.26 is amended to read:

13.27 Subd. 2a. **When prepared.** Where there is potential for significant environmental
13.28 effects resulting from any major governmental action, the action shall be preceded by a
13.29 detailed environmental impact statement prepared by the responsible governmental unit.
13.30 The environmental impact statement shall be an analytical rather than an encyclopedic
13.31 document which describes the proposed action in detail, analyzes its significant
13.32 environmental impacts, discusses appropriate alternatives to the proposed action and
13.33 their impacts, and explores methods by which adverse environmental impacts of an
13.34 action could be mitigated. The environmental impact statement shall also analyze those
13.35 economic, employment, and sociological effects that cannot be avoided should the action

14.1 be implemented. To ensure its use in the decision-making process, the environmental
14.2 impact statement shall be prepared as early as practical in the formulation of an action.

14.3 (a) The board shall by rule establish categories of actions for which environmental
14.4 impact statements and for which environmental assessment worksheets shall be prepared
14.5 as well as categories of actions for which no environmental review is required under this
14.6 section. A mandatory environmental assessment worksheet shall not be required for the
14.7 expansion of an ethanol plant, as defined in section 41A.09, subdivision 2a, paragraph
14.8 (b), or the conversion of an ethanol plant to a biobutanol facility or the expansion of a
14.9 biobutanol facility as defined in section ~~41A.105~~ 41A.15, subdivision ~~1a~~ 2d, based on
14.10 the capacity of the expanded or converted facility to produce alcohol fuel, but must be
14.11 required if the ethanol plant or biobutanol facility meets or exceeds thresholds of other
14.12 categories of actions for which environmental assessment worksheets must be prepared.
14.13 The responsible governmental unit for an ethanol plant or biobutanol facility project for
14.14 which an environmental assessment worksheet is prepared shall be the state agency with
14.15 the greatest responsibility for supervising or approving the project as a whole.

14.16 A mandatory environmental impact statement shall not be required for a facility
14.17 or plant located outside the seven-county metropolitan area that produces less than
14.18 125,000,000 gallons of ethanol, biobutanol, or cellulosic biofuel annually, or produces less
14.19 than 400,000 tons of chemicals annually, if the facility or plant is: an ethanol plant, as
14.20 defined in section 41A.09, subdivision 2a, paragraph (b); a biobutanol facility, as defined
14.21 in section ~~41A.105~~ 41A.15, subdivision ~~1a~~, ~~clause (1)~~ 2d; or a cellulosic biofuel facility.
14.22 A facility or plant that only uses a cellulosic feedstock to produce chemical products for
14.23 use by another facility as a feedstock shall not be considered a fuel conversion facility as
14.24 used in rules adopted under this chapter.

14.25 (b) The responsible governmental unit shall promptly publish notice of the
14.26 completion of an environmental assessment worksheet by publishing the notice in at least
14.27 one newspaper of general circulation in the geographic area where the project is proposed,
14.28 by posting the notice on a Web site that has been designated as the official publication site
14.29 for publication of proceedings, public notices, and summaries of a political subdivision in
14.30 which the project is proposed, or in any other manner determined by the board and shall
14.31 provide copies of the environmental assessment worksheet to the board and its member
14.32 agencies. Comments on the need for an environmental impact statement may be submitted
14.33 to the responsible governmental unit during a 30-day period following publication of the
14.34 notice that an environmental assessment worksheet has been completed. The responsible
14.35 governmental unit's decision on the need for an environmental impact statement shall be
14.36 based on the environmental assessment worksheet and the comments received during the

15.1 comment period, and shall be made within 15 days after the close of the comment period.
15.2 The board's chair may extend the 15-day period by not more than 15 additional days upon
15.3 the request of the responsible governmental unit.

15.4 (c) An environmental assessment worksheet shall also be prepared for a proposed
15.5 action whenever material evidence accompanying a petition by not less than 100
15.6 individuals who reside or own property in the state, submitted before the proposed
15.7 project has received final approval by the appropriate governmental units, demonstrates
15.8 that, because of the nature or location of a proposed action, there may be potential for
15.9 significant environmental effects. Petitions requesting the preparation of an environmental
15.10 assessment worksheet shall be submitted to the board. The chair of the board shall
15.11 determine the appropriate responsible governmental unit and forward the petition to it.
15.12 A decision on the need for an environmental assessment worksheet shall be made by
15.13 the responsible governmental unit within 15 days after the petition is received by the
15.14 responsible governmental unit. The board's chair may extend the 15-day period by not
15.15 more than 15 additional days upon request of the responsible governmental unit.

15.16 (d) Except in an environmentally sensitive location where Minnesota Rules, part
15.17 4410.4300, subpart 29, item B, applies, the proposed action is exempt from environmental
15.18 review under this chapter and rules of the board, if:

15.19 (1) the proposed action is:

15.20 (i) an animal feedlot facility with a capacity of less than 1,000 animal units; or

15.21 (ii) an expansion of an existing animal feedlot facility with a total cumulative
15.22 capacity of less than 1,000 animal units;

15.23 (2) the application for the animal feedlot facility includes a written commitment by
15.24 the proposer to design, construct, and operate the facility in full compliance with Pollution
15.25 Control Agency feedlot rules; and

15.26 (3) the county board holds a public meeting for citizen input at least ten business
15.27 days prior to the Pollution Control Agency or county issuing a feedlot permit for the
15.28 animal feedlot facility unless another public meeting for citizen input has been held with
15.29 regard to the feedlot facility to be permitted. The exemption in this paragraph is in
15.30 addition to other exemptions provided under other law and rules of the board.

15.31 (e) The board may, prior to final approval of a proposed project, require preparation
15.32 of an environmental assessment worksheet by a responsible governmental unit selected
15.33 by the board for any action where environmental review under this section has not been
15.34 specifically provided for by rule or otherwise initiated.

15.35 (f) An early and open process shall be utilized to limit the scope of the environmental
15.36 impact statement to a discussion of those impacts, which, because of the nature or location

16.1 of the project, have the potential for significant environmental effects. The same process
16.2 shall be utilized to determine the form, content and level of detail of the statement as well
16.3 as the alternatives which are appropriate for consideration in the statement. In addition,
16.4 the permits which will be required for the proposed action shall be identified during the
16.5 scoping process. Further, the process shall identify those permits for which information
16.6 will be developed concurrently with the environmental impact statement. The board
16.7 shall provide in its rules for the expeditious completion of the scoping process. The
16.8 determinations reached in the process shall be incorporated into the order requiring the
16.9 preparation of an environmental impact statement.

16.10 (g) The responsible governmental unit shall, to the extent practicable, avoid
16.11 duplication and ensure coordination between state and federal environmental review
16.12 and between environmental review and environmental permitting. Whenever practical,
16.13 information needed by a governmental unit for making final decisions on permits
16.14 or other actions required for a proposed project shall be developed in conjunction
16.15 with the preparation of an environmental impact statement. When an environmental
16.16 impact statement is prepared for a project requiring multiple permits for which two or
16.17 more agencies' decision processes include either mandatory or discretionary hearings
16.18 before a hearing officer prior to the agencies' decision on the permit, the agencies
16.19 may, notwithstanding any law or rule to the contrary, conduct the hearings in a single
16.20 consolidated hearing process if requested by the proposer. All agencies having jurisdiction
16.21 over a permit that is included in the consolidated hearing shall participate. The responsible
16.22 governmental unit shall establish appropriate procedures for the consolidated hearing
16.23 process, including procedures to ensure that the consolidated hearing process is consistent
16.24 with the applicable requirements for each permit regarding the rights and duties of parties to
16.25 the hearing, and shall utilize the earliest applicable hearing procedure to initiate the hearing.

16.26 (h) An environmental impact statement shall be prepared and its adequacy
16.27 determined within 280 days after notice of its preparation unless the time is extended by
16.28 consent of the parties or by the governor for good cause. The responsible governmental
16.29 unit shall determine the adequacy of an environmental impact statement, unless within 60
16.30 days after notice is published that an environmental impact statement will be prepared,
16.31 the board chooses to determine the adequacy of an environmental impact statement. If an
16.32 environmental impact statement is found to be inadequate, the responsible governmental
16.33 unit shall have 60 days to prepare an adequate environmental impact statement.

16.34 (i) The proposer of a specific action may include in the information submitted to the
16.35 responsible governmental unit a preliminary draft environmental impact statement under
16.36 this section on that action for review, modification, and determination of completeness and

17.1 adequacy by the responsible governmental unit. A preliminary draft environmental impact
 17.2 statement prepared by the project proposer and submitted to the responsible governmental
 17.3 unit shall identify or include as an appendix all studies and other sources of information
 17.4 used to substantiate the analysis contained in the preliminary draft environmental impact
 17.5 statement. The responsible governmental unit shall require additional studies, if needed,
 17.6 and obtain from the project proposer all additional studies and information necessary for
 17.7 the responsible governmental unit to perform its responsibility to review, modify, and
 17.8 determine the completeness and adequacy of the environmental impact statement.

17.9 Sec. 22. Laws 2015, First Special Session chapter 4, article 1, section 2, subdivision 4,
 17.10 is amended to read:

17.11 Subd. 4. **Agriculture, Bioenergy, and**
 17.12 **Bioproduct Advancement**

14,993,000 19,010,000

17.13 \$4,483,000 the first year and \$8,500,000 the
 17.14 second year are for transfer to the agriculture
 17.15 research, education, extension, and
 17.16 technology transfer account under Minnesota
 17.17 Statutes, section 41A.14, subdivision 3. The
 17.18 transfer in this paragraph includes money
 17.19 for plant breeders at the University of
 17.20 Minnesota for cultivated wild rice, potatoes,
 17.21 and grapes. Of the amount appropriated in
 17.22 this paragraph, at least \$450,000 the second
 17.23 year is for transfer to the Board of Regents
 17.24 of the University of Minnesota for the
 17.25 cultivated wild rice breeding project at the
 17.26 North Central Research and Outreach Center
 17.27 to include a tenure track/research associate
 17.28 plant breeder. Of the amount appropriated
 17.29 in this paragraph, at least \$350,000 the
 17.30 second year is for transfer to the Board of
 17.31 Regents of the University of Minnesota
 17.32 for potato breeding. Of these amounts, at
 17.33 least \$600,000 each year is for agriculture
 17.34 rapid response the Minnesota Agricultural
 17.35 Experiment Station's agriculture rapid

18.1 response fund under Minnesota Statutes,
18.2 section 41A.14, subdivision 1, clause (2). Of
18.3 the amount appropriated in this paragraph,
18.4 \$1,000,000 each year is for transfer to
18.5 the Board of Regents of the University of
18.6 Minnesota for research to determine (1) what
18.7 is causing avian influenza, (2) why some
18.8 fowl are more susceptible, and (3) prevention
18.9 measures that can be taken. Of the amount
18.10 appropriated in this paragraph, \$2,000,000
18.11 each year is for grants to the Minnesota
18.12 Agriculture Education Leadership Council
18.13 to enhance agricultural education with
18.14 priority given to Farm Business Management
18.15 challenge grants. The commissioner shall
18.16 transfer the remaining grant funds in this
18.17 appropriation each year to the Board of
18.18 Regents of the University of Minnesota for
18.19 purposes of Minnesota Statutes, section
18.20 41A.14, subdivision 1, clause (1), and subject
18.21 to Minnesota Statutes, section 41A.14,
18.22 subdivision 2.

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

18.30 Any unencumbered balance does not cancel
18.31 at the end of the first year and is available for
18.32 the second year. Notwithstanding Minnesota
18.33 Statutes, section 16A.28, the appropriations
18.34 encumbered under contract on or before June
18.35 30, 2017, for agricultural growth, research,

19.1 and innovation grants are available until June
19.2 30, 2019.

19.3 \$10,235,000 the first year and \$10,235,000
19.4 the second year are for the agricultural
19.5 growth, research, and innovation program
19.6 in Minnesota Statutes, section 41A.12. No
19.7 later than February 1, 2016, and February
19.8 1, 2017, the commissioner must report to
19.9 the legislative committees with jurisdiction
19.10 over agriculture policy and finance regarding
19.11 the commissioner's accomplishments
19.12 and anticipated accomplishments in
19.13 the following areas: facilitating the
19.14 start-up, modernization, or expansion of
19.15 livestock operations including beginning
19.16 and transitioning livestock operations;
19.17 developing new markets for Minnesota
19.18 farmers by providing more fruits, vegetables,
19.19 meat, grain, and dairy for Minnesota school
19.20 children; assisting value-added agricultural
19.21 businesses to begin or expand, access new
19.22 markets, or diversify products; developing
19.23 urban agriculture; facilitating the start-up,
19.24 modernization, or expansion of other
19.25 beginning and transitioning farms including
19.26 loans under Minnesota Statutes, section
19.27 41B.056; sustainable agriculture on farm
19.28 research and demonstration; development or
19.29 expansion of food hubs and other alternative
19.30 community-based food distribution systems;
19.31 and research on bioenergy, biobased content,
19.32 or biobased formulated products and other
19.33 renewable energy development. The
19.34 commissioner may use up to 4.5 percent
19.35 of this appropriation for costs incurred to
19.36 administer the program. Any unencumbered

20.1 balance does not cancel at the end of the first
20.2 year and is available for the second year.
20.3 Notwithstanding Minnesota Statutes, section
20.4 16A.28, the appropriations encumbered
20.5 under contract on or before June 30, 2017, for
20.6 agricultural growth, research, and innovation
20.7 grants are available until June 30, 2019.

20.8 The commissioner may use funds
20.9 appropriated for the agricultural growth,
20.10 research, and innovation program as provided
20.11 in this paragraph. The commissioner may
20.12 award grants to owners of Minnesota
20.13 facilities producing bioenergy, biobased
20.14 content, or a biobased formulated product;
20.15 to organizations that provide for on-station,
20.16 on-farm field scale research and outreach to
20.17 develop and test the agronomic and economic
20.18 requirements of diverse strands of prairie
20.19 plants and other perennials for bioenergy
20.20 systems; or to certain nongovernmental
20.21 entities. For the purposes of this paragraph,
20.22 "bioenergy" includes transportation fuels
20.23 derived from cellulosic material, as well as
20.24 the generation of energy for commercial heat,
20.25 industrial process heat, or electrical power
20.26 from cellulosic materials via gasification or
20.27 other processes. Grants are limited to 50
20.28 percent of the cost of research, technical
20.29 assistance, or equipment related to bioenergy,
20.30 biobased content, or biobased formulated
20.31 product production or \$500,000, whichever
20.32 is less. Grants to nongovernmental entities
20.33 for the development of business plans and
20.34 structures related to community ownership
20.35 of eligible bioenergy facilities together may
20.36 not exceed \$150,000. The commissioner

21.1 shall make a good-faith effort to select
21.2 projects that have merit and, when taken
21.3 together, represent a variety of bioenergy
21.4 technologies, biomass feedstocks, and
21.5 geographic regions of the state. Projects
21.6 must have a qualified engineer provide
21.7 certification on the technology and fuel
21.8 source. Grantees must provide reports at the
21.9 request of the commissioner.

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

21.17 Of the amount appropriated for the
21.18 agricultural growth, research, and innovation
21.19 program in this subdivision, \$500,000 in
21.20 fiscal year 2016 and \$1,500,000 in fiscal
21.21 year 2017 are for incentive payments
21.22 under Minnesota Statutes, sections 41A.16,
21.23 41A.17, and 41A.18. If the appropriation
21.24 exceeds the total amount for which all
21.25 producers are eligible in a fiscal year, the
21.26 balance of the appropriation is available
21.27 to the commissioner for the agricultural
21.28 growth, research, and innovation program.

21.29 Notwithstanding Minnesota Statutes,
21.30 section 16A.28, the first year appropriation
21.31 is available until June 30, 2017, and the
21.32 second year appropriation is available until
21.33 June 30, 2018. The commissioner may use
21.34 up to 4.5 percent of the appropriation for
21.35 administration of the incentive payment
21.36 programs.

22.1 Of the amount appropriated for the
22.2 agricultural growth, research, and innovation
22.3 program in this subdivision, \$250,000
22.4 the first year is for grants to communities
22.5 to develop or expand food hubs and
22.6 other alternative community-based food
22.7 distribution systems. Of this amount,
22.8 \$50,000 is for the commissioner to consult
22.9 with existing food hubs, alternative
22.10 community-based food distribution systems,
22.11 and University of Minnesota Extension
22.12 to identify best practices for use by other
22.13 Minnesota communities. No later than
22.14 December 15, 2015, the commissioner must
22.15 report to the legislative committees with
22.16 jurisdiction over agriculture and health
22.17 regarding the status of emerging alternative
22.18 community-based food distribution systems
22.19 in the state along with recommendations
22.20 to eliminate any barriers to success. Any
22.21 unencumbered balance does not cancel at the
22.22 end of the first year and is available for the
22.23 second year. This is a onetime appropriation.
22.24 \$250,000 the first year and \$250,000 the
22.25 second year are for grants that enable
22.26 retail petroleum dispensers to dispense
22.27 biofuels to the public in accordance with the
22.28 biofuel replacement goals established under
22.29 Minnesota Statutes, section 239.7911. A
22.30 retail petroleum dispenser selling petroleum
22.31 for use in spark ignition engines for vehicle
22.32 model years after 2000 is eligible for grant
22.33 money under this paragraph if the retail
22.34 petroleum dispenser has no more than 15
22.35 retail petroleum dispensing sites and each
22.36 site is located in Minnesota. The grant

23.1 money received under this paragraph must
23.2 be used for the installation of appropriate
23.3 technology that uses fuel dispensing
23.4 equipment appropriate for at least one fuel
23.5 dispensing site to dispense gasoline that is
23.6 blended with 15 percent of agriculturally
23.7 derived, denatured ethanol, by volume, and
23.8 appropriate technical assistance related to
23.9 the installation. A grant award must not
23.10 exceed 85 percent of the cost of the technical
23.11 assistance and appropriate technology,
23.12 including remetering of and retrofits for
23.13 retail petroleum dispensers and replacement
23.14 of petroleum dispenser projects. The
23.15 commissioner may use up to \$35,000 of this
23.16 appropriation for administrative expenses.
23.17 The commissioner shall cooperate with
23.18 biofuel stakeholders in the implementation
23.19 of the grant program. The commissioner
23.20 must report to the legislative committees
23.21 with jurisdiction over agriculture policy and
23.22 finance by February 1 each year, detailing
23.23 the number of grants awarded under this
23.24 paragraph and the projected effect of the grant
23.25 program on meeting the biofuel replacement
23.26 goals under Minnesota Statutes, section
23.27 239.7911. These are onetime appropriations.
23.28 \$25,000 the first year and \$25,000 the second
23.29 year are for grants to the Southern Minnesota
23.30 Initiative Foundation to promote local foods
23.31 through an annual event that raises public
23.32 awareness of local foods and connects local
23.33 food producers and processors with potential
23.34 buyers.

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

24.1 Sec. 23. Laws 2015, First Special Session chapter 4, article 1, section 5, is amended to
24.2 read:

24.3 Sec. 5. **AVIAN INFLUENZA RESPONSE ACTIVITIES; APPROPRIATIONS**
24.4 **AND TRANSFERS.**

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

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

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

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

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

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

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

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

25.8 **ARTICLE 2**

25.9 **NATURAL RESOURCES**

25.10 Section 1. **APPROPRIATIONS.**

25.11 The sums shown in the columns marked "Appropriations" are added to the
 25.12 appropriations in Laws 2015, First Special Session chapter 4, or appropriated to the
 25.13 agencies and for the purposes specified in this article. The appropriations are from the
 25.14 general fund, or another named fund, and are available for the fiscal year indicated for
 25.15 each purpose. The figures "2016" and "2017" used in this article mean that the addition
 25.16 to the appropriations listed under them are available for the fiscal year ending June 30,
 25.17 2016, or June 30, 2017, respectively. "The first year" is fiscal year 2016. "The second
 25.18 year" is fiscal year 2017. Appropriations for fiscal year 2016 are effective the day
 25.19 following final enactment.

25.20		<u>APPROPRIATIONS</u>	
25.21		<u>Available for the Year</u>	
25.22		<u>Ending June 30</u>	
25.23		<u>2016</u>	<u>2017</u>

25.24 Sec. 2. **NATURAL RESOURCES**

25.25	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>2,269,000</u>	<u>\$</u>	<u>14,885,000</u>
-------	--	------------------	-------------------------	------------------	--------------------------

25.26	<u>Appropriations by Fund</u>			
25.27		<u>2016</u>		<u>2017</u>
25.28	<u>General</u>	<u>1,599,000</u>		<u>12,386,000</u>
25.29	<u>Natural Resources</u>	<u>-0-</u>		<u>2,320,000</u>
25.30	<u>Game and Fish</u>	<u>670,000</u>		<u>110,000</u>
25.31	<u>Permanent School</u>	<u>-0-</u>		<u>69,000</u>

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

26.1	<u>Subd. 2. Lands and Minerals Management</u>	<u>-0-</u>	<u>500,000</u>
26.2	<u>\$500,000 the second year is for transfer to</u>		
26.3	<u>the school trust lands director to initiate the</u>		
26.4	<u>private sale of surplus school trust lands</u>		
26.5	<u>identified according to Minnesota Statutes,</u>		
26.6	<u>section 92.82, paragraph (d), including, but</u>		
26.7	<u>not limited to, valuation expenses, legal</u>		
26.8	<u>fees, and transactional staff costs. This</u>		
26.9	<u>appropriation must not be used to extinguish</u>		
26.10	<u>school trust interests in school trust lands.</u>		
26.11	<u>This is a onetime appropriation.</u>		
26.12	<u>Subd. 3. Ecological and Water Resources</u>	<u>-0-</u>	<u>1,637,000</u>
26.13	<u>\$187,000 the second year is for a grant to the</u>		
26.14	<u>Middle-Snake-Tamarac Rivers Watershed</u>		
26.15	<u>District to match equal funds from the North</u>		
26.16	<u>Dakota State Water Commission and North</u>		
26.17	<u>Dakota water boards to conduct hydraulic</u>		
26.18	<u>modeling of alternative floodway options</u>		
26.19	<u>for the reach including and upstream and</u>		
26.20	<u>downstream of the Minnesota and North</u>		
26.21	<u>Dakota agricultural levies in the vicinity</u>		
26.22	<u>of Oslo, Minnesota. The modeling must</u>		
26.23	<u>include evaluating removal of floodway</u>		
26.24	<u>flow obstructions, channel obstructions,</u>		
26.25	<u>transportation access, and equalization of</u>		
26.26	<u>agricultural levy protection. The project must</u>		
26.27	<u>be conducted in partnership with the border</u>		
26.28	<u>township association group representing four</u>		
26.29	<u>Minnesota townships and the city of Oslo</u>		
26.30	<u>and the three adjacent townships in North</u>		
26.31	<u>Dakota. This is a onetime appropriation and</u>		
26.32	<u>is available until June 30, 2018.</u>		
26.33	<u>\$1,200,000 the second year is for an impact</u>		
26.34	<u>study of irrigation on the Pineland Sands</u>		

27.1 aquifer. This is a onetime appropriation and
 27.2 is available until June 30, 2019.
 27.3 \$250,000 the second year is for maintenance
 27.4 of the Little Stone Lake Dam. St. Louis
 27.5 County shall transfer to the state of Minnesota
 27.6 maintenance and control of the Little Stone
 27.7 Lake Dam that is described as: DAM ID
 27.8 MN00373. This is a onetime appropriation.

27.9 Subd. 4. **Forest Management** -0- 3,100,000

27.10 \$600,000 the second year is for a pilot
 27.11 program to increase forest road maintenance.
 27.12 The commissioner shall use the money to
 27.13 perform needed maintenance on forest roads
 27.14 in conjunction with timber sales. Optional
 27.15 forest road maintenance contracts may be
 27.16 offered to successful purchasers of state
 27.17 timber sales at the commissioner's discretion.
 27.18 This is a onetime appropriation.

27.19 \$2,500,000 the second year is for private
 27.20 forest management assistance. The agency
 27.21 base is increased by \$2,028,000 in fiscal year
 27.22 2018 and thereafter.

27.23 Subd. 5. **Parks and Trails Management** -0- 5,668,000

27.24	<u>Appropriations by Fund</u>		
27.25		<u>2016</u>	<u>2017</u>
27.26	<u>General</u>	<u>-0-</u>	<u>3,279,000</u>
27.27	<u>Natural Resources</u>	<u>-0-</u>	<u>2,320,000</u>
27.28	<u>Permanent School</u>	<u>-0-</u>	<u>69,000</u>

27.29 \$3,000,000 the second year is a onetime
 27.30 appropriation.
 27.31 \$2,300,000 the second year is from the state
 27.32 parks account in the natural resources fund.
 27.33 Of this amount, \$1,300,000 is onetime. In
 27.34 fiscal year 2017, the level of service and

28.1 hours at all state parks and recreation areas
 28.2 must be maintained at fiscal year 2015 levels.
 28.3 \$20,000 the second year is from the natural
 28.4 resources fund to design and erect signs
 28.5 marking the David K. Dill trail designated in
 28.6 this act. Of this amount, \$10,000 is from the
 28.7 snowmobile trails and enforcement account
 28.8 and \$10,000 is from the all-terrain vehicle
 28.9 account. This is a onetime appropriation.
 28.10 \$69,000 the second year is from the state
 28.11 forest suspense account in the permanent
 28.12 school fund for the improvement of the
 28.13 infrastructure for sanitary sewer service at the
 28.14 Woodenfrog Campground in Kabetogama
 28.15 State Forest. This is a onetime appropriation.
 28.16 \$250,000 the second year is for a grant to
 28.17 Douglas County to acquire land, including a
 28.18 ski area, for use as a regional park. The grant
 28.19 must be matched by other state or nonstate
 28.20 sources. This is a onetime appropriation and
 28.21 is available until June 30, 2019.
 28.22 \$29,000 the second year is for computer
 28.23 programming related to the transfer-on-death
 28.24 title changes for watercraft. This is a onetime
 28.25 appropriation.
 28.26 **Subd. 6. Fish and Wildlife Management** -0- 50,000
 28.27 \$50,000 the second year is from the game
 28.28 and fish fund for fish virus surveillance,
 28.29 including fish testing in high-risk waters used
 28.30 for bait production, to ensure the availability
 28.31 of safe bait. This is a onetime appropriation.
 28.32 **Subd. 7. Enforcement** 670,000 -0-

29.1 \$670,000 the first year is from the game and
 29.2 fish fund for aviation services. This is a
 29.3 onetime appropriation.

29.4 **Subd. 8. Operations Support** 1,599,000 3,930,000

29.5	<u>Appropriations by Fund</u>	
29.6	<u>2016</u>	<u>2017</u>
29.7	<u>1,599,000</u>	<u>3,870,000</u>
29.8	<u>-0-</u>	<u>60,000</u>

29.9 \$1,599,000 the first year and \$2,370,000 the
 29.10 second year are for legal costs related to the
 29.11 NorthMet mining project. This is a onetime
 29.12 appropriation and is available until June 30,
 29.13 2019.

29.14 \$1,500,000 the second year is for a grant to
 29.15 Wolf Ridge Environmental Learning Center
 29.16 to construct a new dormitory, renovate an old
 29.17 dormitory, construct a maintenance building,
 29.18 and construct a small classroom building
 29.19 with parking. The grant is not available
 29.20 until the commissioner of management
 29.21 and budget determines that an amount
 29.22 sufficient to complete the project is available
 29.23 from nonstate sources. This is a onetime
 29.24 appropriation and is available until June 30,
 29.25 2019.

29.26 \$60,000 the second year is from the
 29.27 heritage enhancement account for the
 29.28 department's Southeast Asian unit to
 29.29 conduct outreach efforts to the Southeast
 29.30 Asian community in Minnesota, including
 29.31 outreach efforts to refugees from Burma, to
 29.32 encourage participation in outdoor education
 29.33 opportunities and activities. This is a onetime
 29.34 appropriation.

30.1 Sec. 3. Minnesota Statutes 2014, section 84.091, subdivision 2, is amended to read:

30.2 Subd. 2. **License required; ~~exception~~ exemptions.** (a) Except as provided in
 30.3 ~~paragraph (b) this subdivision~~, a person may not harvest, buy, sell, transport, or possess
 30.4 aquatic plants without a license required under this chapter. A license shall be issued in
 30.5 the same manner as provided under the game and fish laws.

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

30.8 (c) Tribal band members who possess a valid tribal identification card may harvest
 30.9 wild rice without a license under this section.

30.10 Sec. 4. Minnesota Statutes 2014, section 84.798, subdivision 2, is amended to read:

30.11 Subd. 2. **Exemptions.** Registration is not required for an off-road vehicle that is:

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

30.14 (2) registered in another state or country and has not been in this state for more than
 30.15 30 consecutive days; or

30.16 (3) operated with a valid state trail pass according to section 84.8035.

30.17 **EFFECTIVE DATE.** This section is effective January 1, 2017.

30.18 Sec. 5. Minnesota Statutes 2014, section 84.8035, is amended to read:

30.19 **84.8035 NONRESIDENT OFF-ROAD VEHICLE STATE TRAIL PASS.**

30.20 Subdivision 1. **Pass required; fee.** (a) Except as provided under paragraph (c), a
 30.21 ~~nonresident person~~ may not operate an off-road vehicle on a state or grant-in-aid off-road
 30.22 vehicle trail or use area unless the vehicle displays a ~~nonresident an~~ off-road vehicle state
 30.23 trail pass sticker issued according to this section. The pass must be viewable by a peace
 30.24 officer, a conservation officer, or an employee designated under section 84.0835.

30.25 (b) ~~The fee for an annual pass is \$20. The pass is valid from January 1 through~~
 30.26 ~~December 31. The fee for a three-year pass is \$30.~~ The commissioner of natural resources
 30.27 shall issue a pass upon application and payment of the fee. Fees collected under this
 30.28 section, except for the issuing fee for licensing agents, shall be deposited in the state
 30.29 treasury and credited to the off-road vehicle account in the natural resources fund and,
 30.30 except for the electronic licensing system commission established by the commissioner
 30.31 under section 84.027, subdivision 15, must be used for grants-in-aid to counties and
 30.32 municipalities for off-road vehicle organizations to construct and maintain off-road
 30.33 vehicle trails and use areas.

31.1 (c) ~~A nonresident~~ An off-road vehicle state trail pass is not required for:

31.2 (1) an off-road vehicle that is owned and used by the United States, another state,
31.3 or a political subdivision thereof that is exempt from registration under section 84.798,
31.4 subdivision 2;

31.5 (2) a person operating an off-road vehicle only on the portion of a trail that is owned
31.6 by the person or the person's spouse, child, or parent; or

31.7 (3) a ~~nonresident~~ person operating an off-road vehicle that is registered according
31.8 to section 84.798.

31.9 (d) The fee for an annual nonresident off-road vehicle state trail pass is \$20. The
31.10 nonresident pass is valid from January 1 through December 31. The fee for a nonresident
31.11 three-year pass is \$30.

31.12 (e) The fee for a resident off-road vehicle state trail pass is \$20. The resident pass is
31.13 valid for 30 consecutive days after the date of issuance.

31.14 Subd. 2. **License agents.** The commissioner may appoint agents to issue and
31.15 sell ~~nonresident~~ off-road vehicle state trail passes. The commissioner may revoke the
31.16 appointment of an agent at any time. The commissioner may adopt additional rules as
31.17 provided in section 97A.485, subdivision 11. An agent shall observe all rules adopted
31.18 by the commissioner for accounting and handling of passes pursuant to section 97A.485,
31.19 subdivision 11. An agent shall promptly deposit and remit all money received from the
31.20 sale of the passes, exclusive of the issuing fee, to the commissioner.

31.21 Subd. 3. **Issuance of passes.** The commissioner and agents shall issue and sell
31.22 ~~nonresident~~ off-road vehicle state trail passes. The commissioner shall also make the
31.23 passes available through the electronic licensing system established under section 84.027,
31.24 subdivision 15.

31.25 Subd. 4. **Agent's fee.** In addition to the fee for a pass, an issuing fee of \$1 per pass
31.26 shall be charged. The issuing fee may be retained by the seller of the pass. Issuing fees for
31.27 passes issued by the commissioner shall be deposited in the off-road vehicle account in the
31.28 natural resources fund and retained for the operation of the electronic licensing system.

31.29 Subd. 5. **Duplicate passes.** The commissioner and agents shall issue a duplicate
31.30 pass to persons whose pass is lost or destroyed using the process established under section
31.31 97A.405, subdivision 3, and rules adopted thereunder. The fee for a duplicate ~~nonresident~~
31.32 off-road vehicle state trail pass is \$4, with an issuing fee of 50 cents.

31.33 **EFFECTIVE DATE.** This section is effective January 1, 2017.

31.34 Sec. 6. Minnesota Statutes 2014, section 85.015, subdivision 13, is amended to read:

32.1 Subd. 13. **Arrowhead Region Trails, Cook, Lake, St. Louis, Pine, Carlton,**
 32.2 **Koochiching, and Itasca Counties.** (a)(1) The Taconite Trail shall originate at Ely in St.
 32.3 Louis County and extend southwesterly to Tower in St. Louis County, thence westerly to
 32.4 McCarthy Beach State Park in St. Louis County, thence southwesterly to Grand Rapids in
 32.5 Itasca County and there terminate;

32.6 (2) the C. J. Ramstad/Northshore Trail shall originate in Duluth in St. Louis County
 32.7 and extend northeasterly to Two Harbors in Lake County, thence northeasterly to Grand
 32.8 Marais in Cook County, thence northeasterly to the international boundary in the vicinity
 32.9 of the north shore of Lake Superior, and there terminate;

32.10 (3) ~~The Grand Marais to International Falls Trail shall originate in Grand Marais~~
 32.11 ~~in Cook County and extend northwesterly, outside of the Boundary Waters Canoe Area,~~
 32.12 ~~to Ely in St. Louis County, thence southwesterly along the route of the Taconite Trail to~~
 32.13 ~~Tower in St. Louis County, thence northwesterly through the Pelican Lake area in St.~~
 32.14 ~~Louis County to International Falls in Koochiching County, and there terminate~~ the David
 32.15 K. Dill/Arrowhead Trail shall originate at International Falls in Koochiching County and
 32.16 extend southeasterly through the Pelican Lake area in St. Louis County, intersecting with
 32.17 the Taconite Trail west of Tower; then the David K. Dill/Taconite Trail continues easterly
 32.18 to Ely in St. Louis County; then the David K. Dill/Tomahawk Trail extends southeasterly,
 32.19 outside the Boundary Waters Canoe Area, to the area of Little Marais in Lake County and
 32.20 there terminates at the intersection with the C. J. Ramstad/Northshore Trail; and

32.21 (4) the Matthew Lourey Trail shall originate in Duluth in St. Louis County and
 32.22 extend southerly to Chengwatana State Forest in Pine County.

32.23 (b) The trails shall be developed primarily for riding and hiking.

32.24 (c) In addition to the authority granted in subdivision 1, lands and interests in lands
 32.25 for the Arrowhead Region trails may be acquired by eminent domain. Before acquiring
 32.26 any land or interest in land by eminent domain the commissioner of administration shall
 32.27 obtain the approval of the governor. The governor shall consult with the Legislative
 32.28 Advisory Commission before granting approval. Recommendations of the Legislative
 32.29 Advisory Commission shall be advisory only. Failure or refusal of the commission to
 32.30 make a recommendation shall be deemed a negative recommendation.

32.31 Sec. 7. **[86B.841] TRANSFER-ON-DEATH TITLE TO WATERCRAFT.**

32.32 Subdivision 1. **Titled as transfer-on-death.** A natural person who is the owner of a
 32.33 watercraft may have the watercraft titled in transfer-on-death or TOD form by including in
 32.34 the application for the certificate of title a designation of a beneficiary or beneficiaries to

33.1 whom the watercraft must be transferred on death of the owner or the last survivor of joint
33.2 owners with rights of survivorship, subject to the rights of secured parties.

33.3 Subd. 2. **Designation of beneficiary.** A watercraft is registered in transfer-on-death
33.4 form by designating on the certificate of title the name of the owner and the names
33.5 of joint owners with identification of rights of survivorship, followed by the words
33.6 "transfer-on-death to (name of beneficiary or beneficiaries)." The designation "TOD" may
33.7 be used instead of "transfer-on-death." A title in transfer-on-death form is not required
33.8 to be supported by consideration, and the certificate of title in which the designation
33.9 is made is not required to be delivered to the beneficiary or beneficiaries in order for
33.10 the designation to be effective.

33.11 Subd. 3. **Interest of beneficiary.** The transfer-on-death beneficiary or beneficiaries
33.12 have no interest in the watercraft until the death of the owner or the last survivor of joint
33.13 owners with rights of survivorship. A beneficiary designation may be changed at any time
33.14 by the owner or by all joint owners with rights of survivorship, without the consent of the
33.15 beneficiary or beneficiaries, by filing an application for a new certificate of title.

33.16 Subd. 4. **Vesting of ownership in beneficiary.** Ownership of a watercraft titled in
33.17 transfer-on-death form vests in the designated beneficiary or beneficiaries on the death of
33.18 the owner or the last of the joint owners with rights of survivorship, subject to the rights of
33.19 secured parties. The transfer-on-death beneficiary or beneficiaries who survive the owner
33.20 may apply for a new certificate of title to the watercraft upon submitting a certified death
33.21 record of the owner of the watercraft. If no transfer-on-death beneficiary or beneficiaries
33.22 survive the owner of a watercraft, the watercraft must be included in the probate estate
33.23 of the deceased owner. A transfer of a watercraft to a transfer-on-death beneficiary or
33.24 beneficiaries is not a testamentary transfer.

33.25 Subd. 5. **Rights of creditors.** (a) This section does not limit the rights of any
33.26 secured party or creditor of the owner of a watercraft against a transfer-on-death
33.27 beneficiary or beneficiaries.

33.28 (b) The state or a county agency with a claim or lien authorized by section 246.53,
33.29 256B.15, 261.04, or 270C.63, is a creditor for purposes of this subdivision. A claim
33.30 or lien under those sections continues to apply against the designated beneficiary or
33.31 beneficiaries after the transfer under this section if other assets of the deceased owner's
33.32 estate are insufficient to pay the amount of the claim. The claim or lien continues to apply
33.33 to the watercraft until the designated beneficiary sells or transfers it to a person against
33.34 whom the claim or lien does not apply and who did not have actual notice or knowledge
33.35 of the claim or lien.

34.1 Sec. 8. Minnesota Statutes 2014, section 89.0385, is amended to read:

34.2 **89.0385 FOREST MANAGEMENT INVESTMENT ACCOUNT; COST**
 34.3 **CERTIFICATION.**

34.4 (a) The commissioner shall certify the total costs incurred for forest management,
 34.5 forest improvement, and road improvement on state-managed lands during each fiscal
 34.6 year. The commissioner shall distribute forest management receipts credited to various
 34.7 accounts according to this section.

34.8 (b) The amount of the certified costs incurred for forest management activities on
 34.9 state lands shall be transferred from the account where receipts are deposited to the forest
 34.10 management investment account in the natural resources fund, except for those costs
 34.11 certified under section 16A.125. Transfers may occur quarterly, based on quarterly cost and
 34.12 revenue reports, throughout the fiscal year, with final certification and reconciliation after
 34.13 each fiscal year. Transfers in a fiscal year cannot exceed receipts credited to the account.

34.14 (c) The amount of the certified costs incurred for forest management activities
 34.15 on nonstate lands managed under a good neighbor or joint powers agreement must be
 34.16 transferred from the account where receipts are deposited to the forest management
 34.17 investment account in the natural resources fund. Transfers for costs incurred may occur
 34.18 after projects or timber permits are finalized.

34.19 Sec. 9. Minnesota Statutes 2014, section 93.0015, subdivision 3, is amended to read:

34.20 Subd. 3. **Expiration.** The committee expires June 30, ~~2016~~ 2026.

34.21 Sec. 10. Minnesota Statutes 2014, section 93.2236, is amended to read:

34.22 **93.2236 MINERALS MANAGEMENT ACCOUNT.**

34.23 (a) The minerals management account is created as an account in the natural
 34.24 resources fund. Interest earned on money in the account accrues to the account. Money in
 34.25 the account may be spent or distributed only as provided in paragraphs (b) and (c).

34.26 (b) If the balance in the minerals management account exceeds \$3,000,000 on March
 34.27 31, June 30, September 30, or December 31, the amount exceeding \$3,000,000 must
 34.28 be distributed to the permanent school fund, the permanent university fund, and taxing
 34.29 districts as provided in section 93.22, subdivision 1, paragraph (c). The amount distributed
 34.30 to each fund must be in the same proportion as the total mineral lease revenue received
 34.31 in the previous biennium from school trust lands, university lands, and lands held by the
 34.32 state in trust for taxing districts.

34.33 (c) Subject to appropriation by the legislature, money in the minerals management
 34.34 account may be spent by the commissioner of natural resources for mineral resource

35.1 management and projects to enhance future mineral income and promote new mineral
35.2 resource opportunities.

35.3 Sec. 11. Minnesota Statutes 2014, section 94.3495, subdivision 2, is amended to read:

35.4 Subd. 2. **Classes of land; definitions.** (a) The classes of public land that may be
35.5 involved in an expedited exchange under this section are:

35.6 (1) Class 1 land, which for the purpose of this section is Class A land as defined in
35.7 section 94.342, subdivision 1, ~~except for:~~

35.8 ~~(i) school trust land as defined in section 92.025; and~~

35.9 ~~(ii) university land granted to the state by acts of Congress;~~

35.10 (2) Class 2 land, which for the purpose of this section is Class B land as defined in
35.11 section 94.342, subdivision 2; and

35.12 (3) Class 3 land, which for the purpose of this section is all land owned in fee by
35.13 a governmental subdivision of the state.

35.14 (b) "School trust land" has the meaning given in section 92.025.

35.15 (c) "University land" means land granted to the state by acts of Congress for
35.16 university purposes.

35.17 Sec. 12. Minnesota Statutes 2014, section 94.3495, subdivision 3, is amended to read:

35.18 Subd. 3. **Valuation of land.** (a) In an exchange of Class 1 land for Class 2 or 3 land,
35.19 the value of all the land shall be determined by the commissioner of natural resources,
35.20 but the county board must approve the value determined for the Class 2 land, and the
35.21 governmental subdivision of the state must approve the value determined for the Class 3
35.22 land. In an exchange of Class 2 land for Class 3 land, the value of all the land shall be
35.23 determined by the county board of the county in which the land lies, but the governmental
35.24 subdivision of the state must approve the value determined for the Class 3 land.

35.25 (b) To determine the value of the land, the parties to the exchange may either (1)
35.26 cause the land to be appraised, utilize the valuation process provided under section
35.27 84.0272, subdivision 3, or obtain a market analysis from a qualified real estate broker or
35.28 (2) determine the value for each 40-acre tract or lot, or a portion thereof, using the most
35.29 current township or county assessment schedules for similar land types from the county
35.30 assessor of the county in which the lands are located. Merchantable timber value ~~must~~
35.31 should be determined and considered in finalizing valuation of the lands.

35.32 ~~(b) All~~ (c) Except for school trust lands and university lands, the lands exchanged
35.33 under this section shall be exchanged only for lands of at least substantially equal value.
35.34 For the purposes of this subdivision, "substantially equal value" has the meaning given

36.1 under section 94.343, subdivision 3, paragraph (b). No payment is due either party if the
 36.2 lands, other than school trust lands or university lands, are of substantially equal value but
 36.3 are not of the same value.

36.4 (d) School trust lands and university lands exchanged under this section must be
 36.5 exchanged only for lands of equal or greater value.

36.6 Sec. 13. Minnesota Statutes 2014, section 94.3495, subdivision 7, is amended to read:

36.7 Subd. 7. **Reversionary interest; Mineral and water power rights and other**
 36.8 **reservations.** ~~(a) All deeds conveying land given in an expedited land exchange under~~
 36.9 ~~this section shall include a reverter that provides that title to the land automatically reverts~~
 36.10 ~~to the conveying governmental unit if:~~

36.11 ~~(1) the receiving governmental unit sells, exchanges, or otherwise transfers title of~~
 36.12 ~~the land within 40 years of the date of the deed conveying ownership; and~~

36.13 ~~(2) there is no prior written approval for the transfer from the conveying~~
 36.14 ~~governmental unit. The authority for granting approval is the commissioner of natural~~
 36.15 ~~resources for former Class 1 land, the county board for former Class 2 land, and the~~
 36.16 ~~governing body for former Class 3 land.~~

36.17 ~~(b)~~ Class 1 land given in exchange is subject to the reservation provisions of section
 36.18 94.343, subdivision 4. Class 2 land given in exchange is subject to the reservation
 36.19 provisions of section 94.344, subdivision 4. County fee land given in exchange is subject
 36.20 to the reservation provisions of section 373.01, subdivision 1, paragraph (g).

36.21 Sec. 14. Minnesota Statutes 2014, section 97A.405, subdivision 2, is amended to read:

36.22 Subd. 2. **Personal possession.** (a) A person acting under a license or traveling from
 36.23 an area where a licensed activity was performed must have in personal possession ~~either:~~
 36.24 (1) the proper license, if the license has been issued to and received by the person; (2) a
 36.25 driver's license or Minnesota identification card issued under section 171.07, subdivision
 36.26 19, that has a valid written designation of the proper lifetime license; or ~~(2)~~ (3) the proper
 36.27 license identification number or stamp validation, if the license has been sold to the person
 36.28 by electronic means but the actual license has not been issued and received.

36.29 (b) If possession of a license or a license identification number is required, a person
 36.30 must exhibit, as requested by a conservation officer or peace officer, ~~either:~~ (1) the
 36.31 proper license if the license has been issued to and received by the person; (2) a driver's
 36.32 license or Minnesota identification card issued under section 171.07, subdivision 19,
 36.33 that has a valid written designation of the proper lifetime license; or ~~(2)~~ (3) the proper
 36.34 license identification number or stamp validation and a valid state driver's license, state

37.1 identification card, or other form of identification provided by the commissioner, if the
37.2 license has been sold to the person by electronic means but the actual license has not been
37.3 issued and received. A person charged with violating the license possession requirement
37.4 shall not be convicted if the person produces in court or the office of the arresting officer,
37.5 the actual license previously issued to that person, which was valid at the time of arrest,
37.6 or satisfactory proof that at the time of the arrest the person was validly licensed. Upon
37.7 request of a conservation officer or peace officer, a licensee shall write the licensee's name
37.8 in the presence of the officer to determine the identity of the licensee.

37.9 (c) Except as provided in paragraph (a), clause (2), if the actual license has been
37.10 issued and received, a receipt for license fees, a copy of a license, or evidence showing the
37.11 issuance of a license, including the license identification number or stamp validation, does
37.12 not entitle a licensee to exercise the rights or privileges conferred by a license.

37.13 (d) A license issued electronically and not immediately provided to the licensee shall
37.14 be mailed to the licensee within 30 days of purchase of the license. A pictorial migratory
37.15 waterfowl, pheasant, trout and salmon, or walleye stamp shall be provided to the licensee
37.16 after purchase of a stamp validation only if the licensee pays an additional fee that covers
37.17 the costs of producing and mailing a pictorial stamp. A pictorial turkey stamp may be
37.18 purchased for a fee that covers the costs of producing and mailing the pictorial stamp.
37.19 Notwithstanding section 16A.1283, the commissioner may, by written order published in
37.20 the State Register, establish fees for providing the pictorial stamps. The fees must be set in
37.21 an amount that does not recover significantly more or less than the cost of producing and
37.22 mailing the stamps. The fees are not subject to the rulemaking provisions of chapter 14,
37.23 and section 14.386 does not apply.

37.24 **EFFECTIVE DATE.** This section is effective January 1, 2018, or on the date
37.25 the Department of Public Safety implements the Minnesota Licensing and Registration
37.26 System (MNLARS), whichever occurs first.

37.27 Sec. 15. Minnesota Statutes 2014, section 97A.465, is amended by adding a
37.28 subdivision to read:

37.29 **Subd. 8. Nonresident members of National Guard.** A nonresident that is a
37.30 member of the state's National Guard may obtain a resident license to take fish or game.
37.31 This subdivision does not apply to the taking of moose or elk.

37.32 Sec. 16. Minnesota Statutes 2014, section 171.07, is amended by adding a subdivision
37.33 to read:

38.1 Subd. 19. Resident lifetime game and fish license. (a) The department shall
 38.2 maintain in its records information transmitted electronically from the commissioner of
 38.3 natural resources identifying each person to whom the commissioner has issued a resident
 38.4 lifetime license under section 97A.473. The records transmitted from the Department of
 38.5 Natural Resources must contain:

38.6 (1) the full name and date of birth as required for the driver's license or identification
 38.7 card;

38.8 (2) the category of lifetime license issued under section 97A.473; and

38.9 (3) the Department of Natural Resources lifetime license number.

38.10 Records that are not matched to a driver's license or identification card record may
 38.11 be deleted after seven years.

38.12 (b) After receiving information under paragraph (a) that a person has received
 38.13 a lifetime license, the department shall include, on all drivers' licenses or Minnesota
 38.14 identification cards subsequently issued to the person, a written designation that the person
 38.15 has a lifetime license, the category of the lifetime license issued, and the Department of
 38.16 Natural Resources lifetime license number.

38.17 (c) If a person who has received a lifetime license under section 97A.473 applies
 38.18 for a driver's license or Minnesota identification card before that information has been
 38.19 transmitted to the department, the department may accept a copy of the license issued
 38.20 under section 97A.473 as proof of its issuance and shall then follow the procedures in
 38.21 paragraph (b).

38.22 **EFFECTIVE DATE.** This section is effective January 1, 2018, or on the date
 38.23 the Department of Public Safety implements the Minnesota Licensing and Registration
 38.24 System (MNLARS), whichever occurs first.

38.25 Sec. 17. Laws 2000, chapter 486, section 4, as amended by Laws 2001, chapter 182,
 38.26 section 2, is amended to read:

38.27 Sec. 4. **[BOATHOUSE LEASES; SOUDAN UNDERGROUND MINE STATE**
 38.28 **PARK.]**

38.29 (a) In 1965, United States Steel Corporation conveyed land to the state of Minnesota
 38.30 that was included in the Soudan underground mine state park, with certain lands at Stuntz
 38.31 Bay subject to leases outstanding for employee boathouse sites.

38.32 (b) Notwithstanding Minnesota Statutes, sections 85.011, 85.012, subdivision 1, and
 38.33 86A.05, subdivision 2, upon the expiration of a boathouse lease described under paragraph
 38.34 (a), the commissioner of natural resources shall offer a new lease to the party in possession
 38.35 at the time of lease expiration, or, if there has been a miscellaneous lease issued by the

39.1 Department of Natural Resources due to expiration of a lease described under paragraph
 39.2 (a), upon its expiration to the lessee. The new lease shall be issued under the terms and
 39.3 conditions of Minnesota Statutes, section 92.50, with the following limitations:

39.4 (1) the term of the lease shall be for the lifetime of the party being issued a renewed
 39.5 lease and, if transferred, for the lifetime of the party to whom the lease is transferred;

39.6 (2) the new lease shall provide that the lease may be transferred only once and the
 39.7 transfer must be to a person within the third degree of kindred or first cousin according to
 39.8 civil law; ~~and~~

39.9 (3) the commissioner shall limit the number of lessees per lease to no more than two
 39.10 persons who have attained legal age; and

39.11 (4) the lease amount must not exceed 50 percent of the average market rate, based
 39.12 on comparable private lease rates adjusted every five years.

39.13 At the time of the new lease, the commissioner may offer, and after agreement with the
 39.14 leaseholder, lease equivalent alternative sites to the leaseholder.

39.15 (c) The commissioner shall not cancel a boathouse lease described under paragraphs
 39.16 (a) and (b) except for noncompliance with the lease agreement.

39.17 (d) The commissioner must issue a written receipt to the lessee for each lease
 39.18 payment.

39.19 ~~(d)~~ (e) By January 15, 2001, the commissioner of natural resources shall report to
 39.20 the senate and house environment and natural resources policy and finance committees on
 39.21 boathouse leases in state parks. The report shall include information on:

39.22 (1) the number of boathouse leases;

39.23 (2) the number of leases that have forfeited;

39.24 (3) the expiration dates of the leases;

39.25 (4) the historical significance of the boathouses;

39.26 (5) recommendations on the inclusion of the land described in paragraph (d) within
 39.27 the park boundary; and

39.28 (6) any other relevant information on the leases.

39.29 ~~(e)~~ (f) The commissioner of natural resources shall contact U.S.X. Corporation and
 39.30 local units of government regarding the inclusion of the following lands within Soudan
 39.31 underground mine state park:

39.32 (1) all lands located South of Vermillion Lake shoreline in Section 13, Township
 39.33 62 North, Range 15 West;

39.34 (2) all lands located South of Vermillion Lake shoreline in the S1/2-SE1/4 of Section
 39.35 14, Township 62 North, Range 15 West;

39.36 (3) NE1/4-SE1/4 and E1/2-NE1/4 of Section 22, Township 62 North, Range 15 West;

40.1 (4) all lands located South of Vermillion Lake shoreline in Section 23, Township
40.2 62 North, Range 15 West;

40.3 (5) all of Section 24, Township 62 North, Range 15 West;

40.4 (6) all lands North of trunk highway No. 169 located in Section 25, Township
40.5 62 North, Range 15 West;

40.6 (7) all lands North of trunk highway No. 169 located in Section 26, Township
40.7 62 North, Range 15 West;

40.8 (8) NE1/4-SE1/4 and SE1/4-NE1/4 of Section 27, Township 62 North, Range 15
40.9 West; and

40.10 (9) NW1/4 of Section 19, Township 62 North, Range 14 West.

40.11 **EFFECTIVE DATE.** This section is effective the day following final enactment
40.12 and applies to monthly lease payments made on or after that date.

40.13 Sec. 18. Laws 2014, chapter 312, article 12, section 6, subdivision 5, as amended by
40.14 Laws 2015, First Special Session chapter 4, article 3, section 11, is amended to read:

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

-0- 2,412,000

40.17 \$3,000 in 2015 is from the heritage
40.18 enhancement account in the game and fish
40.19 fund for a report on aquatic plant management
40.20 permitting policies for the management
40.21 of narrow-leaved and hybrid cattail in a
40.22 range of basin types across the state. The
40.23 report shall be submitted to the chairs and
40.24 ranking minority members of the house of
40.25 representatives and senate committees with
40.26 jurisdiction over environment and natural
40.27 resources by December 15, 2014, and include
40.28 recommendations for any necessary changes
40.29 in statutes, rules, or permitting procedures.

40.30 This is a onetime appropriation.

40.31 \$9,000 in 2015 is from the game and fish
40.32 fund for the commissioner, in consultation
40.33 with interested parties, agencies, and other
40.34 states, to develop a detailed restoration plan

41.1 to recover the historical native population of
41.2 bobwhite quail in Minnesota for its ecological
41.3 and recreational benefits to the citizens of the
41.4 state. The commissioner shall conduct public
41.5 meetings in developing the plan. No later
41.6 than January 15, 2015, the commissioner
41.7 must report on the plan's progress to the
41.8 legislative committees with jurisdiction over
41.9 environment and natural resources policy
41.10 and finance. This is a onetime appropriation.
41.11 \$2,000,000 in 2015 is from the game and
41.12 fish fund for shooting sports facility grants
41.13 under Minnesota Statutes, section 87A.10.
41.14 The commissioner may spend up to \$50,000
41.15 of this appropriation to administer the grant.
41.16 This is a onetime appropriation and is
41.17 available until June 30, 2017.
41.18 \$400,000 in 2015 is from the heritage
41.19 enhancement account in the game and fish
41.20 fund for hunter and angler recruitment
41.21 and retention activities and grants to local
41.22 chapters of Let's Go Fishing of Minnesota
41.23 to provide community outreach to senior
41.24 citizens, youth, and veterans and for the costs
41.25 associated with establishing and recruiting
41.26 new chapters. The grants must be matched
41.27 with cash or in-kind contributions from
41.28 nonstate sources. Of this amount, \$25,000
41.29 is for Asian ~~Outdoor Heritage~~ for youth
41.30 fishing recruitment efforts and outreach in
41.31 the metropolitan area. The commissioner
41.32 shall establish a grant application process
41.33 that includes a standard for ownership
41.34 of equipment purchased under the grant
41.35 program and contract requirements that
41.36 cover the disposition of purchased equipment

42.1 if the grantee no longer exists. Any
 42.2 equipment purchased with state grant money
 42.3 must be specified on the grant application
 42.4 and approved by the commissioner. The
 42.5 commissioner may spend up to three percent
 42.6 of the appropriation to administer the grant.
 42.7 This is a onetime appropriation and is
 42.8 available until June 30, ~~2016~~ 2017.

42.9 Sec. 19. Laws 2015, First Special Session chapter 4, article 3, section 3, subdivision 5,
 42.10 is amended to read:

42.11 **Subd. 5. Parks and Trails Management** 74,064,000 73,650,000

42.12	Appropriations by Fund	
42.13	2016	2017
42.14	General	24,967,000 24,427,000
42.15	Natural Resources	46,831,000 46,950,000
42.16	Game and Fish	2,266,000 2,273,000

42.17 \$1,075,000 the first year and \$1,075,000 the
 42.18 second year are from the water recreation
 42.19 account in the natural resources fund for
 42.20 enhancing public water access facilities.

42.21 \$5,740,000 the first year and \$5,740,000 the
 42.22 second year are from the natural resources
 42.23 fund for state trail, park, and recreation area
 42.24 operations. This appropriation is from the
 42.25 revenue deposited in the natural resources
 42.26 fund under Minnesota Statutes, section
 42.27 297A.94, paragraph (e), clause (2).

42.28 \$1,005,000 the first year and \$1,005,000 the
 42.29 second year are from the natural resources
 42.30 fund for park and trail grants to local units of
 42.31 government on land to be maintained for at
 42.32 least 20 years for the purposes of the grants.
 42.33 This appropriation is from the revenue
 42.34 deposited in the natural resources fund
 42.35 under Minnesota Statutes, section 297A.94,

43.1 paragraph (e), clause (4). Any unencumbered
43.2 balance does not cancel at the end of the first
43.3 year and is available for the second year. Up
43.4 to 2.5 percent of this appropriation may be
43.5 used to administer the grants.

43.6 \$8,424,000 the first year and \$8,424,000
43.7 the second year are from the snowmobile
43.8 trails and enforcement account in the
43.9 natural resources fund for the snowmobile
43.10 grants-in-aid program. Any unencumbered
43.11 balance does not cancel at the end of the first
43.12 year and is available for the second year.

43.13 \$1,360,000 the first year and \$1,360,000
43.14 the second year are from the natural
43.15 resources fund for the off-highway vehicle
43.16 grants-in-aid program. Of this amount,
43.17 \$1,210,000 each year is from the all-terrain
43.18 vehicle account; and \$150,000 each year is
43.19 from the off-highway motorcycle account.

43.20 Any unencumbered balance does not cancel
43.21 at the end of the first year and is available for
43.22 the second year.

43.23 \$75,000 the first year and \$75,000 the second
43.24 year are from the cross-country ski account
43.25 in the natural resources fund for grooming
43.26 and maintaining cross-country ski trails in
43.27 state parks, trails, and recreation areas.

43.28 \$250,000 the first year and \$250,000 the
43.29 second year are from the state land and
43.30 water conservation account (LAWCON)
43.31 in the natural resources fund for priorities
43.32 established by the commissioner for eligible
43.33 state projects and administrative and
43.34 planning activities consistent with Minnesota
43.35 Statutes, section 84.0264, and the federal

44.1 Land and Water Conservation Fund Act.

44.2 Any unencumbered balance does not cancel

44.3 at the end of the first year and is available for

44.4 the second year.

44.5 \$968,000 the first year and \$968,000 the

44.6 second year are from the off-road vehicle

44.7 account in the natural resources fund. Of

44.8 this amount, \$568,000 each year is for parks

44.9 and trails management for off-road vehicle

44.10 purposes; \$325,000 each year is for the

44.11 off-road vehicle grant in aid program; and

44.12 \$75,000 each year is for a new full-time

44.13 employee position or contract in northern

44.14 Minnesota to work in conjunction with the

44.15 Minnesota Four-Wheel Drive Association

44.16 to address off-road vehicle touring routes

44.17 and other issues related to off-road vehicle

44.18 activities. Of this appropriation, the \$325,000

44.19 each year is onetime.

44.20 \$65,000 the first year is from the water

44.21 recreation account in the natural resources

44.22 fund to cooperate with local units of

44.23 government in marking routes and

44.24 designating river accesses and campsites

44.25 under Minnesota Statutes, section 85.32.

44.26 This is a onetime appropriation and is

44.27 available until June 30, 2019.

44.28 \$190,000 the first year is for a grant to the

44.29 city of Virginia for the additional cost of

44.30 supporting a trail due to the rerouting of

44.31 U.S. Highway No. 53. This is a onetime

44.32 appropriation and is available until June 30,

44.33 2019.

44.34 \$50,000 the first year is for development of

44.35 a master plan for the Mississippi Blufflands

45.1 Trail, including work on possible extensions
 45.2 or connections to other state or regional
 45.3 trails. This is a onetime appropriation that is
 45.4 available until June 30, 2017.
 45.5 \$61,000 from the natural resources fund the
 45.6 first year is for a grant to the city of East
 45.7 Grand Forks for payment under a reciprocity
 45.8 agreement for the Red River State Recreation
 45.9 Area.
 45.10 \$500,000 the first year is for restoration or
 45.11 replacement of a historic trestle bridge in
 45.12 Blackduck. This is a onetime appropriation
 45.13 and is available until June 30, 2019.
 45.14 The base for parks and trails operations in
 45.15 the natural resources fund in fiscal year 2018
 45.16 and thereafter is \$46,450,000.

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

45.18 Sec. 20. Laws 2015, First Special Session chapter 4, article 4, section 131, is amended
 45.19 to read:

45.20 Sec. 131. **SURPLUS STATE LAND SALES.**

45.21 The school trust lands director shall identify, in consultation with the commissioner
 45.22 of natural resources, at least \$5,000,000 in state-owned lands suitable for sale or exchange
 45.23 with school trust lands. The lands identified shall not be within a unit of the outdoor
 45.24 recreation system under Minnesota Statutes, section 86A.05, an administrative site, or trust
 45.25 land. The commissioner shall sell or exchange at least \$3,000,000 worth of lands identified
 45.26 under this section by June 30, 2017. Land exchanged under this section may be exchanged
 45.27 in accordance with Minnesota Statutes, section 94.3495. The value of the surplus land
 45.28 exchanged shall serve as compensation to the permanent school fund as provided under
 45.29 Minnesota Statutes, section 84.027, subdivision 18, paragraph (b). Notwithstanding the
 45.30 restrictions on sale of riparian land and the public sale provisions under Minnesota
 45.31 Statutes, sections 92.45, 94.09, and 94.10, the commissioner may offer the surplus land,
 45.32 including land bordering public water, for public or private sale. Notwithstanding
 45.33 Minnesota Statutes, section 94.16, subdivision 3, or any other law to the contrary, the
 45.34 amount of the proceeds from the sale of lands that exceeds the actual expenses of selling

46.1 the lands must be deposited in the school trust lands account and used to extinguish the
46.2 school trust interest as provided under Minnesota Statutes, section 92.83, on school trust
46.3 lands that have public water access sites or old growth forests located on them.

46.4 Sec. 21. **APPROPRIATION REALLOCATION.**

46.5 Notwithstanding Laws 2013, chapter 137, article 3, section 4, paragraph (o), and
46.6 Laws 2015, First Special Session chapter 2, article 3, section 4, paragraph (b), the
46.7 Minneapolis Park and Recreation Board may allocate its share of the distribution of fiscal
46.8 years 2016 and 2017 funds under Minnesota Statutes, section 85.53, subdivision 3, to the
46.9 Minneapolis Chain of Lakes, Mississippi Gorge, Above the Falls, and Central Mississippi
46.10 Riverfront Regional Parks in accordance with the most recent priority rankings that the
46.11 Minneapolis Park and Recreation Board has submitted to the Metropolitan Council. This
46.12 reallocation of funds is anticipated to result in \$500,000 in federal funds to match extant
46.13 parks and trails fund appropriations.

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

APPENDIX
Article/Section location for ag-nat-res-3

ARTICLE 1 Page.Ln 1.1
AGRICULTURE

Section 1. 1.3	Sec. 6. 5.30	Sec. 11. 8.23	Sec. 16. 9.19	Sec. 21. 13.25
Sec. 2. 1.17	Sec. 7. 6.34	Sec. 12. 8.31	Sec. 17. 10.12	Sec. 22. 17.9
Sec. 3. 2.34	Sec. 8. 7.7	Sec. 13. 9.6	Sec. 18. 11.1	Sec. 23. 24.1
Sec. 4. 4.31	Sec. 9. 7.29	Sec. 14. 9.10	Sec. 19. 11.20	
Sec. 5. 5.10	Sec. 10. 8.17	Sec. 15. 9.15	Sec. 20. 12.6	

ARTICLE 2 Page.Ln 25.8
NATURAL RESOURCES

Section 1. 25.10	Sec. 6. 31.34	Sec. 11. 35.3	Sec. 16. 37.32	Sec. 21. 46.4
Sec. 2. 25.24	Sec. 7. 32.31	Sec. 12. 35.17	Sec. 17. 38.25	
Sec. 3. 30.1	Sec. 8. 34.1	Sec. 13. 36.6	Sec. 18. 40.13	
Sec. 4. 30.10	Sec. 9. 34.19	Sec. 14. 36.21	Sec. 19. 42.9	
Sec. 5. 30.18	Sec. 10. 34.21	Sec. 15. 37.27	Sec. 20. 45.18	