

ARTICLE 1

AGRICULTURE APPROPRIATIONS

Section 1. AGRICULTURE APPROPRIATIONS.

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2016" and "2017" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2016, or June 30, 2017, respectively. "The first year" is fiscal year 2016. "The second year" is fiscal year 2017. "The biennium" is fiscal years 2016 and 2017.

APPROPRIATIONS
Available for the Year
Ending June 30
2016 2017

Sec. 2. DEPARTMENT OF AGRICULTURE

Subdivision 1. Total Appropriation \$,000 \$,000

Appropriations by Fund

	<u>2016</u>	<u>2017</u>
<u>General</u>	<u>.....,000</u>	<u>.....,000</u>
<u>Remediation</u>	<u>....,000</u>	<u>....,000</u>
<u>Agricultural</u>	<u>....,000</u>	<u>....,000</u>

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

Subd. 2. Protection Services ,000 ,000

Appropriations by Fund

	<u>2016</u>	<u>2017</u>
<u>General</u>	<u>.....,000</u>	<u>.....,000</u>
<u>Agricultural</u>	<u>....,000</u>	<u>....,000</u>
<u>Remediation</u>	<u>....,000</u>	<u>....,000</u>

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

2.1 \$...,000 the first year and \$...,000 the second
2.2 year are for compensation for destroyed or
2.3 crippled animals under Minnesota Statutes,
2.4 section 3.737. This appropriation may be
2.5 spent to compensate for animals that were
2.6 destroyed or crippled during fiscal years
2.7 2014 and 2015. If the amount in the first year
2.8 is insufficient, the amount in the second year
2.9 is available in the first year.

2.10 \$50,000 the first year and \$50,000 the second
2.11 year are for compensation for crop damage
2.12 under Minnesota Statutes, section 3.7371. If
2.13 the amount in the first year is insufficient, the
2.14 amount in the second year is available in the
2.15 first year.

2.16 If the commissioner determines that claims
2.17 made under Minnesota Statutes, section
2.18 3.737 or 3.7371, are unusually high, amounts
2.19 appropriated for either program may be
2.20 transferred to the appropriation for the other
2.21 program.

2.22 \$...,000 the first year and \$...,000 the second
2.23 year are for deposit in the noxious weed and
2.24 invasive plant species assistance account
2.25 established under Minnesota Statutes, section
2.26 18.89, to be used to implement the noxious
2.27 weed grant program under Minnesota
2.28 Statutes, section 18.89.

2.29 Notwithstanding Minnesota Statutes, section
2.30 18B.05, \$90,000 the first year and \$90,000
2.31 the second year are from the pesticide
2.32 regulatory account in the agricultural fund
2.33 for an increase in the operating budget for
2.34 the Laboratory Services Division.

3.1 \$...,000 the first year and \$...,000 the second
 3.2 year are from the pesticide regulatory account
 3.3 in the agricultural fund to update and modify
 3.4 applicator education and training materials.

3.5 \$..... the first year and \$..... the second
 3.6 year are for increased inspection services.

3.7 **Subd. 3. Agricultural Marketing and**
 3.8 **Development**

.....,000

.....,000

3.9 \$...,000 the first year and \$...,000 the second
 3.10 year are for transfer to the Minnesota
 3.11 grown account and may be used as grants
 3.12 for Minnesota grown promotion under
 3.13 Minnesota Statutes, section 17.102. Grants
 3.14 may be made for one year. Notwithstanding
 3.15 Minnesota Statutes, section 16A.28, the
 3.16 appropriations encumbered under contract
 3.17 on or before June 30, 2017, for Minnesota
 3.18 grown grants in this paragraph are available
 3.19 until June 30, 2019.

3.20 \$...,000 the first year and \$...000 the second
 3.21 year are for continuation of the dairy
 3.22 development and profitability enhancement
 3.23 and dairy business planning grant programs
 3.24 established under Laws 1997, chapter
 3.25 216, section 7, subdivision 2, and Laws
 3.26 2001, First Special Session chapter 2,
 3.27 section 9, subdivision 2. The commissioner
 3.28 may allocate the available sums among
 3.29 permissible activities, including efforts to
 3.30 improve the quality of milk produced in the
 3.31 state in the proportions that the commissioner
 3.32 deems most beneficial to Minnesota's
 3.33 dairy farmers. The commissioner must
 3.34 submit a detailed accomplishment report
 3.35 and a work plan detailing future plans for,
 3.36 and anticipated accomplishments from,

4.1 expenditures under this program to the
4.2 chairs and ranking minority members of the
4.3 legislative committees with jurisdiction over
4.4 agricultural policy and finance on or before
4.5 the start of each fiscal year. If significant
4.6 changes are made to the plans in the course
4.7 of the year, the commissioner must notify the
4.8 chairs and ranking minority members.

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

4.18 \$.,000 the first year and \$.,000 the second
4.19 year are to (1) enhance the commissioner's
4.20 efforts to identify existing and emerging
4.21 opportunities for Minnesota's agricultural
4.22 producers and processors to export their
4.23 products to Cuba, consistent with federal
4.24 law, and (2) effectively communicate
4.25 these opportunities to the producers and
4.26 processors. This is a onetime appropriation.

4.27 \$.,000 the first year is for grants to
4.28 communities to develop or expand food
4.29 hubs and other alternative community-based
4.30 food distribution systems. Of this amount,
4.31 \$50,000 is for the commissioner to consult
4.32 with existing food hubs, alternative
4.33 community-based food distribution systems,
4.34 and University of Minnesota extension
4.35 to identify best practices for use by other

5.1 Minnesota communities. No later than
 5.2 December 15, 2015, the commissioner must
 5.3 report to the legislative committees with
 5.4 jurisdiction over agriculture and health
 5.5 regarding the status of emerging alternative
 5.6 community-based food distribution systems
 5.7 in the state along with recommendations to
 5.8 eliminate any barriers to success. This is a
 5.9 onetime appropriation.

5.10 \$.,....,000 the first year is for urban agriculture
 5.11 development grants under new Minnesota
 5.12 Statutes, section 17.1095. Between July 1
 5.13 and January 1 in each fiscal year, \$.,....,000
 5.14 is reserved for grants to cities, \$.,....,000 is
 5.15 reserved for grants to organizations, and
 5.16 \$.,....,000 is reserved for grants to individuals.
 5.17 From January 2 to June 30 in each fiscal year,
 5.18 the commissioner may award remaining
 5.19 funds to any eligible city, organization, or
 5.20 individual. This is a onetime appropriation.

5.21 **Subd. 4. Bioenergy and Value-Added**
 5.22 **Agriculture**

.....,000

.....,000

5.23 \$.,....,000 the first year and \$.,....,000
 5.24 the second year are for the agricultural
 5.25 growth, research, and innovation program
 5.26 in Minnesota Statutes, section 41A.12. No
 5.27 later than February 1, 2016, and February
 5.28 1, 2017, the commissioner must report to
 5.29 the legislative committees with jurisdiction
 5.30 over agriculture policy and finance regarding
 5.31 the commissioner's accomplishments
 5.32 and anticipated accomplishments in
 5.33 the following areas: facilitating the
 5.34 start-up, modernization, or expansion of
 5.35 livestock operations including beginning
 5.36 and transitioning livestock operations;

6.1 developing new markets for Minnesota
6.2 farmers by providing more fruits, vegetables,
6.3 meat, grain, and dairy for Minnesota school
6.4 children; assisting value-added agricultural
6.5 businesses to begin or expand, access new
6.6 markets, or diversify products; facilitating
6.7 the start-up, modernization, or expansion
6.8 of other beginning and transitioning farms,
6.9 including loans under Minnesota Statutes,
6.10 section 41B.056; research on conventional
6.11 and cover crops; sustainable agriculture
6.12 on farm research and demonstration; and
6.13 research on bioenergy, biobased content,
6.14 or biobased formulated products and other
6.15 renewable energy development.

6.16 The commissioner may use up to 4.5 percent
6.17 of this appropriation for costs incurred to
6.18 administer the program. Any unencumbered
6.19 balance does not cancel at the end of the first
6.20 year and is available for the second year.

6.21 Notwithstanding Minnesota Statutes, section
6.22 16A.28, the appropriations encumbered
6.23 under contract on or before June 30, 2017, for
6.24 agricultural growth, research, and innovation
6.25 grants in this subdivision are available until
6.26 June 30, 2019.

6.27 Money appropriated in this subdivision may
6.28 be used for grants under this paragraph.

6.29 The NextGen Energy Board, established in
6.30 Minnesota Statutes, section 41A.105, shall
6.31 make recommendations to the commissioner
6.32 on grants for owners of Minnesota facilities
6.33 producing bioenergy, biobased content,
6.34 or a biobased formulated product; for
6.35 organizations that provide for on-station,
6.36 on-farm field scale research and outreach to

7.1 develop and test the agronomic and economic
7.2 requirements of diverse strands of prairie
7.3 plants and other perennials for bioenergy
7.4 systems; or for certain nongovernmental
7.5 entities. For the purposes of this paragraph,
7.6 "bioenergy" includes transportation fuels
7.7 derived from cellulosic material, as well as
7.8 the generation of energy for commercial heat,
7.9 industrial process heat, or electrical power
7.10 from cellulosic materials via gasification or
7.11 other processes. Grants are limited to 50
7.12 percent of the cost of research, technical
7.13 assistance, or equipment related to bioenergy,
7.14 biobased content, or biobased formulated
7.15 product production or \$500,000, whichever
7.16 is less. Grants to nongovernmental entities
7.17 for the development of business plans and
7.18 structures related to community ownership
7.19 of eligible bioenergy facilities together may
7.20 not exceed \$150,000. The board shall make
7.21 a good-faith effort to select projects that have
7.22 merit and, when taken together, represent a
7.23 variety of bioenergy technologies, biomass
7.24 feedstocks, and geographic regions of the
7.25 state. Projects must have a qualified engineer
7.26 provide certification on the technology and
7.27 fuel source. Grantees must provide reports at
7.28 the request of the commissioner.

7.29 Notwithstanding Minnesota Statutes, section
7.30 41A.12, subdivision 3, of the amount
7.31 appropriated in this subdivision, \$1,000,000
7.32 the first year and \$1,000,000 the second year
7.33 are for distribution in equal amounts to each
7.34 of the state's county fairs to preserve and
7.35 promote Minnesota agriculture.

8.1 Of the amount appropriated in this
 8.2 subdivision, up to \$.,...,000 the first year and
 8.3 \$.,...,000 the second year are for incentive
 8.4 payments under new Minnesota Statutes,
 8.5 sections 41A.14, 41A.15, and 41A.16. Up to
 8.6 4.5 percent of the amount available under this
 8.7 paragraph may be used for administration of
 8.8 the incentive payments.

8.9 **Subd. 5. Administration and Financial**
 8.10 **Assistance**

.,...,000

.,...,000

8.11 Appropriations by Fund

	<u>2016</u>	<u>2017</u>
8.12 <u>General</u>	<u>.,...,000</u>	<u>.,...,000</u>
8.13 <u>Agricultural</u>	<u>.,...,000</u>	<u>.,...,000</u>

8.14 \$.,000 the first year and \$.,000 the second
 8.15 year are for the Northern Crops Institute.
 8.16 These appropriations may be spent to
 8.17 purchase equipment.

8.18 \$.,000 the first year and \$.,000 the second
 8.19 year are for a grant to the Minnesota
 8.20 Livestock Breeders Association.

8.21 \$.,000 the first year and \$.,000 the
 8.22 second year are for grants to the Minnesota
 8.23 Agricultural Education and Leadership
 8.24 Council for programs of the council under
 8.25 Minnesota Statutes, chapter 41D.

8.26 \$.,000 the first year and \$.,000 the second
 8.27 year are for payments to county and district
 8.28 agricultural societies and associations
 8.29 under Minnesota Statutes, section 38.02,
 8.30 subdivision 1. Aid payments to county and
 8.31 district agricultural societies and associations
 8.32 shall be disbursed no later than July 15 of
 8.33 each year. These payments are the amount of
 8.34

9.1 aid from the state for an annual fair held in
9.2 the previous calendar year.

9.3 \$.,000 the first year and \$.,000 the second
9.4 year are for grants to the Minnesota State
9.5 Poultry Association.

9.6 \$...,000 the first year and \$...,000 the second
9.7 year are for annual grants to the Minnesota
9.8 Turf Seed Council for basic and applied
9.9 research on: (1) the improved production
9.10 of forage and turf seed related to new
9.11 and improved varieties; and (2) native
9.12 plants, including plant breeding, nutrient
9.13 management, pest management, disease
9.14 management, yield, and viability. The grant
9.15 recipient may subcontract with a qualified
9.16 third party for some or all of the basic or
9.17 applied research.

9.18 \$...,000 the first year and \$...,000 the second
9.19 year are for grants to Second Harvest
9.20 Heartland on behalf of Minnesota's six
9.21 Second Harvest food banks for the purchase
9.22 of milk for distribution to Minnesota's food
9.23 shelves and other charitable organizations
9.24 that are eligible to receive food from the food
9.25 banks. Milk purchased under the grants must
9.26 be acquired from Minnesota milk processors
9.27 and based on low-cost bids. The milk must be
9.28 allocated to each Second Harvest food bank
9.29 servicing Minnesota according to the formula
9.30 used in the distribution of United States
9.31 Department of Agriculture commodities
9.32 under The Emergency Food Assistance
9.33 Program (TEFAP). Second Harvest
9.34 Heartland must submit quarterly reports
9.35 to the commissioner on forms prescribed

10.1 by the commissioner. The reports must
10.2 include, but are not limited to, information
10.3 on the expenditure of funds, the amount
10.4 of milk purchased, and the organizations
10.5 to which the milk was distributed. Second
10.6 Harvest Heartland may enter into contracts
10.7 or agreements with food banks for shared
10.8 funding or reimbursement of the direct
10.9 purchase of milk. Each food bank receiving
10.10 money from this appropriation may use up to
10.11 two percent of the grant for administrative
10.12 expenses.

10.13 \$.,.,.,.,000 in fiscal year 2016 and \$.,.,.,.,000
10.14 in fiscal year 2017 are appropriated from
10.15 the general fund to the commissioner of
10.16 agriculture for grants to Second Harvest
10.17 Heartland on behalf of the six Feeding
10.18 America food banks that serve Minnesota
10.19 to compensate agricultural producers and
10.20 processors for costs incurred to harvest
10.21 and package for transfer surplus fruits,
10.22 vegetables, or other agricultural commodities
10.23 that would otherwise go unharvested or be
10.24 discarded. Surplus commodities must be
10.25 distributed statewide to food shelves and
10.26 other charitable organizations that are eligible
10.27 to receive food from the food banks. Surplus
10.28 food acquired under this appropriation must
10.29 be from Minnesota producers and processors.

10.30 Second Harvest Heartland must report when
10.31 required by, and in the form prescribed by,
10.32 the commissioner. Second Harvest Heartland
10.33 may use up to eight percent of any grant
10.34 received for administrative expenses.

10.35 \$.,000 the first year and \$.,000 the second
10.36 year are for transfer to the Board of

11.1 Trustees of the Minnesota State Colleges
11.2 and Universities for statewide mental health
11.3 counseling support to farm families and
11.4 business operators through farm business
11.5 management programs at Central Lakes
11.6 College and Ridgewater College.
11.7 \$.,000 the first year and \$.,000 the second
11.8 year are for grants to the Minnesota
11.9 Horticultural Society.
11.10 \$..... the first year is for the livestock
11.11 industry study required in this act. This is a
11.12 onetime appropriation.
11.13 Notwithstanding Minnesota Statutes,
11.14 section 18C.131, \$800,000 the first year
11.15 and \$800,000 the second year are from the
11.16 fertilizer account in the agricultural fund
11.17 for grants for fertilizer research as awarded
11.18 by the Minnesota Agricultural Fertilizer
11.19 Research and Education Council under
11.20 Minnesota Statutes, section 18C.71. The
11.21 amount appropriated in either fiscal year
11.22 must not exceed 57 percent of the inspection
11.23 fee revenue collected under Minnesota
11.24 Statutes, section 18C.425, subdivision 6,
11.25 during the previous fiscal year. No later
11.26 than February 1, 2017, the commissioner
11.27 shall report to the legislative committees
11.28 with jurisdiction over agriculture finance.
11.29 The report must include the progress and
11.30 outcome of funded projects as well as the
11.31 sentiment of the council concerning the need
11.32 for additional research funds.
11.33 \$.,...,000 the first year and \$.,...,000 the
11.34 second year are for transfer to the fund

12.1 created in new Minnesota Statutes, section
 12.2 41A.18, subdivision 2. Of these amounts:
 12.3 (1) at least \$.,...,000 each year is for
 12.4 agriculture rapid response under new
 12.5 Minnesota Statutes, section 41A.14,
 12.6 subdivision 1, clause (2); and
 12.7 (2) at least \$.,...,000 each year is for
 12.8 agricultural education under new Minnesota
 12.9 Statutes, section 41A.14, subdivision 1,
 12.10 clause (3).
 12.11 To the extent practicable, funds expended
 12.12 under new Minnesota Statutes, section
 12.13 41A.14, subdivision 1, clauses (1) and (2),
 12.14 must supplement and not supplant existing
 12.15 sources and levels of funding.
 12.16 \$...,000 the first year and \$...,000 the second
 12.17 year are for grants to the director of the
 12.18 University of Minnesota Extension for a
 12.19 grant program to expand the Takeoff 4-H
 12.20 Science, Technology, Engineering, Arts, and
 12.21 Mathematics (STEAM) Club for Somali
 12.22 youth throughout Minnesota. The University
 12.23 of Minnesota Extension may use a portion
 12.24 of each grant for grant administration and
 12.25 direct costs related to the Takeoff 4-H
 12.26 STEAM partnership between the University
 12.27 of Minnesota Extension and Ka Joog.

12.28 Sec. 3. **BOARD OF ANIMAL HEALTH** \$.,...,000 \$.,...,000

12.29 Sec. 4. **AGRICULTURAL UTILIZATION**
 12.30 **RESEARCH INSTITUTE** \$.,...,000 \$.,...,000

12.31 Sec. 5. **AVIAN INFLUENZA EMERGENCY**
 12.32 **RESPONSE** \$.,...,000 \$.,...,000

13.1 (a) \$514,000 is appropriated in fiscal
 13.2 year 2015 from the general fund to the
 13.3 commissioner of agriculture for the costs
 13.4 of avian influenza emergency response
 13.5 activities not covered by federal funding.

13.6 This is a onetime appropriation and is
 13.7 available until June 30, 2016.

13.8 (b) \$379,000 is appropriated in fiscal year
 13.9 2015 from the general fund to the Board
 13.10 of Animal Health for the costs of avian
 13.11 influenza emergency response activities not
 13.12 covered by federal funding. This is a onetime
 13.13 appropriation and is available until June 30,
 13.14 2016.

13.15 **ARTICLE 2**

13.16 **AGRICULTURE STATUTORY CHANGES**

13.17 Section 1. Minnesota Statutes 2014, section 13.643, subdivision 1, is amended to read:

13.18 Subdivision 1. **Department of Agriculture data.** (a) **Loan and grant applicant**
 13.19 **data.** The following data on applicants, collected by the Department of Agriculture in its
 13.20 sustainable agriculture revolving loan and grant programs under ~~sections 17.115 and~~ section
 13.21 17.116, are private or nonpublic: nonfarm income; credit history; insurance coverage;
 13.22 machinery and equipment list; financial information; and credit information requests.

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

13.27 Sec. 2. **[17.1095] PILOT URBAN AGRICULTURE DEVELOPMENT GRANTS.**

13.28 Subdivision 1. **Establishment.** (a) The commissioner shall establish and administer
 13.29 a pilot grant program to provide financial and technical assistance to cities, organizations,
 13.30 or individuals for urban agriculture projects. Grant applications must be submitted to the
 13.31 commissioner on forms provided by the commissioner. The commissioner shall award
 13.32 grants to meritorious projects within the limits of available funding.

14.1 (b) For purposes of this section, "eligible city" means a Minnesota home rule or
 14.2 statutory city located in:

14.3 (1) the seven-county metropolitan area, as defined under section 473.121,
 14.4 subdivision 2; or

14.5 (2) the core county or counties of a metropolitan statistical area.

14.6 (c) The commissioner shall take steps to ensure that eligible organizations serving
 14.7 ethnic communities are made aware of the grant and that they are encouraged to apply.

14.8 Subd. 2. **Grants to organizations or individuals.** The commissioner shall solicit
 14.9 grant applications from individuals and organizations for projects located in urban
 14.10 agriculture development zones in eligible cities. The commissioner shall rank applications
 14.11 based on the project's ability to:

14.12 (1) increase fresh food access, including access to affordable organic foods,
 14.13 to improve both local and regional food security through the development of urban
 14.14 agriculture projects; and

14.15 (2) reduce or eliminate health disparities related to food access.

14.16 Subd. 3. **Grants to cities.** The commissioner shall solicit grant applications from
 14.17 eligible cities that have adopted a zoning ordinance that designates urban agriculture
 14.18 development zones. Applicant cities must certify to the commissioner that the ordinance
 14.19 will remain in effect for at least ten years and must repay any grant funds received under
 14.20 this section if the ordinance is repealed or amended to prohibit urban agriculture during
 14.21 the ten-year period.

14.22 Subd. 4. **Expiration.** This section expires on July 1, 2018.

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

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

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

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

14.33 Sec. 5. Minnesota Statutes 2014, section 18B.32, subdivision 1, is amended to read:

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

15.3 (1) for hire without a structural pest control license; and

15.4 (2) as a sole proprietorship, company, partnership, or corporation unless the person
15.5 is or employs a licensed master in structural pest control operations.

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

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

15.14 ~~(1) fur-bearing animals, as defined in section 97A.015, with a valid trapping license~~
15.15 ~~or special permit from the commissioner of natural resources; and~~

15.16 ~~(2) skunks, woodchucks, gophers, porcupines, coyotes, moles, and weasels.~~

15.17 Sec. 6. Minnesota Statutes 2014, section 18B.33, subdivision 1, is amended to read:

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

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

15.26 Sec. 7. Minnesota Statutes 2014, section 18B.34, subdivision 1, is amended to read:

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

15.32 (b) A licensee must have a valid license identification card when applying pesticides
15.33 and must display it upon demand by an authorized representative of the commissioner

16.1 or a law enforcement officer. The license identification card must contain information
16.2 required by the commissioner.

16.3 Sec. 8. Minnesota Statutes 2014, section 18G.10, subdivision 3, is amended to read:

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

16.9 Sec. 9. Minnesota Statutes 2014, section 18G.10, subdivision 4, is amended to read:

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

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

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

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

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

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

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

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

16.32 Subd. 5. **Certificate fees.** (a) The commissioner shall assess ~~the fees in paragraphs~~
16.33 ~~(b) to (f)~~ fees sufficient to recover all costs for the inspection, service, and work performed

17.1 in carrying out the issuance of a phytosanitary certificate or export certificate. The
 17.2 inspection fee must be based on mileage and inspection time.

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

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

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

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

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

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

17.19 Sec. 11. Minnesota Statutes 2014, section 18H.02, subdivision 20, is amended to read:

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

17.24 (1) field and forage crops or sod;

17.25 (2) ~~the seeds of grasses, cereal grains, vegetable crops, and flowers;~~

17.26 (3) vegetable plants, bulbs, or tubers;

17.27 (4) cut flowers, unless stems or other portions are intended for propagation;

17.28 (5) annuals; or

17.29 (6) Christmas trees.

17.30 Sec. 12. Minnesota Statutes 2014, section 18H.02, is amended by adding a subdivision
 17.31 to read:

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

18.1 Sec. 13. Minnesota Statutes 2014, section 18H.02, is amended by adding a subdivision
18.2 to read:

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

18.6 Sec. 14. Minnesota Statutes 2014, section 18H.06, subdivision 2, is amended to read:

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

18.9 (1) the gross sales of all nursery stock in a calendar year do not exceed \$2,000;

18.10 (2) all nursery stock sold or distributed by the individual is intended for planting
18.11 in Minnesota;

18.12 (3) all nursery stock purchased or procured for resale or distribution was grown in
18.13 Minnesota and has been certified by the commissioner; and

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

18.16 (b) The commissioner may prescribe the conditions of the exempt nursery sales under
18.17 this subdivision and may conduct routine inspections of the nursery stock offered for sale.

18.18 Sec. 15. Minnesota Statutes 2014, section 18H.07, is amended to read:

18.19 **18H.07 FEE SCHEDULE.**

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

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

18.30 (1) less than one-half acre, \$150;

18.31 (2) from one-half acre to two acres, \$200;

18.32 (3) over two acres up to five acres, \$300;

18.33 (4) over five acres up to ten acres, \$350;

18.34 (5) over ten acres up to 20 acres, \$500;

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

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

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

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

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

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

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

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

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

20.3 (2) inspection time must be charged at ~~the rate of \$50 per hour~~, a rate sufficient to
20.4 recover all inspection costs up to \$75 per hour, including the driving time to and from the
20.5 location in addition to the time spent conducting the inspection.

20.6 Sec. 16. Minnesota Statutes 2014, section 18J.01, is amended to read:

20.7 **18J.01 DEFINITIONS.**

20.8 (a) The definitions in sections 18G.02, 18H.02, 18K.03, 27.01, 223.16, 231.01,
20.9 and 232.21 apply to this chapter.

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

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

20.13 Sec. 17. Minnesota Statutes 2014, section 18J.02, is amended to read:

20.14 **18J.02 DUTIES OF COMMISSIONER.**

20.15 The commissioner shall administer and enforce this chapter, chapters 18G, 18H,
20.16 18K, 27, 223, 231, and 232; sections 21.80 to 21.92; and associated rules.

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

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

20.19 **18J.03 CIVIL LIABILITY.**

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

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

20.24 Sec. 19. Minnesota Statutes 2014, section 18J.04, subdivision 1, is amended to read:

20.25 Subdivision 1. **Access and entry.** The commissioner, upon presentation of official
20.26 department credentials, must be granted immediate access at reasonable times to sites
20.27 where a person manufactures, distributes, uses, handles, disposes of, stores, or transports
20.28 seeds, plants, grain, household goods, general merchandise, produce, or other living or
20.29 nonliving products or other objects regulated under chapter 18G, 18H, 18K, 27, 223, 231,
20.30 or 232; sections 21.80 to 21.92; or associated rules.

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

21.2 Sec. 20. Minnesota Statutes 2014, section 18J.04, subdivision 2, is amended to read:

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

21.4 (1) inspection of inventory and equipment for the manufacture, storage, handling,
21.5 distribution, disposal, or any other process regulated under chapter 18G, 18H, 18K, 27,
21.6 223, 231, or 232; sections 21.80 to 21.92; or associated rules;

21.7 (2) sampling of sites, seeds, plants, products, grain, household goods, general
21.8 merchandise, produce, or other living or nonliving objects that are manufactured, stored,
21.9 distributed, handled, or disposed of at those sites and regulated under chapter 18G, 18H,
21.10 18K, 27, 223, 231, or 232; sections 21.80 to 21.92; or associated rules;

21.11 (3) inspection of records related to the manufacture, distribution, storage, handling,
21.12 or disposal of seeds, plants, products, grain, household goods, general merchandise,
21.13 produce, or other living or nonliving objects regulated under chapter 18G, 18H, 18K, 27,
21.14 223, 231, or 232; sections 21.80 to 21.92; or associated rules;

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

21.17 (5) other purposes necessary to implement chapter 18G, 18H, 18K, 27, 223, 231, or
21.18 232; sections 21.80 to 21.92; or associated rules.

21.19 (b) The commissioner may enter any public or private premises during or after
21.20 regular business hours without notice of inspection when a suspected violation of chapter
21.21 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.80 to 21.92; or associated rules may
21.22 threaten public health or the environment.

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

21.24 Sec. 21. Minnesota Statutes 2014, section 18J.04, subdivision 3, is amended to read:

21.25 Subd. 3. **Notice of inspection samples and analyses.** (a) The commissioner shall

21.26 provide the owner, operator, or agent in charge with a receipt describing any samples

21.27 obtained. If requested, the commissioner shall split any samples obtained and provide

21.28 them to the owner, operator, or agent in charge. If an analysis is made of the samples,

21.29 a copy of the results of the analysis must be furnished to the owner, operator, or agent

21.30 in charge within 30 days after an analysis has been performed. If an analysis is not

21.31 performed, the commissioner must notify the owner, operator, or agent in charge within 30

21.32 days of the decision not to perform the analysis.

21.33 (b) The sampling and analysis must be done according to methods provided for
21.34 under applicable provisions of chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections

22.1 21.80 to 21.92; or associated rules. In cases not covered by those sections and methods
 22.2 or in cases where methods are available in which improved applicability has been
 22.3 demonstrated the commissioner may adopt appropriate methods from other sources.

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

22.5 Sec. 22. Minnesota Statutes 2014, section 18J.04, subdivision 4, is amended to read:

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

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

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

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

22.21 Sec. 23. Minnesota Statutes 2014, section 18J.05, subdivision 1, is amended to read:

22.22 Subdivision 1. **Enforcement required.** (a) A violation of chapter 18G, 18H, 18K, 27,
 22.23 223, 231, or 232; sections 21.80 to 21.92; or an associated rule is a violation of this chapter.

22.24 (b) Upon the request of the commissioner, county attorneys, sheriffs, and other
 22.25 officers having authority in the enforcement of the general criminal laws must take action
 22.26 to the extent of their authority necessary or proper for the enforcement of chapter 18G,
 22.27 18H, 18K, 27, 223, 231, or 232; sections 21.80 to 21.92; or associated rules or valid
 22.28 orders, standards, stipulations, and agreements of the commissioner.

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

22.30 Sec. 24. Minnesota Statutes 2014, section 18J.05, subdivision 2, is amended to read:

22.31 Subd. 2. **Commissioner's discretion.** If minor violations of chapter 18G, 18H,
 22.32 18K, 27, 223, 231, or 232; sections 21.80 to 21.92; or associated rules occur or the

23.1 commissioner believes the public interest will be best served by a suitable notice of
23.2 warning in writing, this section does not require the commissioner to:

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

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

23.7 Sec. 25. Minnesota Statutes 2014, section 18J.05, subdivision 6, is amended to read:

23.8 Subd. 6. **Agent for service of process.** All persons licensed, permitted, registered,
23.9 or certified under chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.80 to 21.92; or
23.10 associated rules must appoint the commissioner as the agent upon whom all legal process
23.11 may be served and service upon the commissioner is deemed to be service on the licensee,
23.12 permittee, registrant, or certified person.

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

23.14 Sec. 26. Minnesota Statutes 2014, section 18J.06, is amended to read:

23.15 **18J.06 FALSE STATEMENT OR RECORD.**

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

- 23.18 (1) an application for registration, license, certification, or permit under chapter 18G,
23.19 18H, 18K, 27, 223, 231, or 232; sections 21.80 to 21.92; or associated rules;
23.20 (2) records or reports required under chapter 18G, 18H, 18K, 27, 223, 231, or 232;
23.21 sections 21.80 to 21.92; or associated rules; or
23.22 (3) an investigation of a violation of chapter 18G, 18H, 18K, 27, 223, 231, or 232;
23.23 sections 21.80 to 21.92; or associated rules.

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

23.25 Sec. 27. Minnesota Statutes 2014, section 18J.07, subdivision 3, is amended to read:

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

24.1 practices in the evasion or attempted evasion of a provision of chapter 18G, 18H, 18K, 27,
24.2 223, 231, or 232; sections 21.80 to 21.92; or associated rules.

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

24.4 Sec. 28. Minnesota Statutes 2014, section 18J.07, subdivision 4, is amended to read:

24.5 Subd. 4. **Service of order or notice.** (a) If a person is not available for service of an
24.6 order, the commissioner may attach the order to the facility, site, seed or seed container,
24.7 plant or other living or nonliving object regulated under chapter 18G, 18H, 18K, 27, 223,
24.8 231, or 232; sections 21.80 to 21.92; or associated rules and notify the owner, custodian,
24.9 other responsible party, or registrant.

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

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

24.15 Sec. 29. Minnesota Statutes 2014, section 18J.07, subdivision 5, is amended to read:

24.16 Subd. 5. **Unsatisfied judgments.** (a) An applicant for a license, permit, registration,
24.17 or certification under provisions of this chapter, chapter 18G, 18H, 18K, 27, 223, 231, or
24.18 232; sections 21.80 to 21.92; or associated rules may not allow a final judgment against
24.19 the applicant for damages arising from a violation of those statutes or rules to remain
24.20 unsatisfied for a period of more than 30 days.

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

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

24.24 Sec. 30. Minnesota Statutes 2014, section 18J.09, is amended to read:

24.25 **18J.09 CREDITING OF PENALTIES, FEES, AND COSTS.**

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

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

24.30 Sec. 31. Minnesota Statutes 2014, section 18J.11, subdivision 1, is amended to read:

25.1 Subdivision 1. **General violation.** Except as provided in subdivisions 2 ~~and~~, 3, and
25.2 4, a person is guilty of a misdemeanor if the person violates this chapter or an order,
25.3 standard, stipulation, agreement, or schedule of compliance of the commissioner.

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

25.5 Sec. 32. Minnesota Statutes 2014, section 18J.11, is amended by adding a subdivision
25.6 to read:

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

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

25.10 Sec. 33. **[18K.01] SHORT TITLE.**

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

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

25.13 Sec. 34. **[18K.02] FINDINGS; PURPOSE.**

25.14 The legislature finds that the development and use of industrial hemp can improve
25.15 the state's economy and agricultural vitality and the production of industrial hemp can
25.16 be regulated so as not to interfere with the strict regulation of controlled substances in
25.17 this state. The purpose of the Industrial Hemp Development Act is to promote the state
25.18 economy and agriculture industry by permitting the development of a regulated industrial
25.19 hemp industry while maintaining strict control of marijuana.

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

25.21 Sec. 35. **[18K.03] DEFINITIONS.**

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

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

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

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

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

26.1 Sec. 36. **[18K.035] PILOT PROGRAM; OTHER RESEARCH AUTHORIZED.**

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

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

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

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

26.18 Sec. 37. **[18K.04] AGRICULTURAL CROP; POSSESSION AUTHORIZED.**

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

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

26.22 Sec. 38. **[18K.05] LICENSING.**

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

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

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

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

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

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

27.16 Sec. 39. **[18K.06] ANNUAL REPORT; SALES NOTIFICATION.**

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

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

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

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

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

27.27 Sec. 40. **[18K.07] RULEMAKING.**

27.28 (a) The commissioner shall adopt rules governing the production, testing, and
27.29 licensing of industrial hemp, including, but not limited to:

27.30 (1) supervising and inspecting industrial hemp during its growth and harvest;

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

27.32 (3) using the results of the background checks required under section 18K.05 to
27.33 approve or deny a license application; and

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

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

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

28.6 Sec. 41. **[18K.08] FEES.**

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

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

28.12 Sec. 42. **[18K.09] DEFENSE FOR POSSESSION OF MARIJUANA.**

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

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

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

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

28.19 Sec. 43. Minnesota Statutes 2014, section 21.81, is amended by adding a subdivision
28.20 to read:

28.21 Subd. 1a. **Address.** "Address" means the complete primary mailing address of the
28.22 labeler or the person or firm selling seed. A complete address includes the street address,
28.23 post office box, or rural route, and city, state, and zip code or postal code.

28.24 Sec. 44. Minnesota Statutes 2014, section 21.81, is amended by adding a subdivision
28.25 to read:

28.26 Subd. 27a. **Total viable.** "Total viable" means the sum of the germination
28.27 percentage, plus hard seeds, dormant seeds, or both.

28.28 Sec. 45. Minnesota Statutes 2014, section 21.82, subdivision 2, is amended to read:

29.1 Subd. 2. **Content.** For agricultural, vegetable, flower, or wildflower seeds offered
29.2 for sale as agricultural seed, except as otherwise provided in subdivisions 4, 5, and 6, the
29.3 label must contain:

29.4 (a) The name of the kind or kind and variety for each seed component in excess
29.5 of five percent of the whole and the percentage by weight of each in order of its
29.6 predominance. The commissioner shall by rule designate the kinds that are required to be
29.7 labeled as to variety. If the variety of those kinds generally labeled as to variety is not
29.8 stated and it is not required to be stated, the label shall show the name of the kind and the
29.9 words: "Variety not stated." The heading "pure seed" must be indicated on the seed label
29.10 in close association with other required label information.

29.11 (1) The percentage that is hybrid shall be at least 95 percent of the percentage of pure
29.12 seed shown unless the percentage of pure seed which is hybrid seed is shown separately.
29.13 If two or more kinds or varieties are present in excess of five percent and are named on
29.14 the label, each that is hybrid shall be designated as hybrid on the label. Any one kind or
29.15 kind and variety that has pure seed which is less than 95 percent but more than 75 percent
29.16 hybrid seed as a result of incompletely controlled pollination in a cross shall be labeled to
29.17 show the percentage of pure seed that is hybrid seed or a statement such as "contains from
29.18 75 percent to 95 percent hybrid seed." No one kind or variety of seed shall be labeled as
29.19 hybrid if the pure seed contains less than 75 percent hybrid seed. The word hybrid shall be
29.20 shown on the label in conjunction with the kind.

29.21 (2) Blends shall be listed on the label using the term "blend" in conjunction with
29.22 the kind.

29.23 (3) Mixtures shall be listed on the label using the term "mixture," "mix," or "mixed."

29.24 (b) Lot number or other lot identification.

29.25 (c) Origin, if known, or that the origin is unknown.

29.26 (d) Percentage by weight of all weed seeds present. This percentage may not exceed
29.27 one percent. The heading "weed seed" must be indicated on the seed label in close
29.28 association with other required label information.

29.29 (e) Name and rate of occurrence per pound of each kind of restricted noxious weed
29.30 seeds present. They must be listed under the heading "noxious weed seeds" in close
29.31 association with other required label information.

29.32 (f) Percentage by weight of seeds other than those kinds and varieties required
29.33 to be named on the label. They must be listed under the heading "other crop" in close
29.34 association with other required label information.

29.35 (g) Percentage by weight of inert matter. The heading "inert matter" must be
29.36 indicated on the seed label in close association with other required label information.

30.1 (h) Net weight of contents, to appear on either the container or the label.

30.2 (i) For each named kind or variety of seed:

30.3 (1) percentage of germination, exclusive of hard or dormant seed or both;

30.4 (2) percentage of hard or dormant seed or both, if present; and

30.5 (3) the calendar month and year the percentages were determined by test or the
30.6 statement "sell by (month and year)" which may not be more than 12 months from the
30.7 date of test, exclusive of the month of test.

30.8 The headings for "germination" and "hard seed or dormant seed" percentages must be
30.9 stated separately on the seed label. A separate percentage derived from combining these
30.10 percentages may also be stated on the seed label, ~~but the heading for this percentage must~~
30.11 ~~be "total germination and hard seed or dormant seed when applicable." They must not be~~
30.12 ~~stated as "total live seed," "total germination," or in any other unauthorized manner. as~~
30.13 "total viable."

30.14 (j) Name and address of the person who labeled the seed or who sells the seed within
30.15 this state, or a code number which has been registered with the commissioner.

30.16 Sec. 46. Minnesota Statutes 2014, section 21.82, subdivision 4, is amended to read:

30.17 Subd. 4. **Hybrid seed corn.** For hybrid seed corn purposes a label must contain:

30.18 (1) a statement indicating the number of seeds in the container may be listed along
30.19 with or in lieu of the net weight of contents; and

30.20 (2) for each variety of hybrid seed field corn, the day classification as determined
30.21 by the originator or owner. The day classification must approximate the number of days
30.22 of growing season necessary from emergence of the corn plant above ground to relative
30.23 maturity and must ~~conform to the day classification established by the director of~~ be
30.24 within three days of maturity ratings determined in comparative trials by the Minnesota
30.25 agricultural experiment station for the appropriate zone.

30.26 Sec. 47. Minnesota Statutes 2014, section 21.85, subdivision 2, is amended to read:

30.27 Subd. 2. **Seed laboratory.** (a) The commissioner shall establish and maintain a seed
30.28 laboratory for seed testing, employing necessary agents and assistants to administer and
30.29 enforce sections 21.80 to 21.92, who shall be governed by chapter 43A.

30.30 (b) The laboratory procedures for testing official seed samples are the procedures
30.31 set forth in the Rules for Testing Seeds that is published annually by the Association of
30.32 Official Seed Analysts. If a laboratory procedure rule does not exist for a particular type
30.33 of seed, then laboratory procedures from other recognized seed testing sources may be

31.1 used, including procedures under the Code of Federal Regulations, title 7, part 201, or
31.2 the International Rules for Testing Seeds.

31.3 Sec. 48. Minnesota Statutes 2014, section 21.85, is amended by adding a subdivision
31.4 to read:

31.5 Subd. 15. **Prohibited and restricted seeds.** The commissioner shall determine
31.6 species that are considered prohibited weed seeds and restricted noxious weed seeds and
31.7 the allowable rate of occurrence of restricted noxious weed seeds.

31.8 Sec. 49. Minnesota Statutes 2014, section 21.89, subdivision 2, is amended to read:

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

31.13 (1) for initial labelers who sell 50,000 pounds or less of agricultural seed each
31.14 calendar year, an annual permit issued for a fee established in section 21.891, subdivision
31.15 2, paragraph (b);

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

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

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

31.32 Sec. 50. **[28A.152] COTTAGE FOODS EXEMPTION.**

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

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

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

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

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

32.13 (i) the products are pickles, vegetables, or fruits having an equilibrium pH value of
32.14 4.6 or lower;

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

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

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

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

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

32.26 (1) directly to the ultimate consumer;

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

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

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

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

32.35 (d) Food products exempt under subdivision 1 may be sold over the Internet but
32.36 must be delivered directly to the ultimate consumer by the individual who prepared the

33.1 food product. The statement "These products are homemade and not subject to state
33.2 inspection" must be displayed on the Web site that offers the exempt foods for purchase.

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

33.5 Subd. 4. **Registration.** Before an individual sells food that is exempt under this
33.6 section, the individual must register with the commissioner on a form prescribed by the
33.7 commissioner. The individual must renew the individual's registration every three years.
33.8 The registration fee is \$50. An individual with \$5,000 or less in annual gross receipts from
33.9 the sale of exempt food under this section is not required to pay the registration fee.

33.10 Subd. 5. **Training.** An individual who prepares and sells exempt food under
33.11 subdivision 1 must complete a safe food handling training course that is approved by the
33.12 commissioner. The training shall not exceed eight hours and must be completed every
33.13 three years while the individual is registered under subdivision 4.

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

33.17 Subd. 7. **Account established.** A cottage foods account is created as a separate
33.18 account in the special revenue fund in the state treasury for depositing money received
33.19 by the commissioner under this section. Money in the account, including interest, is
33.20 appropriated to the commissioner for costs under this section.

33.21 Sec. 51. **[41A.13] DEFINITIONS.**

33.22 (a) For the purposes of sections 41A.13 to 41A.17, the terms defined in this section
33.23 have the meanings given them.

33.24 (b) "Advanced biofuels" has the meaning given in section 239.051, subdivision 1a.

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

33.29 (d) "Cellulosic biomass" means material primarily made up of cellulose,
33.30 hemicellulose, or lignin, or a combination of those ingredients.

33.31 (e) "Cellulosic sugar" means sugar derived from cellulosic biomass from agricultural
33.32 or forestry resources.

33.33 (f) "Commissioner" means the commissioner of agriculture.

33.34 (g) "Cover crops" means grasses, legumes, forbs, or other herbaceous plants that are
33.35 known to be noninvasive and not listed as a noxious weed in Minnesota and that are either

34.1 interseeded into living cash crops or planted on agricultural fields during fallow periods
34.2 for seasonal cover and conservation purposes.

34.3 (h) "MMbtu" means one million British thermal units.

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

34.8 (j) "Renewable chemical" means a chemical with biobased content as defined in
34.9 section 41A.105, subdivision 1a.

34.10 **Sec. 52. [41A.14] ADVANCED BIOFUEL PRODUCTION INCENTIVE.**

34.11 (a) A facility eligible for payment under this program must source at least 80 percent
34.12 raw materials from Minnesota. If a facility is sited 50 miles or less from the state border,
34.13 raw materials may be sourced from within a 100-mile radius. Raw materials must be from
34.14 agricultural or forestry sources or from solid waste. The production facility must be
34.15 located in Minnesota, must begin production at a specific location by June 30, 2025, and
34.16 must not begin operation above 95,000 MMBtu of annual biofuel production before July 1,
34.17 2015. Eligible facilities include existing companies and facilities that are adding advanced
34.18 biofuel production capacity, or retrofitting existing capacity, as well as new companies
34.19 and facilities. Production of conventional corn ethanol and conventional biodiesel is not
34.20 eligible. Advanced biofuel facilities must produce at least 30,000 MMBtu a year to be
34.21 eligible for the program.

34.22 (b) The commissioner shall make payments to eligible producers of advanced
34.23 biofuel. For the purpose of this section, an entity that holds a controlling interest in more
34.24 than one advanced biofuel facility is considered a single eligible producer. The amount
34.25 of the payment for each eligible producer's annual production is \$2.1053 per MMBtu
34.26 for advanced biofuel production from cellulosic biomass, and \$1.053 per MMBtu for
34.27 advanced biofuel production from sugar or starch at a specific location for ten years after
34.28 the start of production. Cellulosic biofuel facilities utilizing crop residues, other than
34.29 cellulosic biofuel using corn kernel fiber, or biogas, shall derive at least ten percent of total
34.30 energy production from perennial crops or biomass from cover crops in the first year of
34.31 receiving production incentives, and in the third year, at least 30 percent of total energy
34.32 production shall be derived from perennial crops or biomass from cover crops, and in the
34.33 fifth year, at least 50 percent of total energy production shall be derived from perennial
34.34 crops or biomass from cover crops and maintain at least 50 percent for the remainder of
34.35 the production incentive payment period. All forestry-derived cellulosic biomass must

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

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

35.12 The plan must:

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

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

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

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

35.23 (5) require agronomic practices that result in a positive NRCS Soil Conditioning
35.24 Index score for acres from which biomass from corn stover will be harvested; and

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

35.27 (d) An eligible producer who utilizes agricultural cellulosic biomass and receives
35.28 payments under this section shall submit an annual report on the producer's responsible
35.29 biomass sourcing plan to the commissioner by January 15 each year. The report must
35.30 include data on progress made by the producer in meeting specific goals laid out in the
35.31 plan. The commissioner shall make the report publicly available. The commissioner
35.32 shall perform an annual review of submitted reports and make a determination whether
35.33 the producer is following the plan and meeting the criteria in paragraph (c) based on the
35.34 reports submitted. The commissioner may take appropriate steps, including reducing or
35.35 ceasing payments until the producer is in compliance with the plan.

36.1 (e) No payments shall be made for advanced biofuel production that occurs after
36.2 June 30, 2035, for those eligible biofuel producers under paragraph (b). An eligible
36.3 producer of advanced biofuel shall not transfer the producer's eligibility for payments
36.4 under this section to an advanced biofuel facility at a different location.

36.5 (f) Total payments under this section to an eligible biofuel producer in a fiscal year
36.6 may not exceed the amount necessary for 2,850,000 MMBtu of biofuel production. Total
36.7 payments under this section to all eligible biofuel producers in a fiscal year may not
36.8 exceed the amount necessary for 17,100,000 MMBtu of biofuel production.

36.9 (g) By the last day of October, January, April, and July, each eligible biofuel producer
36.10 shall file a claim for payment for advanced biofuel production during the preceding three
36.11 calendar months. An eligible biofuel producer that files a claim under this paragraph shall
36.12 include a statement of the eligible biofuel producer's total advanced biofuel production
36.13 in Minnesota during the quarter covered by the claim. For each claim and statement of
36.14 total advanced biofuel production filed under this paragraph, the volume of advanced
36.15 biofuel production must be examined by an independent certified public accountant firm
36.16 licensed under chapter 326A, in accordance with Statements on Standards for Attestation
36.17 Engagements established by the American Institute of Certified Public Accountants.

36.18 (h) Payments must be made November 15, February 15, May 15, and August 15.
36.19 A separate payment must be made for each claim filed.

36.20 (i) Any producer that ceases production for any reason is ineligible to receive
36.21 payments under the program until they begin producing again.

36.22 (j) Renewable chemical production for which payment has been received under
36.23 section 41A.15, and biomass thermal production for which payment has been received
36.24 under section 41A.16, is not eligible for payment under this section.

36.25 **Sec. 53. [41A.15] RENEWABLE CHEMICAL PRODUCTION INCENTIVE.**

36.26 (a) A facility eligible for payment under this program must source at least 80
36.27 percent biobased content, as defined in section 41A.105, subdivision 1a, clause (1),
36.28 from Minnesota. If a facility is sited 50 miles or less from the state border, biobased
36.29 content may be sourced from within a 100-mile radius. Biobased content must be from
36.30 agricultural or forestry sources or from solid waste. The production facility must be
36.31 located in Minnesota, must begin production at a specific location by June 30, 2025, and
36.32 must not begin production of 3,000,000 pounds of chemicals annually before January
36.33 1, 2015. Eligible facilities include existing companies and facilities that are adding
36.34 production capacity, or retrofitting existing capacity, as well as new companies and
36.35 facilities. Renewable chemical facilities must produce at least 3,000,000 pounds per year

37.1 to be eligible for the program. Renewable chemicals produced through processes that are
37.2 fully commercial before January 1, 2000, are not eligible.

37.3 (b) The commissioner shall make payments to eligible producers of renewable
37.4 chemicals located in the state. For the purpose of this subdivision, an entity that holds a
37.5 controlling interest in more than one renewable chemical production facility is considered
37.6 a single eligible producer. The amount of the payment for each producer's annual
37.7 production is \$0.03 per pound of sugar-derived renewable chemical, \$0.03 per pound of
37.8 cellulosic sugar, and \$0.06 per pound of cellulosic-derived renewable chemical produced at
37.9 a specific location for ten years after the start of production. All forestry-derived cellulosic
37.10 biomass must be produced using Minnesota state biomass harvesting guidelines or the
37.11 equivalent. All cellulosic biomass from brushlands must be produced using Minnesota
37.12 brushland harvesting biomass harvest guidelines or the equivalent. Forestry-derived
37.13 cellulosic biomass that come from land parcels greater than 160 acres must be certified
37.14 by the Forest Stewardship Council, Sustainable Forestry Initiative, or American Tree
37.15 Farm System. Uncertified land from parcels of 160 acres or less and federal land must
37.16 be harvested by a logger who has completed training for biomass harvesting from the
37.17 Minnesota logger education program or the equivalent and have a forest stewardship plan.
37.18 An eligible facility producing renewable chemicals using agricultural cellulosic biomass
37.19 is eligible for a 20 percent bonus payment for each MMbtu produced from agricultural
37.20 biomass that is derived from perennial crops or from acres where cover crops are used.

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

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

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

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

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

37.34 (d) An eligible producer who utilizes agricultural cellulosic biomass and receives
37.35 payments under this section shall submit an annual report on the producer's responsible
37.36 biomass sourcing plan to the commissioner by January 15 each year. The report must

38.1 include data on progress made by the producer in meeting specific goals laid out in the
38.2 plan. The commissioner shall make the report publicly available. The commissioner
38.3 shall perform an annual review of submitted reports and is authorized to make a
38.4 determination that the producer is not following the plan based on the reports submitted.
38.5 The commissioner may take appropriate steps, including reducing or ceasing payments
38.6 until the producer is in compliance with the plan.

38.7 (e) No payments shall be made for renewable chemical production that occurs after
38.8 June 30, 2035, for those eligible renewable chemical producers under paragraph (b). An
38.9 eligible producer of renewable chemicals shall not transfer the producer's eligibility for
38.10 payments under this section to a renewable chemical facility at a different location.

38.11 (f) Total payments under this section to an eligible renewable chemical producer in
38.12 a fiscal year may not exceed the amount necessary for 99,999,999 pounds of renewable
38.13 chemical production. Total payments under this section to all eligible renewable chemical
38.14 producers in a fiscal year may not exceed the amount necessary for 599,999,999 pounds of
38.15 renewable chemical production.

38.16 (g) By the last day of October, January, April, and July, each eligible renewable
38.17 chemical producer shall file a claim for payment for renewable chemical production
38.18 during the preceding three calendar months. An eligible renewable chemical producer
38.19 that files a claim under this paragraph shall include a statement of the eligible producer's
38.20 total renewable chemical production in Minnesota during the quarter covered by the
38.21 claim. For each claim and statement of total renewable chemical production filed under
38.22 this paragraph, the volume of renewable chemical production must be examined by an
38.23 independent certified public accountant firm licensed under chapter 326A, in accordance
38.24 with Statements on Standards for Attestation Engagements established by the American
38.25 Institute of Certified Public Accountants.

38.26 (h) Payments must be made November 15, February 15, May 15, and August 15.
38.27 A separate payment must be made for each claim filed.

38.28 (i) Any producer that ceases production for any reason is ineligible to receive
38.29 payments under the program until they begin producing again.

38.30 (j) Advanced biofuel production for which payment has been received under section
38.31 41A.14, and biomass thermal production for which payment has been received under
38.32 section 41A.16, is not eligible for payment under this section.

38.33 **Sec. 54. [41A.16] BIOMASS THERMAL PRODUCTION INCENTIVE.**

38.34 (a) A facility eligible for payment under this program must source at least 80 percent
38.35 raw materials from Minnesota. If a facility is sited 50 miles or less from the state border,

39.1 raw materials may be sourced from within a 100-mile radius. Raw materials must be from
39.2 agricultural or forestry sources. The production facility must be located in Minnesota and
39.3 must not begin before July 1, 2015. Eligible facilities include existing companies and
39.4 facilities that are adding production capacity, or retrofitting existing capacity, as well as
39.5 new companies and facilities. Biomass thermal production facilities must produce at least
39.6 1,000 MMbtu per year to be eligible for the program.

39.7 (b) The commissioner shall make payments to eligible producers of biomass thermal
39.8 located in the state that have begun production at a specific location by June 30, 2025.
39.9 For the purpose of this subdivision, an entity that holds a controlling interest in more than
39.10 one biomass thermal production facility is considered a single eligible producer. The
39.11 amount of the payment for each producer's annual production is \$5.00 per MMbtu of
39.12 biomass thermal production produced at a specific location for ten years after the start of
39.13 production. All forestry-derived cellulosic biomass must be produced using Minnesota
39.14 state biomass harvesting guidelines or the equivalent. All biomass from brushland must
39.15 be produced using Minnesota brushland harvesting biomass guidelines or the equivalent.
39.16 Forestry-derived cellulosic biomass that come from land parcels greater than 160 acres
39.17 must be certified by the Forest Stewardship Council, the Sustainable Forestry Initiative, or
39.18 American Tree Farm. Uncertified land from parcels of 160 acres or less and federal land
39.19 must be harvested by a logger who has completed training for biomass harvesting from
39.20 the Minnesota logger education program or the equivalent and have a forest stewardship
39.21 plan. An eligible facility producing biomass thermal using agricultural cellulosic biomass
39.22 is eligible for a 20 percent bonus payment for each MMbtu produced from agricultural
39.23 biomass that is derived from perennial crops or from acres where cover crops are used.

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

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

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

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

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

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

40.10 (e) No payments shall be made for biomass thermal production that occurs after June
40.11 30, 2035, for those eligible biomass thermal producers under paragraph (b). A producer of
40.12 biomass thermal production shall not transfer the producer's eligibility for payments under
40.13 this section to a biomass thermal production facility at a different location.

40.14 (f) Total payments under this section to an eligible thermal producer in a fiscal year
40.15 may not exceed the amount necessary for 30,000 MMbtu of thermal production. Total
40.16 payments under this section to all eligible thermal producers in a fiscal year may not
40.17 exceed the amount necessary for 150,000 MMbtu of total thermal production.

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

40.21 (h) By the last day of October, January, April, and July, each producer shall file a
40.22 claim for payment for biomass thermal production during the preceding three calendar
40.23 months. A producer that files a claim under this paragraph shall include a statement of
40.24 the producer's total biomass thermal production in Minnesota during the quarter covered
40.25 by the claim. For each claim and statement of total biomass thermal production filed
40.26 under this paragraph, the volume of biomass thermal production must be examined by an
40.27 independent certified public accountant firm licensed under chapter 326A, in accordance
40.28 with Statements on Standards for Attestation Engagements established by the American
40.29 Institute of Certified Public Accountants.

40.30 (i) Payments shall be made November 15, February 15, May 15, and August 15. A
40.31 separate payment shall be made for each claim filed.

40.32 (j) Biofuel production for which payment has been received under section 41A.14,
40.33 and renewable chemical production for which payment has been received under section
40.34 41A.15, is not eligible for payment under this section.

40.35 **Sec. 55. [41A.17] REPORT; INCENTIVE PROGRAMS.**

41.1 By January 15 each year, the commissioner shall report on the incentive programs
41.2 under Minnesota Statutes, sections 41A.14, 41A.15, and 41A.16, to the legislative policy
41.3 and finance committees with primary jurisdiction over environment and agriculture. The
41.4 report shall include information on production and expenditures for incentives under
41.5 the programs.

41.6 Sec. 56. **[41A.18] AGRICULTURE RESEARCH, EDUCATION, EXTENSION,**
41.7 **AND TECHNOLOGY TRANSFER GRANT PROGRAM.**

41.8 Subdivision 1. **Duties; grants.** The agriculture research, education, extension, and
41.9 technology transfer grant program is created. The purpose of the grant program is to
41.10 provide investments that will most efficiently achieve long-term agricultural productivity
41.11 increases through improved infrastructure, vision, and accountability. The scope and
41.12 intent of the grants, to the extent possible, shall provide for a long-term base funding
41.13 that allows the research grantee to continue the functions of the research, education, and
41.14 extension efforts to a practical conclusion. Priority for grants shall be given to human
41.15 infrastructure. To be eligible for grants under this section, the dean of the College of
41.16 Food, Agriculture, and Natural Resources, in consultation with the dean of the College of
41.17 Veterinarian Medicine, and the dean of the University of Minnesota Extension Service
41.18 must consult with stakeholders representing general farm, forestry, and agricultural
41.19 producer organizations. The commissioner shall provide grants for:

41.20 (1) agricultural research and technology transfer needs and recipients including, but
41.21 not limited to, agricultural research and extension at the University of Minnesota, research
41.22 and outreach centers, the College of Food, Agricultural and Natural Resource Sciences,
41.23 the Minnesota Agricultural Experiment Station, University of Minnesota Extension,
41.24 the University of Minnesota Veterinary School, the Veterinary Diagnostic Laboratory,
41.25 the Stakman-Borlaug Center, and the Minnesota Agriculture Fertilizer Research and
41.26 Education Council;

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

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

41.31 Subd. 2. **Fund.** An agriculture research, education, extension, and technology
41.32 transfer fund is created in the state treasury. The fund consists of money received in the form
41.33 of gifts, grants, reimbursement, or appropriations from any source for any of the purposes
41.34 provided in subdivision 1, and any interest or earnings of the fund. Money in the fund is
41.35 appropriated to the commissioner of agriculture for the purposes under subdivision 1.

42.1 Sec. 57. Minnesota Statutes 2014, section 41B.03, subdivision 6, is amended to read:

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

42.10 Sec. 58. Minnesota Statutes 2014, section 41B.03, is amended by adding a subdivision
42.11 to read:

42.12 Subd. 7. **Rural Finance Authority administrative account.** There is established
42.13 in the special revenue fund a Rural Finance Authority administrative account. Money in
42.14 the account, including interest, is appropriated to the commissioner for the administrative
42.15 expenses of the loan programs administered by the Rural Finance Authority.

42.16 Sec. 59. Minnesota Statutes 2014, section 41B.04, subdivision 17, is amended to read:

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

42.26 Sec. 60. Minnesota Statutes 2014, section 41B.043, subdivision 3, is amended to read:

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

43.1 ~~the agricultural improvement loan program~~ the Rural Finance Authority administrative
43.2 account established in section 41B.03.

43.3 Sec. 61. Minnesota Statutes 2014, section 41B.045, subdivision 3, is amended to read:

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

43.7 Sec. 62. Minnesota Statutes 2014, section 41B.045, subdivision 4, is amended to read:

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

43.17 Sec. 63. Minnesota Statutes 2014, section 41B.046, subdivision 5, is amended to read:

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

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

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

43.28 (d) The authority may impose a reasonable nonrefundable application fee for each
43.29 application for a stock loan. The authority may review the fee annually and make
43.30 adjustments as necessary. The application fee is initially \$50. Application fees received
43.31 by the authority must be deposited in the ~~revolving loan account established in section~~
43.32 ~~41B.06~~ Rural Finance Authority administrative account established in section 41B.03.

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

44.3 (f) The authority may not grant stock loans in a cumulative amount exceeding
44.4 \$2,000,000 for the financing of stock purchases in any one cooperative.

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

44.7 Sec. 64. Minnesota Statutes 2014, section 41B.047, subdivision 1, is amended to read:

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

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

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

44.15 (3) restore farmland.

44.16 Sec. 65. Minnesota Statutes 2014, section 41B.047, subdivision 4, is amended to read:

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

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

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

44.27 (d) The authority may impose a reasonable nonrefundable application fee for a
44.28 disaster recovery loan. The authority may review the fee annually and make adjustments
44.29 as necessary. The application fee is initially \$50. Application fees received by the
44.30 authority must be deposited in the ~~revolving loan account established under section~~
44.31 41B.06 Rural Finance Authority administrative account established in section 41B.03.

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

45.1 (f) Repayments of financial assistance under this section, including principal and
45.2 interest, must be deposited into the revolving loan account established under section
45.3 41B.06.

45.4 Sec. 66. Minnesota Statutes 2014, section 41B.048, subdivision 6, is amended to read:

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

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

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

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

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

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

45.17 (3) 70 percent of the estimated value of one year's growth of the crop for years
45.18 four through 12.

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

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

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

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

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

45.34 (j) The interest payable on loans made by the authority for the agroforestry loan
45.35 program must, if funded by revenue bond proceeds, be at a rate not less than the rate on the

46.1 revenue bonds, and may be established at a higher rate necessary to pay costs associated
46.2 with the issuance of the revenue bonds and a proportionate share of the cost of administering
46.3 the program. The interest payable on loans for the agroforestry loan program funded from
46.4 sources other than revenue bond proceeds must be at a rate determined by the authority.

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

46.7 Sec. 67. Minnesota Statutes 2014, section 41B.049, subdivision 4, is amended to read:

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

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

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

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

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

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

46.25 Sec. 68. Minnesota Statutes 2014, section 41B.055, subdivision 3, is amended to read:

46.26 Subd. 3. **Loans.** (a) The authority may participate in a livestock equipment loan
46.27 equal to 90 percent of the purchased equipment value with an eligible lender to a farmer
46.28 who is eligible under subdivision 2. Participation is limited to 45 percent of the principal
46.29 amount of the loan or \$40,000, whichever is less. The interest rates and repayment terms
46.30 of the authority's participation interest may differ from the interest rates and repayment
46.31 terms of the lender's retained portion of the loan, but the authority's interest rate must
46.32 not exceed three percent. The authority may review the interest annually and make
46.33 adjustments as necessary.

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

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

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

47.6 (e) The authority may impose a reasonable, nonrefundable application fee for
47.7 a livestock equipment loan. The authority may review the fee annually and make
47.8 adjustments as necessary. The initial application fee is \$50. Application fees received
47.9 by the authority must be deposited in the ~~revolving loan account established in section~~
47.10 ~~41B.06~~ Rural Finance Authority administrative account established in section 41B.03.

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

47.13 Sec. 69. Minnesota Statutes 2014, section 41B.056, subdivision 2, is amended to read:

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

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

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

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

47.24 Sec. 70. **[41B.057] FARM OPPORTUNITY LOAN PROGRAM.**

47.25 Subdivision 1. **Establishment.** The commissioner of agriculture shall establish a
47.26 farm opportunity loan program to provide loans that enable farmers to:

47.27 (1) add value to crops or livestock produced in Minnesota;

47.28 (2) adopt best management practices that emphasize sufficiency and self-sufficiency;

47.29 (3) reduce or improve management of agricultural inputs resulting in environmental
47.30 improvements; or

47.31 (4) increase production of on-farm energy.

47.32 Subd. 2. **Loan criteria.** (a) The farm opportunity loan program shall provide loans
47.33 for purchase of new or used equipment and installation of equipment for projects that
47.34 make environmental improvements and enhance farm profitability. The loan program

48.1 shall also be used to add value to crops or livestock produced in Minnesota by, but not
48.2 limited to, initiating or expanding livestock product processing; purchasing equipment to
48.3 initiate, upgrade, or modernize value-added agricultural businesses; or increasing farmers'
48.4 processing and aggregating capacity facilitating entry into farm-to-institution and other
48.5 markets. Eligible loan uses do not include expenses related to seeds, fertilizer, fuel, or
48.6 other operating expenses.

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

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

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

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

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

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

48.27 Sec. 71. Minnesota Statutes 2014, section 41B.06, is amended to read:

48.28 **41B.06 RURAL FINANCE AUTHORITY REVOLVING LOAN ACCOUNT.**

48.29 There is established in the rural finance administration fund a Rural Finance
48.30 Authority revolving loan account that is eligible to receive appropriations and the transfer
48.31 of loan funds from other programs. All repayments of financial assistance granted from
48.32 this account, including principal and interest, must be deposited into this account. Interest
48.33 earned on money in the account accrues to the account, and the money in the account is
48.34 appropriated to the commissioner of agriculture for purposes of the Rural Finance Authority
48.35 livestock equipment, methane digester, disaster recovery, value-added agricultural

49.1 product, agroforestry, ~~and~~ agricultural microloan, and farm opportunity loan programs,
49.2 including costs incurred by the authority to establish and administer the programs.

49.3 Sec. 72. Minnesota Statutes 2014, section 375.30, subdivision 2, is amended to read:

49.4 Subd. 2. **Wild hemp.** A county board, by resolution, may appropriate and spend
49.5 money as necessary to spray and otherwise eradicate wild hemp, ~~commonly known as~~
49.6 ~~marijuana,~~ on private property within the county. The county board may authorize the
49.7 use of county equipment, personnel and supplies and materials to spray or otherwise
49.8 eradicate wild hemp on private property, and may pro rate the expenses involved between
49.9 the county and owner or occupant of the property. Industrial hemp grown by a person
49.10 licensed under chapter 18K is not wild hemp.

49.11 Sec. 73. **CORRECTIONAL FACILITY BUTCHER TRAINING PILOT**
49.12 **PROGRAM.**

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

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

49.21 (1) Northeast Regional Corrections Center; and

49.22 (2) United Food and Commercial Workers.

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

49.26 Subd. 4. **Expiration.** This section expires on July 1, 2017.

49.27 Sec. 74. **BALANCES TRANSFERRED; ACCOUNTS ABOLISHED.**

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

51.1	<u>Subdivision 1. Total Appropriation</u>		<u>\$</u>	<u>.....,000</u>	<u>\$</u>	<u>.....,000</u>
51.2	<u>Appropriations by Fund</u>					
51.3		<u>2016</u>		<u>2017</u>		
51.4	<u>General</u>	<u>.....,000</u>		<u>.....,000</u>		
51.5	<u>State Government</u>					
51.6	<u>Special Revenue</u>	<u>..,000</u>		<u>..,000</u>		
51.7	<u>Environmental</u>	<u>.....,000</u>		<u>.....,000</u>		
51.8	<u>Remediation</u>	<u>.....,000</u>		<u>.....,000</u>		

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

51.12	<u>Subd. 2. Water</u>			<u>.....,000</u>		<u>.....,000</u>
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51.13	<u>Appropriations by Fund</u>					
51.14		<u>2016</u>		<u>2017</u>		
51.15	<u>General</u>	<u>.....,000</u>		<u>.....,000</u>		
51.16	<u>State Government</u>					
51.17	<u>Special Revenue</u>	<u>..,000</u>		<u>..,000</u>		
51.18	<u>Environmental</u>	<u>.....,000</u>		<u>.....,000</u>		

51.19 \$....,000 the first year and \$....,000 the
 51.20 second year are for grants to delegated
 51.21 counties to administer the county feedlot
 51.22 program under Minnesota Statutes, section
 51.23 116.0711, subdivisions 2 and 3. Money
 51.24 remaining after the first year is available for
 51.25 the second year.

51.26 \$....,000 the first year and \$....,000 the
 51.27 second year are from the environmental
 51.28 fund to address the need for continued
 51.29 increased activity in the areas of new
 51.30 technology review, technical assistance
 51.31 for local governments, and enforcement
 51.32 under Minnesota Statutes, sections 115.55
 51.33 to 115.58, and to complete the requirements
 51.34 of Laws 2003, chapter 128, article 1, section
 51.35 165.

52.1 \$...,000 the first year and \$...,000 the second
52.2 year are for the clean water partnership
52.3 program. Any unexpended balance in the
52.4 first year does not cancel but is available
52.5 in the second year. Priority shall be
52.6 given to projects preventing impairments
52.7 and degradation of lakes, rivers, streams,
52.8 and groundwater according to Minnesota
52.9 Statutes, section 114D.20, subdivision 2,
52.10 clause (4).

52.11 \$...,000 the first year and \$...,000 the second
52.12 year are from the environmental fund for
52.13 subsurface sewage treatment system (SSTS)
52.14 program administration and community
52.15 technical assistance and education,
52.16 including grants and technical assistance to
52.17 communities for water quality protection.

52.18 Of this amount, \$129,000 each year is for
52.19 assistance to counties through grants for
52.20 SSTS program administration. A county
52.21 receiving a grant from this appropriation shall
52.22 submit the results achieved with the grant to
52.23 the commissioner as part of its annual SSTS
52.24 report. Any unexpended balance in the first
52.25 year does not cancel but is available in the
52.26 second year.

52.27 \$107,000 the first year and \$109,000 the
52.28 second year are from the environmental fund
52.29 for registration of wastewater laboratories.

52.30 Notwithstanding Minnesota Statutes, section
52.31 16A.28, the appropriations encumbered on or
52.32 before June 30, 2017, as grants or contracts
52.33 for SSTS's, surface water and groundwater
52.34 assessments, total maximum daily loads,
52.35 storm water, and water quality protection in

53.1 this subdivision are available until June 30,
53.2 2020.

53.3 \$..... the first year from the environmental
53.4 fund is for wild rice water quality rulemaking
53.5 and implementation provided for in this act.
53.6 This is a onetime appropriation.

53.7 (a) \$...,000 is appropriated in fiscal year 2016
53.8 from the general fund to the commissioner of
53.9 the Minnesota Pollution Control Agency for a
53.10 grant to the Red River Basin Commission for
53.11 development of a water quality strategic plan
53.12 for the Red River of the North, in cooperation
53.13 with the Red River Board of the International
53.14 Joint Commission. The appropriation
53.15 must be matched by equal amounts from
53.16 both North Dakota and Manitoba and a
53.17 proportionate amount from South Dakota.
53.18 This is a onetime appropriation and does not
53.19 cancel.

53.20 (b) The plan developed under paragraph
53.21 (a) must include, but is not limited to,
53.22 consistency in water quality goals and
53.23 objectives for the Red River of the North
53.24 and pollution reduction allocations for both
53.25 point and nonpoint sources on the Red
53.26 River of the North and for individual major
53.27 watersheds tributary to the Red River of the
53.28 North. The Red River Basin Commission
53.29 must involve the interests of local, state, and
53.30 federal government, business and industry,
53.31 environmental groups, and Red River
53.32 basin landowners. The Red River Basin
53.33 Commission must report progress on the plan
53.34 to the house of representatives and senate
53.35 committees and divisions with jurisdiction

54.1 over environment policy and finance by
 54.2 February 15 in 2016 and 2017 and must
 54.3 submit the completed plan by December 31,
 54.4 2017.

54.5 Subd. 3. Air,000,000

54.6	<u>Appropriations by Fund</u>	
54.7	<u>2016</u>	<u>2017</u>
54.8	<u>Environmental</u> <u>.....,000</u>	<u>.....,000</u>

54.9 \$....,000 the first year and \$....,000 the second
 54.10 year are from the environmental fund for
 54.11 a monitoring program under Minnesota
 54.12 Statutes, section 116.454.

54.13 Up to \$150,000 the first year and \$150,000
 54.14 the second year may be transferred from the
 54.15 environmental fund to the small business
 54.16 environmental improvement loan account
 54.17 established in Minnesota Statutes, section
 54.18 116.993.

54.19 \$....,000 the first year and \$....,000 the second
 54.20 year are from the environmental fund
 54.21 for monitoring ambient air for hazardous
 54.22 pollutants in the metropolitan area.

54.23 \$....,000 the first year and \$....,000 the
 54.24 second year are from the environmental
 54.25 fund for systematic, localized monitoring
 54.26 efforts in the state that sample ambient air
 54.27 to determine whether significant localized
 54.28 differences exist. The commissioner, when
 54.29 selecting areas to monitor, shall give priority
 54.30 to areas where low income, indigenous
 54.31 American Indians, and communities of
 54.32 color are disproportionately impacted by
 54.33 pollution from highway traffic, air traffic,
 54.34 and industrial sources.

55.1 \$...,000 the first year and \$...,000 the second
 55.2 year are from the environmental fund for
 55.3 emission reduction activities and grants
 55.4 to small businesses and other nonpoint
 55.5 emission reduction efforts. Any unexpended
 55.6 balance in the first year does not cancel but is
 55.7 available in the second year.

55.8 Subd. 4. Land,000,000

55.9	<u>Appropriations by Fund</u>	
55.10	<u>2016</u>	<u>2017</u>
55.11	<u>.....,000</u>	<u>.....,000</u>
55.12	<u>.....,000</u>	<u>.....,000</u>

55.13 All money for environmental response,
 55.14 compensation, and compliance in the
 55.15 remediation fund not otherwise appropriated
 55.16 is appropriated to the commissioners of the
 55.17 Pollution Control Agency and agriculture
 55.18 for purposes of Minnesota Statutes, section
 55.19 115B.20, subdivision 2, clauses (1), (2),
 55.20 (3), (6), and (7). At the beginning of each
 55.21 fiscal year, the two commissioners shall
 55.22 jointly submit an annual spending plan
 55.23 to the commissioner of management and
 55.24 budget that maximizes the utilization of
 55.25 resources and appropriately allocates the
 55.26 money between the two departments. This
 55.27 appropriation is available until June 30, 2017.

55.28 \$....,000 the first year and \$....,000 the
 55.29 second year are from the remediation fund
 55.30 for purposes of the leaking underground
 55.31 storage tank program to investigate, clean up,
 55.32 and prevent future releases from underground
 55.33 petroleum storage tanks, and to the petroleum
 55.34 remediation program for purposes of vapor
 55.35 assessment and remediation. These same

56.1 annual amounts are transferred from the
 56.2 petroleum tank fund to the remediation fund.
 56.3 \$...,000 the first year and \$...,000 the second
 56.4 year are from the remediation fund for
 56.5 transfer to the commissioner of health for
 56.6 private water supply monitoring and health
 56.7 assessment costs in areas contaminated
 56.8 by unpermitted mixed municipal solid
 56.9 waste disposal facilities and drinking water
 56.10 advisories and public information activities
 56.11 for areas contaminated by hazardous releases.
 56.12 \$...,000 the first year is from the remediation
 56.13 fund for a grant to the city of Mountain Iron
 56.14 for remediation of the abandoned wastewater
 56.15 treatment pond of the former Nichols
 56.16 Township. This is a onetime appropriation
 56.17 that does not cancel.

56.18 **Subd. 5. Environmental Assistance and**
 56.19 **Cross-Media**

.....,000

.....,000

56.20	<u>Appropriations by Fund</u>	
56.21	<u>2016</u>	<u>2017</u>
56.22	<u>.....,000</u>	<u>.....,000</u>
56.23	<u>.....,000</u>	<u>.....,000</u>

56.24 \$.....,000 the first year and \$.....,000 the
 56.25 second year are from the environmental fund
 56.26 for SCORE block grants to counties.
 56.27 \$119,000 the first year and \$119,000 the
 56.28 second year are from the environmental
 56.29 fund for environmental assistance grants
 56.30 or loans under Minnesota Statutes, section
 56.31 115A.0716. Any unencumbered grant and
 56.32 loan balances in the first year do not cancel
 56.33 but are available for grants and loans in the
 56.34 second year.

57.1 \$.,000 the first year and \$.,000 the second
57.2 year are from the environmental fund for
57.3 duties related to harmful chemicals in
57.4 products under Minnesota Statutes, sections
57.5 116.9401 to 116.9407. Of this amount,
57.6 \$.,000 each year is transferred to the
57.7 commissioner of health.

57.8 \$...,000 the first year and \$...,000 the second
57.9 year are from the environmental fund for
57.10 the costs of implementing general operating
57.11 permits for feedlots over 1,000 animal units.

57.12 \$...,000 the first year and \$...,000 the second
57.13 year are from the general fund and \$...,000 the
57.14 first year and \$...,000 the second year are from
57.15 the environmental fund for Environmental
57.16 Quality Board operations and support.

57.17 \$...,000 the first year from the environmental
57.18 fund is a onetime appropriation to
57.19 the Environmental Quality Board for
57.20 development of a Web-based environmental
57.21 review tool.

57.22 \$50,000 the first year and \$50,000 the second
57.23 year are from the environmental fund for
57.24 transfer to the Office of Administrative
57.25 Hearings to establish sanitary districts.

57.26 \$...,000 the first year and \$...,000 the
57.27 second year are from the general fund for
57.28 the Environmental Quality Board to lead
57.29 an interagency team to provide technical
57.30 assistance regarding the mining, processing,
57.31 and transporting of silica sand.

57.32 \$...,000 the first year and \$...,000 the second
57.33 year are from the environmental fund to
57.34 develop and maintain systems to support

58.1 permitting and regulatory business processes
 58.2 and agency data.
 58.3 All money deposited in the environmental
 58.4 fund for the metropolitan solid waste
 58.5 landfill fee in accordance with Minnesota
 58.6 Statutes, section 473.843, and not otherwise
 58.7 appropriated, is appropriated for the purposes
 58.8 of Minnesota Statutes, section 473.844.

58.9 Notwithstanding Minnesota Statutes, section
 58.10 16A.28, the appropriations encumbered on
 58.11 or before June 30, 2017, as contracts or
 58.12 grants for surface water and groundwater
 58.13 assessments; environmental assistance
 58.14 awarded under Minnesota Statutes, section
 58.15 115A.0716; technical and research assistance
 58.16 under Minnesota Statutes, section 115A.152;
 58.17 technical assistance under Minnesota
 58.18 Statutes, section 115A.52; and pollution
 58.19 prevention assistance under Minnesota
 58.20 Statutes, section 115D.04, are available until
 58.21 June 30, 2019.

58.22 Subd. 6. **Remediation Fund**

58.23 The commissioner shall transfer up to
 58.24 \$.,...,000 from the environmental fund to
 58.25 the remediation fund for the purposes of the
 58.26 remediation fund under Minnesota Statutes,
 58.27 section 116.155, subdivision 2.

58.28 Subd. 7. **Transfer**

58.29 By July 1, 2016, the commissioner of
 58.30 management and budget shall transfer \$.....
 58.31 from the closed landfill investment fund to
 58.32 the general fund.

58.33 Sec. 3. **NATURAL RESOURCES**

58.34 Subdivision 1. **Total Appropriation** \$,000 \$,000

59.1	<u>Appropriations by Fund</u>	
59.2	<u>2016</u>	<u>2017</u>
59.3	<u>General</u>	<u>.....,000</u>
59.4	<u>Natural Resources</u>	<u>.....,000</u>
59.5	<u>Game and Fish</u>	<u>.....,000</u>
59.6	<u>Remediation</u>	<u>....,000</u>
59.7	<u>Permanent School</u>	<u>....,000</u>

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

59.11	<u>Subd. 2. Land and Mineral Resources</u>		
59.12	<u>Management</u>	<u>.....,000</u>	<u>.....,000</u>

59.13	<u>Appropriations by Fund</u>	
59.14	<u>2016</u>	<u>2017</u>
59.15	<u>General</u>	<u>.....,000</u>
59.16	<u>Natural Resources</u>	<u>.....,000</u>
59.17	<u>Game and Fish</u>	<u>....,000</u>
59.18	<u>Permanent School</u>	<u>....,000</u>

59.19 \$.,000 the first year and \$.,000 the
 59.20 second year are for minerals cooperative
 59.21 environmental research, of which \$.,000 the
 59.22 first year and \$.,000 the second year are
 59.23 available only as matched by \$1 of nonstate
 59.24 money for each \$1 of state money. The
 59.25 match may be cash or in-kind.

59.26 \$.,000 the first year and \$.,000 the second
 59.27 year are for iron ore cooperative research. Of
 59.28 this amount, \$.,000 each year is from the
 59.29 minerals management account in the natural
 59.30 resources fund. \$.,000 the first year and
 59.31 \$.,000 the second year are available only as
 59.32 matched by \$1 of nonstate money for each
 59.33 \$1 of state money. The match may be cash
 59.34 or in-kind. Any unencumbered balance from
 59.35 the first year does not cancel and is available
 59.36 in the second year.

60.1 \$.,....,000 the first year and \$.,....,000
 60.2 the second year are from the minerals
 60.3 management account in the natural resources
 60.4 fund for use as provided in Minnesota
 60.5 Statutes, section 93.2236, paragraph (c),
 60.6 for mineral resource management, projects
 60.7 to enhance future mineral income, and
 60.8 projects to promote new mineral resource
 60.9 opportunities.

60.10 \$.,....,000 the first year and \$.,....,000 the second
 60.11 year are from the state forest suspense
 60.12 account in the permanent school fund to
 60.13 accelerate land exchanges, land sales, and
 60.14 commercial leasing of school trust lands and
 60.15 to identify, evaluate, and lease construction
 60.16 aggregate located on school trust lands. This
 60.17 appropriation is to be used for securing
 60.18 long-term economic return from the
 60.19 school trust lands consistent with fiduciary
 60.20 responsibilities and sound natural resources
 60.21 conservation and management principles.

60.22 **Subd. 3. Ecological and Water Resources**,000,000

60.23	<u>Appropriations by Fund</u>		
60.24		<u>2016</u>	<u>2017</u>
60.25	<u>General</u>	<u>.....,000</u>	<u>.....,000</u>
60.26	<u>Natural Resources</u>	<u>.....,000</u>	<u>.....,000</u>
60.27	<u>Game and Fish</u>	<u>.....,000</u>	<u>.....,000</u>

60.28 \$.,....,000 the first year and \$.,....,000 the
 60.29 second year are from the invasive species
 60.30 account in the natural resources fund and
 60.31 \$.,....,000 the first year and \$.,....,000 the
 60.32 second year are from the general fund for
 60.33 management, public awareness, assessment
 60.34 and monitoring research, and water access
 60.35 inspection to prevent the spread of invasive
 60.36 species; management of invasive plants in

61.1 public waters; and management of terrestrial
61.2 invasive species on state-administered lands.
61.3 \$.,....,000 the first year and \$.,....,000 the
61.4 second year are from the water management
61.5 account in the natural resources fund for only
61.6 the purposes specified in Minnesota Statutes,
61.7 section 103G.27, subdivision 2.
61.8 \$....,000 the first year and \$....,000 the second
61.9 year are for a grant to the Mississippi
61.10 Headwaters Board for up to 50 percent of
61.11 the cost of implementing the comprehensive
61.12 plan for the upper Mississippi within areas
61.13 under the board's jurisdiction.
61.14 \$.,000 the first year and \$.,000 the second
61.15 year are for payment to the Leech Lake Band
61.16 of Chippewa Indians to implement the band's
61.17 portion of the comprehensive plan for the
61.18 upper Mississippi.
61.19 \$....,000 the first year and \$....,000 the second
61.20 year are for grants for up to 50 percent of
61.21 the cost of implementation of the Red River
61.22 mediation agreement.
61.23 \$.,....,000 the first year and \$.,....,000
61.24 the second year are from the heritage
61.25 enhancement account in the game and
61.26 fish fund for only the purposes specified
61.27 in Minnesota Statutes, section 297A.94,
61.28 paragraph (e), clause (1).
61.29 \$....,000 the first year and \$....,000 the
61.30 second year are from the nongame wildlife
61.31 management account in the natural resources
61.32 fund for the purpose of nongame wildlife
61.33 management. Notwithstanding Minnesota
61.34 Statutes, section 290.431, \$....,000 the first
61.35 year and \$....,000 the second year may be used

62.1 for nongame wildlife information, education,
62.2 and promotion.

62.3 \$.,....,000 the first year and \$.,....,000 the
62.4 second year are from the general fund for the
62.5 following activities:

62.6 (1) financial reimbursement and technical
62.7 support to soil and water conservation
62.8 districts or other local units of government
62.9 for groundwater level monitoring;

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

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

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

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

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

62.22 (7) compliance and monitoring.

62.23 \$....,000 is for the commissioner of
62.24 natural resources, in cooperation with the
62.25 commissioners of the Pollution Control
62.26 Agency and health, the Public Facilities
62.27 Authority, and local units of government to
62.28 conduct a study and report to the legislature
62.29 on:

62.30 (1) the feasibility of constructing
62.31 a wastewater treatment facility for
62.32 communities surrounding White Bear Lake
62.33 that will provide treated wastewater to be

63.1 used to augment water levels in White Bear
 63.2 Lake; and
 63.3 (2) design and construction of an
 63.4 augmentation supply from Sucker Lake to
 63.5 White Bear Lake. The commissioner shall
 63.6 submit the report to the chairs and ranking
 63.7 minority members of the committees and
 63.8 divisions with jurisdiction over environment
 63.9 and natural resources policy and finance no
 63.10 later than January 15, 2016.

63.11 \$..... the first year is for grants to assist in
 63.12 the construction of flood protection rural
 63.13 and farmstead ring levees in the Red River
 63.14 watershed. Grants may not exceed 50 percent
 63.15 of the cost of the projects. This is a onetime
 63.16 appropriation and does not cancel.

63.17 Subd. 4. Forest Management,000,000

<u>Appropriations by Fund</u>	<u>2016</u>	<u>2017</u>
63.18 <u>General</u>	<u>.....,000</u>	<u>.....,000</u>
63.19 <u>Natural Resources</u>	<u>.....,000</u>	<u>.....,000</u>
63.20 <u>Game and Fish</u>	<u>.....,000</u>	<u>.....,000</u>

63.21 \$7,145,000 the first year and \$7,145,000
 63.22 the second year are for prevention,
 63.23 presuppression, and suppression costs of
 63.24 emergency firefighting and other costs
 63.25 incurred under Minnesota Statutes, section
 63.26 88.12. The amount necessary to pay for
 63.27 presuppression and suppression costs during
 63.28 the biennium is appropriated from the general
 63.29 fund.

63.30 By January 15 of each year, the commissioner
 63.31 of natural resources shall submit a report to
 63.32 the chairs and ranking minority members
 63.33 of the house and senate committees

64.1 and divisions having jurisdiction over
64.2 environment and natural resources finance,
64.3 identifying all firefighting costs incurred
64.4 and reimbursements received in the prior
64.5 fiscal year. These appropriations may
64.6 not be transferred. Any reimbursement
64.7 of firefighting expenditures made to the
64.8 commissioner from any source other than
64.9 federal mobilizations shall be deposited into
64.10 the general fund.

64.11 \$.,.,.,.,000 the first year and \$.,.,.,.,000 the
64.12 second year are from the forest management
64.13 investment account in the natural resources
64.14 fund for only the purposes specified
64.15 in Minnesota Statutes, section 89.039,
64.16 subdivision 2.

64.17 \$.,.,.,.,000 the first year and \$.,.,.,.,000
64.18 the second year are from the heritage
64.19 enhancement account in the game and fish
64.20 fund to advance ecological classification
64.21 systems (ECS) scientific management tools
64.22 for forest and invasive species management.

64.23 This appropriation is from revenue deposited
64.24 in the game and fish fund under Minnesota
64.25 Statutes, section 297A.94, paragraph (e),
64.26 clause (1).

64.27 \$.,.,.,000 the first year and \$.,.,.,000 the second
64.28 year are for the Forest Resources Council
64.29 for implementation of the Sustainable Forest
64.30 Resources Act.

64.31 \$.,.,.,.,000 the first year and \$.,.,.,.,000 the
64.32 second year are for a pilot program to
64.33 increase forest road maintenance. The
64.34 commissioner shall use the money to
64.35 perform needed maintenance on forest roads

66.1 under Minnesota Statutes, section 297A.94,
66.2 paragraph (e), clause (4). Any unencumbered
66.3 balance does not cancel at the end of the first
66.4 year and is available for the second year.
66.5 \$.,.,.,.,000 the first year and \$.,.,.,.,000 the
66.6 second year are from the snowmobile
66.7 trails and enforcement account in the
66.8 natural resources fund for the snowmobile
66.9 grants-in-aid program. Any unencumbered
66.10 balance does not cancel at the end of the first
66.11 year and is available for the second year.
66.12 \$.,.,.,.,000 the first year and \$.,.,.,.,000 the
66.13 second year are from the natural resources
66.14 fund for the off-highway vehicle grants-in-aid
66.15 program. Of this amount, \$.,.,.,.,000 each
66.16 year is from the all-terrain vehicle account;
66.17 \$.,.,.,000 each year is from the off-highway
66.18 motorcycle account; and \$.,.,.,000 each year
66.19 is from the off-road vehicle account. Any
66.20 unencumbered balance does not cancel at the
66.21 end of the first year and is available for the
66.22 second year.
66.23 \$.,.,000 the first year and \$.,.,000 the second
66.24 year are from the cross-country ski account
66.25 in the natural resources fund for grooming
66.26 and maintaining cross-country ski trails in
66.27 state parks, trails, and recreation areas.
66.28 \$.,.,.,000 the first year and \$.,.,.,000 the
66.29 second year are from the state land and
66.30 water conservation account (LAWCON)
66.31 in the natural resources fund for priorities
66.32 established by the commissioner for eligible
66.33 state projects and administrative and
66.34 planning activities consistent with Minnesota
66.35 Statutes, section 84.0264, and the federal

67.1 Land and Water Conservation Fund Act.
67.2 Any unencumbered balance does not cancel
67.3 at the end of the first year and is available for
67.4 the second year.
67.5 \$.,000 the first year is from the water
67.6 recreation account in the natural resources
67.7 fund to cooperate with local units of
67.8 government in marking routes and
67.9 designating river accesses and campsites
67.10 under Minnesota Statutes, section 85.32.
67.11 This is a onetime appropriation and does not
67.12 cancel.
67.13 \$.,000 the first year is for a grant to the
67.14 city of Virginia for the additional cost of
67.15 supporting a trail due to the rerouting of
67.16 U.S. Highway No. 53. This is a onetime
67.17 appropriation and does not cancel.
67.18 \$.,000 the first year is for development of
67.19 a master plan for the Mississippi Blufflands
67.20 Trail, including work on possible extensions
67.21 or connections to other state or regional
67.22 trails. This is a onetime appropriation that is
67.23 available until June 30, 2017.
67.24 \$.,000 the first year is for a grant to the city
67.25 of East Grand Forks for payment under a
67.26 reciprocity agreement for the Red River State
67.27 Recreation Area.
67.28 All money received by the state from the U.S.
67.29 Army Corps of Engineers as reimbursement
67.30 for state capital expenditures at McQuade
67.31 Harbor, estimated to be \$1,605,775, must be
67.32 credited to the bond proceeds fund and is
67.33 appropriated to the commissioner of natural
67.34 resources to: (1) design and renovate the
67.35 marina at Knife River; (2) improve the

68.1 boat launch at the safe harbor at Grand
 68.2 Marais; and (3) for site clean-up, design,
 68.3 and construction of facilities at the proposed
 68.4 small craft harbor in Two Harbors. This
 68.5 appropriation is available until June 30, 2019.

68.6 Subd. 6. Fish and Wildlife Management,000,000

68.7	<u>Appropriations by Fund</u>	
68.8	<u>2016</u>	<u>2017</u>
68.9	<u>Natural Resources</u> <u>.....,000</u>	<u>.....,000</u>
68.10	<u>Game and Fish</u> <u>.....,000</u>	<u>.....,000</u>

68.11 \$......,000 the first year and \$......,000
 68.12 the second year are from the heritage
 68.13 enhancement account in the game and fish
 68.14 fund only for activities specified in Minnesota
 68.15 Statutes, section 297A.94, paragraph (e),
 68.16 clause (1). Notwithstanding Minnesota
 68.17 Statutes, section 297A.94, five percent of
 68.18 this appropriation may be used for expanding
 68.19 hunter and angler recruitment and retention.

68.20 \$...... the first year from the game and fish
 68.21 fund is for trap, skeet, and archery shooting
 68.22 sports facility grants under Minnesota
 68.23 Statutes, section 87A.10. This is a onetime
 68.24 appropriation and is available until June 30,
 68.25 2018.

68.26 Notwithstanding Minnesota Statutes, section
 68.27 84.943, \$13,000 the first year and \$13,000
 68.28 the second year from the critical habitat
 68.29 private sector matching account may be used
 68.30 to publicize the critical habitat license plate
 68.31 match program.

68.32 Subd. 7. Enforcement,000,000

68.33	<u>Appropriations by Fund</u>	
68.34	<u>2016</u>	<u>2017</u>
68.35	<u>General</u> <u>.....,000</u>	<u>.....,000</u>

69.1	<u>Natural Resources</u>	<u>.....,000</u>	<u>.....,000</u>
69.2	<u>Game and Fish</u>	<u>.....,000</u>	<u>.....,000</u>
69.3	<u>Remediation</u>	<u>....,000</u>	<u>....,000</u>

69.4 \$...,000 the first year and \$...,000 the second
 69.5 year from the general fund and \$.,...,000
 69.6 the first year and \$...,000 the second year
 69.7 from the game and fish fund are for aviation
 69.8 services. This appropriation is onetime.

69.9 \$.,...,000 the first year and \$.,...,000 the
 69.10 second year are from the general fund for
 69.11 enforcement efforts to prevent the spread of
 69.12 aquatic invasive species.

69.13 \$.,...,000 the first year and \$.,...,000
 69.14 the second year are from the heritage
 69.15 enhancement account in the game and
 69.16 fish fund for only the purposes specified
 69.17 in Minnesota Statutes, section 297A.94,
 69.18 paragraph (e), clause (1). The base for these
 69.19 purposes in fiscal year 2018 and thereafter
 69.20 is \$.,...,000.

69.21 \$.,...,000 the first year and \$.,...,000 the
 69.22 second year are from the water recreation
 69.23 account in the natural resources fund for
 69.24 grants to counties for boat and water safety.
 69.25 Any unencumbered balance does not cancel
 69.26 at the end of the first year and is available for
 69.27 the second year.

69.28 \$...,000 the first year and \$...,000 the second
 69.29 year are from the snowmobile trails and
 69.30 enforcement account in the natural resources
 69.31 fund for grants to local law enforcement
 69.32 agencies for snowmobile enforcement
 69.33 activities. Any unencumbered balance does
 69.34 not cancel at the end of the first year and is
 69.35 available for the second year.

70.1 \$...,000 the first year and \$...,000 the second
70.2 year are from the all-terrain vehicle account
70.3 for grants to qualifying organizations to
70.4 assist in safety and environmental education
70.5 and monitoring trails on public lands under
70.6 Minnesota Statutes, section 84.9011. Grants
70.7 issued under this paragraph: (1) must be
70.8 issued through a formal agreement with the
70.9 organization; and (2) must not be used as
70.10 a substitute for traditional spending by the
70.11 organization. By December 15 each year,
70.12 an organization receiving a grant under this
70.13 paragraph shall report to the commissioner
70.14 with details on expenditures and outcomes
70.15 from the grant. Of this appropriation,
70.16 \$25,000 each year is for administration of
70.17 these grants. Any unencumbered balance
70.18 does not cancel at the end of the first year
70.19 and is available for the second year.

70.20 \$...,000 the first year and \$...,000 the second
70.21 year are from the natural resources fund for
70.22 grants to county law enforcement agencies
70.23 for off-highway vehicle enforcement
70.24 and public education activities based on
70.25 off-highway vehicle use in the county. Of
70.26 this amount, \$...,000 each year is from the
70.27 all-terrain vehicle account; \$.,000 each year
70.28 is from the off-highway motorcycle account;
70.29 and \$.,000 each year is from the off-road
70.30 vehicle account. The county enforcement
70.31 agencies may use money received under this
70.32 appropriation to make grants to other local
70.33 enforcement agencies within the county that
70.34 have a high concentration of off-highway
70.35 vehicle use. Of this appropriation, \$25,000
70.36 each year is for administration of these

71.1 grants. Any unencumbered balance does
 71.2 not cancel at the end of the first year and is
 71.3 available for the second year.

71.4 **Subd. 8. Operations Support**,000,000

71.5	<u>Appropriations by Fund</u>	
71.6	<u>2016</u>	<u>2017</u>
71.7	<u>.....,000</u>	<u>.....,000</u>
71.8	<u>....,000</u>	<u>....,000</u>

71.9 \$320,000 the first year and \$320,000 the
 71.10 second year are from the natural resources
 71.11 fund for grants to be divided equally between
 71.12 the city of St. Paul for the Como Park Zoo
 71.13 and Conservatory and the city of Duluth
 71.14 for the Duluth Zoo. This appropriation
 71.15 is from the revenue deposited to the fund
 71.16 under Minnesota Statutes, section 297A.94,
 71.17 paragraph (e), clause (5).

71.18 \$...... the first year is for legal costs related
 71.19 to water management. This is a onetime
 71.20 appropriation and is available until June 30,
 71.21 2018.

71.22 Money appropriated in this section may not
 71.23 be spent on a new contract for a call center
 71.24 that is located outside the state of Minnesota.

71.25 **Sec. 4. BOARD OF WATER AND SOIL**
 71.26 **RESOURCES** \$,000 \$,000

71.27 \$......,000 the first year and \$......,000 the
 71.28 second year are for natural resources block
 71.29 grants to local governments. Grants must be
 71.30 matched with a combination of local cash or
 71.31 in-kind contributions. The base grant portion
 71.32 related to water planning must be matched
 71.33 by an amount as specified by Minnesota
 71.34 Statutes, section 103B.3369. The board may
 71.35 reduce the amount of the natural resources

72.1 block grant to a county by an amount equal to
72.2 any reduction in the county's general services
72.3 allocation to a soil and water conservation
72.4 district from the county's previous year
72.5 allocation when the board determines that
72.6 the reduction was disproportionate.

72.7 \$....,000 the first year and \$....,000 the
72.8 second year are for grants to soil and water
72.9 conservation districts for general purposes,
72.10 nonpoint engineering, and implementation of
72.11 the reinvest in Minnesota reserve program.

72.12 Expenditures may be made from these
72.13 appropriations for supplies and services
72.14 benefiting soil and water conservation
72.15 districts. Any district receiving a grant under
72.16 this paragraph shall maintain a Web page that
72.17 publishes, at a minimum, its annual report,
72.18 annual audit, annual budget, and meeting
72.19 notices.

72.20 \$....,000 the first year and \$....,000 the
72.21 second year are for the following cost-share
72.22 programs:

72.23 (1) \$....,000 each year is for feedlot water
72.24 quality grants for feedlots under 300 animal
72.25 units and nutrient and manure management
72.26 projects in watersheds where there are
72.27 impaired waters;

72.28 (2) \$....,000 each year is for soil and
72.29 water conservation district cost-sharing
72.30 contracts for perennially vegetated riparian
72.31 buffers, erosion control, water retention
72.32 and treatment, and other high-priority
72.33 conservation practices; and

72.34 (3) \$....,000 each year is for county
72.35 cooperative weed management programs and

73.1 to restore native plants in selected invasive
73.2 species management sites by providing local
73.3 native seeds and plants to landowners for
73.4 implementation.

73.5 \$...,000 the first year and \$...,000 the second
73.6 year are for implementation, enforcement,
73.7 and oversight of the Wetland Conservation
73.8 Act.

73.9 \$...,000 the first year and \$...,000 the second
73.10 year are to provide technical assistance to
73.11 local drainage management officials and for
73.12 the costs of the Drainage Work Group.

73.13 \$...,000 the first year and \$...,000 the second
73.14 year are for a grant to the Red River Basin
73.15 Commission for water quality and floodplain
73.16 management, including administration
73.17 of programs. This appropriation must
73.18 be matched by nonstate funds. If the
73.19 appropriation in either year is insufficient, the
73.20 appropriation in the other year is available
73.21 for it.

73.22 \$...,000 the first year and \$...,000 the second
73.23 year are for grants to Area II Minnesota River
73.24 Basin Projects for floodplain management.

73.25 Notwithstanding Minnesota Statutes, section
73.26 103C.501, the board may shift cost-share
73.27 funds in this section and may adjust the
73.28 technical and administrative assistance
73.29 portion of the grant funds to leverage
73.30 federal or other nonstate funds or to address
73.31 high-priority needs identified in local water
73.32 management plans or comprehensive water
73.33 management plans.

73.34 \$...,000 the first year is for purposes of new
73.35 Minnesota Statutes, section 103F.519. This

74.1 appropriation is onetime and is available
74.2 until June 30, 2017.

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

74.8 Sec. 5. **METROPOLITAN COUNCIL** **\$** **.,,.,.,000** **\$** **.,,.,.,000**

74.9 Appropriations by Fund

74.10		<u>2016</u>	<u>2017</u>
74.11	<u>General</u>	<u>.,,.,.,000</u>	<u>.,,.,.,000</u>
74.12	<u>Natural Resources</u>	<u>.,,.,.,000</u>	<u>.,,.,.,000</u>

74.13 \$.,.,.,000 the first year and \$.,.,.,000 the
74.14 second year are for metropolitan area regional
74.15 parks operation and maintenance according
74.16 to Minnesota Statutes, section 473.351.

74.17 \$.,.,.,000 the first year and \$.,.,.,000 the
74.18 second year are from the natural resources
74.19 fund for metropolitan area regional parks
74.20 and trails maintenance and operations. This
74.21 appropriation is from the revenue deposited
74.22 in the natural resources fund under Minnesota
74.23 Statutes, section 297A.94, paragraph (e),
74.24 clause (3).

74.25 Sec. 6. **CONSERVATION CORPS**
74.26 **MINNESOTA** **\$** **.,.,000** **\$** **.,.,000**

74.27 Appropriations by Fund

74.28		<u>2016</u>	<u>2017</u>
74.29	<u>General</u>	<u>.,.,000</u>	<u>.,.,000</u>
74.30	<u>Natural Resources</u>	<u>.,.,000</u>	<u>.,.,000</u>

74.31 Conservation Corps Minnesota may receive
74.32 money appropriated from the natural
74.33 resources fund under this section only

75.1 as provided in an agreement with the
75.2 commissioner of natural resources.

75.3 **Sec. 7. ZOOLOGICAL BOARD \$,000 \$,000**

75.4 Appropriations by Fund

75.5		<u>2016</u>	<u>2017</u>
75.6	<u>General</u>	<u>.....,000</u>	<u>.....,000</u>
75.7	<u>Natural Resources</u>	<u>....,000</u>	<u>....,000</u>

75.8 \$160,000 the first year and \$160,000 the
75.9 second year are from the natural resources
75.10 fund from the revenue deposited under
75.11 Minnesota Statutes, section 297A.94,
75.12 paragraph (e), clause (5).

75.13 **ARTICLE 4**

75.14 **ENVIRONMENT AND NATURAL RESOURCES STATUTORY CHANGES**

75.15 Section 1. Minnesota Statutes 2014, section 84.415, subdivision 7, is amended to read:

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

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

75.22 **EFFECTIVE DATE.** This section is effective retroactively from July 1, 2014.

75.23 **Sec. 2. [84.69] NATURAL RESOURCES CONSERVATION EASEMENT**
75.24 **STEWARDSHIP ACCOUNT.**

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

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

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

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

76.4 (4) money appropriated for monitoring and enforcement of easements and earnings
76.5 on the money appropriated that revert to the state under section 97A.056, subdivision
76.6 17, or other applicable law; and

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

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

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

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

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

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

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

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

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

76.34 **EFFECTIVE DATE.** Subdivisions 1 and 2 of this section are effective the day
76.35 following final enactment. Subdivision 3 of this section is effective for conservation

77.1 easements acquired with money appropriated on or after July 1, 2015, and for acquisitions
 77.2 of conservation easements by gift that are initiated on or after July 1, 2015.

77.3 Sec. 3. Minnesota Statutes 2014, section 84.82, subdivision 2a, is amended to read:

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

77.13 Sec. 4. Minnesota Statutes 2014, section 84.82, subdivision 6, is amended to read:

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

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

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

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

77.23 (4) a snowmobile used exclusively in organized track racing events;

77.24 (5) a snowmobile in transit by a manufacturer, distributor, or dealer;

77.25 (6) a snowmobile at least 15 years old in transit by an individual for use only on
 77.26 land owned or leased by the individual; ~~or~~

77.27 (7) a snowmobile while being used to groom a state or grant-in-aid trail; or

77.28 (8) a snowmobile with an engine displacement that is 125 cubic centimeters or less
 77.29 and the snowmobile is not operated on a state or grant-in-aid trail.

77.30 Sec. 5. Minnesota Statutes 2014, section 84.92, subdivision 8, is amended to read:

77.31 Subd. 8. **All-terrain vehicle or vehicle.** "All-terrain vehicle" or "vehicle" means
 77.32 a motorized vehicle ~~of~~ with: (1) not less than three, but not more than six low pressure
 77.33 or non-pneumatic tires, ~~that is limited in engine displacement of less than 1,000 cubic~~

78.1 ~~centimeters and~~; (2) a total dry weight of 2,000 pounds or less; and (3) a total width
 78.2 from outside of tire rim to outside of tire rim that is 65 inches or less. All-terrain vehicle
 78.3 includes a class 1 all-terrain vehicle and class 2 all-terrain vehicle. All-terrain vehicle does
 78.4 not include a golf cart, mini-truck, dune buggy, or go-cart or a vehicle designed and used
 78.5 specifically for lawn maintenance, agriculture, logging, or mining purposes.

78.6 Sec. 6. Minnesota Statutes 2014, section 84.92, subdivision 9, is amended to read:

78.7 Subd. 9. **Class 1 all-terrain vehicle.** "Class 1 all-terrain vehicle" means an
 78.8 all-terrain vehicle that has a total ~~dry weight of less than 1,200 pounds~~ width from outside
 78.9 of tire rim to outside of tire rim that is 50 inches or less.

78.10 Sec. 7. Minnesota Statutes 2014, section 84.92, subdivision 10, is amended to read:

78.11 Subd. 10. **Class 2 all-terrain vehicle.** "Class 2 all-terrain vehicle" means an
 78.12 all-terrain vehicle that has a total ~~dry weight of 1,200 to 1,800 pounds~~ width from outside
 78.13 of tire rim to outside of tire rim that is greater than 50 inches but not more than 65 inches.

78.14 Sec. 8. Minnesota Statutes 2014, section 84D.01, is amended by adding a subdivision
 78.15 to read:

78.16 Subd. 1a. **Aquatic invasive species affirmation.** "Aquatic invasive species
 78.17 affirmation" means an affirmation of the summary of the aquatic invasive species laws of
 78.18 this chapter that is part of watercraft licenses and nonresident fishing licenses, as provided
 78.19 in section 84D.106.

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

78.21 Sec. 9. **[84D.106] AQUATIC INVASIVE SPECIES AFFIRMATION.**

78.22 Aquatic invasive species affirmation is required for all:

78.23 (1) watercraft licenses issued under section 86B.401; and

78.24 (2) all nonresident fishing licenses, as provided in section 97C.301, subdivision 2a.

78.25 **EFFECTIVE DATE.** Clause (1) is effective January 1, 2016; clause (2) is effective
 78.26 March 1, 2016.

78.27 Sec. 10. Minnesota Statutes 2014, section 84D.13, subdivision 5, is amended to read:

78.28 Subd. 5. **Civil penalties.** (a) A civil citation issued under this section must impose
 78.29 the following penalty amounts:

78.30 (1) for transporting aquatic macrophytes in violation of section 84D.09, \$100;

79.1 (2) for placing or attempting to place into waters of the state water-related equipment
79.2 that has aquatic macrophytes attached, \$200;

79.3 (3) for unlawfully possessing or transporting a prohibited invasive species other
79.4 than an aquatic macrophyte, \$500;

79.5 (4) for placing or attempting to place into waters of the state water-related equipment
79.6 that has prohibited invasive species attached when the waters are not listed by the
79.7 commissioner as being infested with that invasive species, \$500;

79.8 (5) for intentionally damaging, moving, removing, or sinking a buoy marking, as
79.9 prescribed by rule, Eurasian water milfoil, \$100;

79.10 (6) for failing to have drain plugs or similar devices removed or opened while
79.11 transporting water-related equipment or for failing to remove plugs, open valves, and
79.12 drain water from water-related equipment, other than marine sanitary systems, before
79.13 leaving waters of the state, \$100; ~~and~~

79.14 (7) for transporting infested water off riparian property without a permit as required
79.15 by rule, \$200; and

79.16 (8) for failing to have aquatic invasive species affirmation displayed or available for
79.17 inspection as provided in sections 86B.401 and 97C.301, subdivision 2a, \$25.

79.18 (b) A civil citation that is issued to a person who has one or more prior convictions
79.19 or final orders for violations of this chapter is subject to twice the penalty amounts listed
79.20 in paragraph (a).

79.21 Sec. 11. Minnesota Statutes 2014, section 84D.15, subdivision 3, is amended to read:

79.22 Subd. 3. **Use of money in account.** Money credited to the invasive species account
79.23 in subdivision 2 shall be used for management of invasive species and implementation of
79.24 this chapter as it pertains to invasive species, including control, public awareness, law
79.25 enforcement, assessment and monitoring, management planning, habitat improvements,
79.26 and research.

79.27 Sec. 12. Minnesota Statutes 2014, section 85.015, is amended by adding a subdivision
79.28 to read:

79.29 Subd. 6a. **Mississippi Blufflands Trail; Goodhue and Wabasha Counties.** (a)
79.30 The Mississippi Blufflands Trail shall originate at the Cannon Valley Trail and thence
79.31 extend generally southeasterly along the Mississippi River through Frontenac State Park in
79.32 Goodhue County and continue through Goodhue and Wabasha Counties to the city of Lake
79.33 City, and there terminate. The trail shall include connections to the Rattlesnake Bluff Trail.

79.34 (b) The trail shall be developed primarily for riding and hiking.

80.1 (c) In establishing, developing, maintaining, and operating the trail, the
80.2 commissioner shall cooperate with local units of government and private individuals and
80.3 groups whenever feasible.

80.4 Sec. 13. Minnesota Statutes 2014, section 85.055, subdivision 1, is amended to read:

80.5 Subdivision 1. **Fees.** The fee for state park permits for:

80.6 (1) an annual use of state parks is ~~\$25~~ \$30;

80.7 (2) a second or subsequent vehicle state park permit is \$18;

80.8 (3) a state park permit valid for one day is ~~\$5~~ \$6;

80.9 (4) a daily vehicle state park permit for groups is \$3;

80.10 (5) an annual permit for motorcycles is \$20;

80.11 (6) an employee's state park permit is without charge; and

80.12 (7) a state park permit for persons with disabilities under section 85.053, subdivision
80.13 7, paragraph (a), clauses (1) to (3), is \$12.

80.14 The fees specified in this subdivision include any sales tax required by state law.

80.15 Sec. 14. Minnesota Statutes 2014, section 85.32, subdivision 1, is amended to read:

80.16 Subdivision 1. **Areas marked.** The commissioner of natural resources is authorized
80.17 in cooperation with local units of government and private individuals and groups when
80.18 feasible to mark state water trails on the Little Fork, Big Fork, Minnesota, St. Croix,
80.19 Snake, Mississippi, Red Lake, Cannon, Straight, Des Moines, Crow Wing, St. Louis, Pine,
80.20 Rum, Kettle, Cloquet, Root, Zumbro, Pomme de Terre within Swift County, Watonwan,
80.21 Cottonwood, Whitewater, Chippewa from Benson in Swift County to Montevideo in
80.22 Chippewa County, Long Prairie, Red River of the North, Sauk, Otter Tail, Redwood,
80.23 Blue Earth, Cedar, Shell Rock, and Crow Rivers which have historic and scenic values
80.24 and to mark appropriately points of interest, portages, camp sites, and all dams, rapids,
80.25 waterfalls, whirlpools, and other serious hazards which are dangerous to canoe, kayak,
80.26 and watercraft travelers.

80.27 Sec. 15. Minnesota Statutes 2014, section 86B.401, subdivision 3, is amended to read:

80.28 Subd. 3. **Licensing.** (a) The license agent shall register the watercraft on receiving
80.29 an application and the license fee. A license and registration sticker with a registration
80.30 number shall be issued and must be affixed to the watercraft as prescribed by the
80.31 commissioner of natural resources.

80.32 (b) A license includes aquatic invasive species affirmation as provided in section
80.33 84D.106. The aquatic invasive species affirmation portion of the license must be displayed

81.1 with the signed license certificate. The aquatic invasive species affirmation will be
81.2 provided with an application for a new, transfer, duplicate, or renewal watercraft license.

81.3 (c) The license is not valid unless signed by at least one owner.

81.4 (d) Failure to complete the aquatic invasive species affirmation in this section is
81.5 subject to the penalty prescribed in section 84D.13, subdivision 5.

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

81.7 Sec. 16. Minnesota Statutes 2014, section 87A.10, is amended to read:

81.8 **87A.10 TRAP, SKEET, AND ARCHERY SHOOTING SPORTS FACILITY**
81.9 **GRANTS.**

81.10 The commissioner of natural resources shall administer a program to provide
81.11 cost-share grants to local recreational shooting clubs or local units of government for up to
81.12 50 percent of the costs of developing or rehabilitating trap, skeet, and archery shooting
81.13 sports facilities for public use. A facility rehabilitated or developed with a grant under this
81.14 section must be open to the general public at reasonable times and for a reasonable fee
81.15 on a walk-in basis. The commissioner shall give preference to projects that will provide
81.16 the most opportunities for youth.

81.17 Sec. 17. Minnesota Statutes 2014, section 88.6435, subdivision 4, is amended to read:

81.18 Subd. 4. **Forest bough account; disposition of fees.** (a) The forest bough account
81.19 is established in the state treasury within the natural resources fund.

81.20 (b) Fees for permits issued under this section ~~shall~~ must be deposited in the state
81.21 treasury and credited to the forest bough account and, except for the electronic licensing
81.22 system commission established by the commissioner under section 84.027, subdivision
81.23 15, are annually appropriated to the commissioner of natural resources for costs associated
81.24 with ~~balsam bough educational~~ special forest product information and education programs
81.25 for harvesters and buyers.

81.26 Sec. 18. Minnesota Statutes 2014, section 90.14, is amended to read:

81.27 **90.14 AUCTION SALE PROCEDURE.**

81.28 (a) All state timber shall be offered and sold by the same unit of measurement as it
81.29 was appraised. No tract shall be sold to any person other than the purchaser in whose name
81.30 the bid was made. The commissioner may refuse to approve any and all bids received and
81.31 cancel a sale of state timber for good and sufficient reasons.

82.1 (b) The purchaser at any sale of timber shall, immediately upon the approval of the
82.2 bid, or, if unsold at public auction, at the time of purchase at a subsequent sale under section
82.3 90.101, subdivision 1, pay to the commissioner a down payment of 15 percent of the
82.4 appraised value. In case any purchaser fails to make such payment, the purchaser shall be
82.5 liable therefor to the state in a civil action, and the commissioner may reoffer the timber for
82.6 sale as though no bid or sale under section 90.101, subdivision 1, therefor had been made.

82.7 (c) In lieu of the scaling of state timber required by this chapter, a purchaser of state
82.8 timber may, at the time of payment by the purchaser to the commissioner of 15 percent
82.9 of the appraised value, elect in writing on a form prescribed by the attorney general to
82.10 purchase a permit based solely on the appraiser's estimate of the volume of timber described
82.11 in the permit, provided that the commissioner has expressly designated the availability of
82.12 such option for that tract on the list of tracts available for sale as required under section
82.13 90.101. A purchaser who elects in writing on a form prescribed by the attorney general
82.14 to purchase a permit based solely on the appraiser's estimate of the volume of timber
82.15 described on the permit does not have recourse to the provisions of section 90.281.

82.16 (d) In the case of a public auction sale conducted by a sealed bid process, tracts shall
82.17 be awarded to the high bidder, who shall pay to the commissioner a down payment of 15
82.18 percent of the appraised value that must be received or postmarked within 14 days of
82.19 the date of the sealed bid opening. If a purchaser fails to make the down payment, the
82.20 purchaser is liable for the down payment to the state and the commissioner may offer the
82.21 timber for sale to the next highest bidder as though no higher bid had been made.

82.22 (e) Except as otherwise provided by law, at the time the purchaser signs a permit
82.23 issued under section 90.151, the commissioner shall require the purchaser to make a bid
82.24 guarantee payment to the commissioner in an amount equal to 15 percent of the total
82.25 purchase price of the permit less the down payment amount required by paragraph (b)
82.26 for any bid increase in excess of ~~\$5,000~~ \$10,000 of the appraised value. If a required bid
82.27 guarantee payment is not submitted with the signed permit, no harvesting may occur, the
82.28 permit cancels, and the down payment for timber forfeits to the state. The bid guarantee
82.29 payment forfeits to the state if the purchaser and successors in interest fail to execute
82.30 an effective permit.

82.31 **EFFECTIVE DATE.** This section is effective June 1, 2015, and applies to permits
82.32 sold on or after that date.

82.33 Sec. 19. Minnesota Statutes 2014, section 90.193, is amended to read:

82.34 **90.193 EXTENSION OF TIMBER PERMITS.**

83.1 The commissioner may, in the case of an exceptional circumstance beyond the
83.2 control of the timber permit holder which makes it unreasonable, impractical, and not
83.3 feasible to complete cutting and removal under the permit within the time allowed, grant
83.4 one regular extension for one year. A written request for the regular extension must be
83.5 received by the commissioner before the permit expires. The request must state the reason
83.6 the extension is necessary and be signed by the permit holder. An interest rate of ~~eight~~
83.7 five percent may be charged for the period of extension.

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

83.9 Sec. 20. Minnesota Statutes 2014, section 92.45, is amended to read:

83.10 **92.45 STATE LAND ON MEANDERED LAKES WITHDRAWN FROM SALE.**

83.11 All state lands, excluding school trust lands and university lands, bordering on or
83.12 adjacent to meandered lakes and other public waters and watercourses, with the live
83.13 timber growing on them, are withdrawn from sale except as provided in this section. The
83.14 commissioner of natural resources may sell the timber as otherwise provided by law for
83.15 cutting and removal under conditions the commissioner prescribes. The conditions must
83.16 be in accordance with approved, sustained-yield forestry practices. The commissioner
83.17 must reserve the timber and impose other conditions the commissioner deems necessary to
83.18 protect watersheds, wildlife habitat, shorelines, and scenic features. Within the area in
83.19 Cook, Lake, and St. Louis Counties described in the Act of Congress approved July 10,
83.20 1930, (Statutes at Large, volume 46, page 1020), the timber on state lands is subject to
83.21 restrictions like those now imposed by the act on federal lands.

83.22 The following land is reserved for public travel: of all land bordering on or adjacent
83.23 to meandered lakes and other public waters and watercourses and withdrawn from sale, a
83.24 strip two rods wide, the ordinary high-water mark being its waterside boundary, and its
83.25 landside boundary a line drawn parallel to the ordinary high-water mark and two rods
83.26 distant landward from it. Wherever the conformation of the shore line or conditions
83.27 require, the commissioner must reserve a wider strip.

83.28 Except for sales under section 282.018, subdivision 1, when a state agency or any
83.29 other unit of government requests the legislature to authorize the sale of state lands
83.30 bordering on or adjacent to meandered lakes and other public waters and watercourses, the
83.31 commissioner shall evaluate the lands and their public benefits and make recommendations
83.32 on the proposed dispositions to the committees of the legislature with jurisdiction
83.33 over natural resources. The commissioner shall include any recommendations of the
83.34 commissioner for disposition of lands withdrawn from sale under this section over which

84.1 the commissioner has jurisdiction. The commissioner's recommendations may include a
84.2 public sale, sale to a private party, acquisition by the commissioner for public purposes,
84.3 retention of a conservation easement for shoreland preservation by the commissioner
84.4 under chapter 84C, or a cooperative management agreement with, or transfer to, another
84.5 unit of government.

84.6 The commissioner may sell state lands bordering on or adjacent to the Mississippi
84.7 River or any lakes, waters, and watercourses in its bottom lands, desired or needed by the
84.8 United States government for, or in connection with, any project heretofore authorized
84.9 by Congress, to improve navigation in the Mississippi River at public sale according
84.10 to law, as in other cases, upon application by an authorized United States official. The
84.11 application must describe the land and include a map showing its location with reference
84.12 to adjoining properties.

84.13 Sec. 21. Minnesota Statutes 2014, section 93.47, subdivision 3, is amended to read:

84.14 Subd. 3. **Adoption of rules.** Upon completion of the study and survey and
84.15 consistent with the declared policy of sections 93.44 to 93.51, the commissioner, pursuant
84.16 to chapter 14, may adopt rules pertaining to that portion of mining operations conducted
84.17 subsequent to the effective date of such rules and subject to the provisions of any rights
84.18 existing pursuant to any permit, license, lease or other valid existing authorization issued
84.19 by the commissioner, the Pollution Control Agency or any other governmental entity,
84.20 or their predecessors in office, and subject to any applicable mine safety laws or rules
84.21 now existing or hereafter adopted, in regard to the following: (a) Mine waste disposal,
84.22 (b) mining areas, including but not limited to plant facilities and equipment, and (c)
84.23 permits to mine, as required by section 93.481. Minnesota Rules, parts 7001.3050,
84.24 subpart 3, item G, and 7035.2525, subpart 2, item G, apply to solid waste facilities
84.25 permitted under and in compliance with those rules and Minnesota Rules, chapter 6132.
84.26 To the greatest extent possible, within the authority possessed by the commissioner, the
84.27 rules so promulgated shall substantially comply with or exceed any minimum mine land
84.28 reclamation requirements which may be established pursuant to a federal mine land
84.29 reclamation act. The rules so promulgated also shall conform with any state and local land
84.30 use planning program; provided further the commissioner shall develop procedures that
84.31 will identify areas or types of areas which, if mined, cannot be reclaimed with existing
84.32 techniques to satisfy the rules promulgated under this subdivision, and the commissioner
84.33 will not issue permits to mine such areas until the commissioner determines technology is
84.34 available to satisfy the rules so promulgated.

85.1 Sec. 22. Minnesota Statutes 2014, section 93.50, is amended to read:

85.2 **93.50 APPEAL.**

85.3 Any person aggrieved by any order, ruling, or decision of the commissioner ~~may~~
85.4 ~~appeal such~~ is entitled to judicial review of the order, ruling, or decision in the manner
85.5 provided in ~~chapter 14~~ sections 14.63 to 14.69.

85.6 Sec. 23. Minnesota Statutes 2014, section 97A.055, subdivision 4b, is amended to read:

85.7 Subd. 4b. **Citizen oversight committees.** (a) The commissioner shall appoint
85.8 committees of affected persons to review the reports prepared under subdivision 4; review
85.9 the proposed work plans and budgets for the coming year; propose changes in policies,
85.10 activities, and revenue enhancements or reductions; review other relevant information;
85.11 and make recommendations to the legislature and the commissioner for improvements in
85.12 the management and use of money in the game and fish fund.

85.13 (b) The commissioner shall appoint the following committees, each comprised
85.14 of at least ten affected persons:

85.15 (1) a Fisheries Oversight Committee to review fisheries funding and expenditures,
85.16 including activities related to trout and salmon stamps and walleye stamps; and

85.17 (2) a Wildlife Oversight Committee to review wildlife funding and expenditures,
85.18 including activities related to migratory waterfowl, pheasant, and wild turkey management
85.19 and deer and big game management.

85.20 (c) The chairs of the Fisheries Oversight Committee and the Wildlife Oversight
85.21 Committee, and four additional members from each committee, shall form a Budgetary
85.22 Oversight Committee to coordinate the integration of the fisheries and wildlife oversight
85.23 committee reports into an annual report to the legislature; recommend changes on a broad
85.24 level in policies, activities, and revenue enhancements or reductions; and provide a forum
85.25 to address issues that transcend the fisheries and wildlife oversight committees.

85.26 (d) The Budgetary Oversight Committee shall develop recommendations for a
85.27 biennial budget plan and report for expenditures on game and fish activities. By August 15
85.28 of each even-numbered year, the committee shall submit the budget plan recommendations
85.29 to the commissioner and to the senate and house of representatives committees with
85.30 jurisdiction over natural resources finance.

85.31 (e) The chairs of the Fisheries Oversight Committee and the Wildlife Oversight
85.32 Committee shall be chosen by their respective committees. The chair of the Budgetary
85.33 Oversight Committee shall be appointed by the commissioner and may not be the chair of
85.34 either of the other oversight committees.

86.1 (f) The Budgetary Oversight Committee may make recommendations to the
86.2 commissioner and to the senate and house of representatives committees with jurisdiction
86.3 over natural resources finance for outcome goals from expenditures.

86.4 (g) The committees authorized under this subdivision are not advisory councils or
86.5 committees governed by section 15.059 and are not subject to section 15.059. Committee
86.6 members appointed by the commissioner may request reimbursement for mileage
86.7 expenses in the same manner and amount as authorized by the commissioner's plan
86.8 adopted under section 43A.18, subdivision 2. Committee members must not receive daily
86.9 compensation for oversight activities. The Fisheries Oversight Committee, the Wildlife
86.10 Oversight Committee, and the Budgetary Oversight Committee expire June 30, ~~2015~~ 2020.

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

86.12 Sec. 24. Minnesota Statutes 2014, section 97B.301, is amended by adding a
86.13 subdivision to read:

86.14 **Subd. 9. Residents age 84 or over may take deer of either sex.** A resident age 84
86.15 or over may take a deer of either sex. This subdivision does not authorize the taking of an
86.16 antlerless deer by another member of a party under subdivision 3.

86.17 Sec. 25. Minnesota Statutes 2014, section 97C.301, is amended by adding a
86.18 subdivision to read:

86.19 **Subd. 2a. Aquatic invasive species affirmation.** (a) A nonresident license to
86.20 take fish issued under section 97A.475, subdivision 7, includes aquatic invasive species
86.21 affirmation as provided in section 84D.106.

86.22 (b) The aquatic invasive species affirmation portion of the license must be displayed
86.23 with the signed nonresident license to take fish issued under section 97A.475, subdivision
86.24 7. The aquatic invasive species affirmation will be provided at the time of purchase of a
86.25 new or duplicate nonresident license.

86.26 (c) If a license is purchased online, the aquatic invasive species affirmation may be
86.27 completed electronically as part of the online sales process, and the electronic record of
86.28 the license sale will be sufficient for documenting the affirmation.

86.29 (d) Failure to complete the aquatic invasive species affirmation in this section is
86.30 subject to the penalty prescribed in section 84D.13, subdivision 5.

86.31 **EFFECTIVE DATE.** This section is effective March 1, 2016.

87.1 Sec. 26. Minnesota Statutes 2014, section 103B.101, is amended by adding a
87.2 subdivision to read:

87.3 Subd. 16. **Wetland stakeholder coordination.** The board shall work with
87.4 wetland stakeholders to foster mutual understanding and provide recommendations for
87.5 improvements to the management of wetlands and related land and water resources,
87.6 including recommendations for updating the Wetland Conservation Act, developing
87.7 an in-lieu fee program as defined in section 103G.005, subdivision 10g, and related
87.8 provisions. The board may convene informal working groups or work teams to provide
87.9 information and education and to develop recommendations.

87.10 Sec. 27. **[103B.103] EASEMENT STEWARDSHIP ACCOUNTS.**

87.11 Subdivision 1. **Accounts established; sources.** (a) The water and soil conservation
87.12 easement stewardship account and the mitigation easement stewardship account are
87.13 created in the special revenue fund. The accounts consist of money credited to the
87.14 accounts and interest and other earnings on money in the accounts. The State Board of
87.15 Investment must manage the accounts to maximize long-term gain.

87.16 (b) Revenue from contributions and money appropriated for any purposes of the
87.17 account as described in subdivision 2 must be deposited in the water and soil conservation
87.18 easement stewardship account. Revenue from contributions, wetland banking fees
87.19 designated for stewardship purposes by the board, easement stewardship payments
87.20 authorized under subdivision 3, and money appropriated for any purposes of the account
87.21 as described in subdivision 2 must be deposited in the mitigation easement stewardship
87.22 account.

87.23 Subd. 2. **Appropriation; purposes of accounts.** Five percent of the balance on
87.24 July 1 each year in the water and soil conservation easement stewardship account and
87.25 five percent of the balance on July 1 each year in the mitigation easement stewardship
87.26 account are annually appropriated to the board and may be spent only to cover the costs
87.27 of managing easements held by the board, including costs associated with monitoring,
87.28 landowner contracts, records storage and management, processing landowner notices,
87.29 requests for approval or amendments, enforcement, and legal services associated with
87.30 easement management activities.

87.31 Subd. 3. **Financial contributions.** The board shall seek a financial contribution
87.32 to the water and soil conservation easement stewardship account for each conservation
87.33 easement acquired by the board. The board shall seek a financial contribution or assess an
87.34 easement stewardship payment to the mitigation easement stewardship account for each
87.35 wetland banking easement acquired by the board. Unless otherwise provided by law,

88.1 the board shall determine the amount of the contribution or payment, which must be an
88.2 amount calculated to earn sufficient money to meet the costs of managing the easement at
88.3 a level that neither significantly overrecovers nor underrecovers the costs. In determining
88.4 the amount of the financial contribution, the board shall consider:

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

88.7 (2) the average hourly wages for the class or classes of state and local employees
88.8 expected to manage the easement;

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

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

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

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

88.15 **EFFECTIVE DATE.** Subdivisions 1 and 2 of this section are effective the day
88.16 following final enactment. Subdivision 3 of this section is effective for conservation
88.17 easements acquired with money appropriated on or after July 1, 2015, and for acquisitions
88.18 of conservation easements by gift or as a condition of approval for wetland mitigation as
88.19 provided in Minnesota Rules, chapter 8420, that are initiated on or after July 1, 2015.

88.20 Sec. 28. Minnesota Statutes 2014, section 103B.3355, is amended to read:

88.21 **103B.3355 WETLAND FUNCTIONS FOR DETERMINING PUBLIC**
88.22 **VALUES.**

88.23 (a) The public values of wetlands must be determined based upon the functions of
88.24 wetlands for:

88.25 (1) water quality, including filtering of pollutants to surface and groundwater,
88.26 utilization of nutrients that would otherwise pollute public waters, trapping of sediments,
88.27 shoreline protection, and utilization of the wetland as a recharge area for groundwater;

88.28 (2) floodwater and storm water retention, including the potential for flooding in
88.29 the watershed, the value of property subject to flooding, and the reduction in potential
88.30 flooding by the wetland;

88.31 (3) public recreation and education, including hunting and fishing areas, wildlife
88.32 viewing areas, and nature areas;

88.33 (4) commercial uses, including wild rice and cranberry growing and harvesting
88.34 and aquaculture;

89.1 (5) fish, wildlife, native plant habitats;

89.2 (6) low-flow augmentation;

89.3 (7) carbon sequestration; and

89.4 (8) other public uses.

89.5 (b) The Board of Water and Soil Resources, in consultation with the commissioners of
89.6 natural resources and agriculture and local government units, shall adopt rules establishing:

89.7 (1) scientific methodologies for determining the functions of wetlands; and

89.8 (2) criteria for determining the resulting public values of wetlands.

89.9 (c) The methodologies and criteria established under this section or other
89.10 methodologies and criteria that include the functions in paragraph (a) and are approved
89.11 by the board, in consultation with the commissioners of natural resources and agriculture
89.12 and local government units, must be used to determine the functions and resulting public
89.13 values of wetlands in the state. The functions listed in paragraph (a) are not listed in
89.14 order of priority.

89.15 (d) Public value criteria established or approved by the board under this section do
89.16 not apply in areas subject to local comprehensive wetland protection and management
89.17 plans established under section 103G.2243.

89.18 (e) The Board of Water and Soil Resources, in consultation with the commissioners
89.19 of natural resources and agriculture and local government units, ~~may~~ must identify ~~regions~~
89.20 areas of the state where preservation, enhancement, restoration, and establishment
89.21 of wetlands would have high public value. The board, in consultation with the
89.22 commissioners, ~~may~~ must identify high priority ~~wetland regions~~ areas for wetland
89.23 replacement using available information relating to the factors listed in paragraph
89.24 (a), the historic loss and abundance of wetlands, current applicable state and local
89.25 government water management and natural resource plans, and studies using a watershed
89.26 approach to identify current and future watershed needs. The board shall notify local
89.27 units of government with water planning authority of these high priority ~~regions~~ areas.
89.28 Designation of high priority areas is exempt from the rulemaking requirements of chapter
89.29 14, and section 14.386 does not apply. Designation of high priority areas is not effective
89.30 until 30 days after publication in the State Register.

89.31 (f) Local units of government, as part of a state-approved comprehensive local
89.32 water management plan as defined in section 103B.3363, subdivision 3, a state-approved
89.33 comprehensive watershed management plan as defined in section 103B.3363, subdivision
89.34 3a, or a state-approved local comprehensive wetland protection and management plan
89.35 under section 103G.2243, may identify priority areas for wetland replacement and provide
89.36 them for consideration under paragraph (e).

90.1 Sec. 29. [103F.519] WORKING LANDS WATERSHED RESTORATION
90.2 PROGRAM.

90.3 Subdivision 1. Definitions. (a) For purposes of this section, the following terms
90.4 have the meanings given.

90.5 (b) "Advanced biofuel" has the meaning given in section 239.051, subdivision 1a.

90.6 (c) "Agricultural use" has the meaning given in section 17.81, subdivision 4.

90.7 (d) "Board" means the Board of Water and Soil Resources.

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

90.12 Subd. 2. Establishment. The board shall administer a perennial feedstock program
90.13 to incentivize the establishment and maintenance of perennial agricultural crops. The
90.14 board shall contract with landowners and give priority to contracts that implement water
90.15 protection actions as identified in a completed watershed restoration and protection
90.16 strategy developed under section 114D.26.

90.17 Subd. 3. Eligible land. Land eligible under this section must:

90.18 (1) have been in agricultural use or have been set aside, enrolled, or diverted under
90.19 another federal or state government program for at least two of the last five years before
90.20 the date of application; and

90.21 (2) not be currently set aside, enrolled, or diverted under another federal or state
90.22 government program.

90.23 Subd. 4. Contract terms. (a) The board shall offer a contract rate of no more
90.24 than 90 percent of the most recent federal conservation reserve program payment for the
90.25 county in which the land is located. The board may make additional payments to assist
90.26 with the establishment of perennial crops.

90.27 (b) Contracts must be at least ten years in duration.

90.28 (c) Perennial crops grown on lands enrolled under this section may be used for
90.29 advanced biofuel feedstock or livestock feed. Perennial plants may be processed in a
90.30 manner that utilizes a portion of the plant for livestock. Mechanical harvest is not allowed
90.31 before July 1 in any year.

90.32 (d) The board shall prioritize lands with the highest potential to leverage federal
90.33 funding.

90.34 (e) The board may establish additional contract terms.

91.1 Subd. 5. Pilot watershed selection. The board may select up to two watersheds in
 91.2 which to conduct an initial pilot program of up to 100,000 total acres. Project watersheds
 91.3 must have, as determined by the board:

91.4 (1) a completed watershed restoration and protection strategy developed under
 91.5 section 114D.26, or a hydrological simulation program model approved by the Pollution
 91.6 Control Agency;

91.7 (2) multiple water quality impairments resulting primarily from agricultural practices;

91.8 (3) a viable proposed advanced biofuel production facility located within 50 miles
 91.9 of the perennial feedstock grown under this section; and

91.10 (4) sufficient additional acres of cropland available for perennial crop production to
 91.11 adequately supply the proposed advanced biofuel production facility.

91.12 Sec. 30. Minnesota Statutes 2014, section 103F.612, subdivision 2, is amended to read:

91.13 Subd. 2. **Application.** (a) A wetland owner may apply to the county where a
 91.14 wetland is located for designation of a wetland preservation area in a high priority wetland
 91.15 area ~~identified in a comprehensive local water plan, as defined in section 103B.3363,~~
 91.16 ~~subdivision 3, and located within a high priority wetland region~~ designated by the Board
 91.17 of Water and Soil Resources, if the county chooses to accept wetland preservation area
 91.18 applications. The application must be made on forms provided by the board. If a wetland
 91.19 is located in more than one county, the application must be submitted to the county where
 91.20 the majority of the wetland is located.

91.21 (b) The application shall be executed and acknowledged in the manner required
 91.22 by law to execute and acknowledge a deed and must contain at least the following
 91.23 information and other information the Board of Water and Soil Resources requires:

91.24 (1) legal description of the area to be approved, which must include an upland strip
 91.25 at least 16-1/2 feet in width around the perimeter of wetlands within the area and may
 91.26 include total upland area of up to four acres for each acre of wetland;

91.27 (2) parcel identification numbers where designated by the county auditor;

91.28 (3) name and address of the owner;

91.29 (4) a statement by the owner covenanting that the land will be preserved as a wetland
 91.30 and will only be used in accordance with conditions prescribed by the Board of Water and
 91.31 Soil Resources and providing that the restrictive covenant will be binding on the owner
 91.32 and the owner's successors or assigns, and will run with the land.

91.33 (c) The upland strip required in paragraph (b), clause (1), must be planted with
 91.34 permanent vegetation other than a noxious weed.

92.1 Sec. 31. Minnesota Statutes 2014, section 103G.005, is amended by adding a
92.2 subdivision to read:

92.3 Subd. 10g. **In-lieu fee program.** "In-lieu fee program" means a program in which
92.4 wetland replacement requirements of section 103G.222 are satisfied through payment of
92.5 money to the board or a board-approved sponsor to develop replacement credits according
92.6 to section 103G.2242, subdivision 12.

92.7 Sec. 32. Minnesota Statutes 2014, section 103G.222, subdivision 1, is amended to read:

92.8 Subdivision 1. **Requirements.** (a) Wetlands must not be drained or filled, wholly or
92.9 partially, unless replaced by ~~restoring or creating wetland areas of~~ actions that provide
92.10 at least equal public value under a replacement plan approved as provided in section
92.11 103G.2242, a replacement plan under a local governmental unit's comprehensive wetland
92.12 protection and management plan approved by the board under section 103G.2243, or, if a
92.13 permit to mine is required under section 93.481, under a mining reclamation plan approved
92.14 by the commissioner under the permit to mine. For project-specific wetland replacement
92.15 completed prior to wetland impacts authorized or conducted under a permit to mine within
92.16 the Great Lakes and Rainy River watershed basins, those basins shall be considered a single
92.17 watershed for purposes of determining wetland replacement ratios. Mining reclamation
92.18 plans shall apply the same principles and standards for replacing wetlands by restoration
92.19 or creation of wetland areas that are applicable to mitigation plans approved as provided
92.20 in section 103G.2242. Public value must be determined in accordance with section
92.21 103B.3355 or a comprehensive wetland protection and management plan established
92.22 under section 103G.2243. Sections 103G.221 to 103G.2372 also apply to excavation in
92.23 permanently and semipermanently flooded areas of types 3, 4, and 5 wetlands.

92.24 (b) Replacement must be guided by the following principles in descending order
92.25 of priority:

92.26 (1) avoiding the direct or indirect impact of the activity that may destroy or diminish
92.27 the wetland;

92.28 (2) minimizing the impact by limiting the degree or magnitude of the wetland
92.29 activity and its implementation;

92.30 (3) rectifying the impact by repairing, rehabilitating, or restoring the affected
92.31 wetland environment;

92.32 (4) reducing or eliminating the impact over time by preservation and maintenance
92.33 operations during the life of the activity;

92.34 (5) compensating for the impact by restoring a wetland; and

93.1 (6) compensating for the impact by replacing or providing substitute wetland
93.2 resources or environments.

93.3 For a project involving the draining or filling of wetlands in an amount not exceeding
93.4 10,000 square feet more than the applicable amount in section 103G.2241, subdivision 9,
93.5 paragraph (a), the local government unit may make an on-site sequencing determination
93.6 without a written alternatives analysis from the applicant.

93.7 (c) If a wetland is located in a cultivated field, then replacement must be accomplished
93.8 through restoration only without regard to the priority order in paragraph (b), provided
93.9 that the altered wetland is not converted to a nonagricultural use for at least ten years.

93.10 (d) If a wetland is replaced under paragraph (c), or drained under section 103G.2241,
93.11 subdivision 2, paragraph (b) or (e), the local government unit may require a deed
93.12 restriction that prohibits nonagricultural use for at least ten years. The local government
93.13 unit may require the deed restriction if it determines the wetland area drained is at risk of
93.14 conversion to a nonagricultural use within ten years based on the zoning classification,
93.15 proximity to a municipality or full service road, or other criteria as determined by the
93.16 local government unit.

93.17 (e) Restoration and replacement of wetlands must be accomplished in accordance
93.18 with the ecology of the landscape area affected and ponds that are created primarily to
93.19 fulfill storm water management, and water quality treatment requirements may not be
93.20 used to satisfy replacement requirements under this chapter unless the design includes
93.21 pretreatment of runoff and the pond is functioning as a wetland.

93.22 (f) Except as provided in paragraph (g), for a wetland or public waters wetland
93.23 located on nonagricultural land, replacement must be in the ratio of two acres of replaced
93.24 wetland for each acre of drained or filled wetland.

93.25 (g) For a wetland or public waters wetland located on agricultural land or in a greater
93.26 than 80 percent area, replacement must be in the ratio of one acre of replaced wetland
93.27 for each acre of drained or filled wetland.

93.28 (h) Wetlands that are restored or created as a result of an approved replacement plan
93.29 are subject to the provisions of this section for any subsequent drainage or filling.

93.30 (i) Except in a greater than 80 percent area, only wetlands that have been
93.31 restored from previously drained or filled wetlands, wetlands created by excavation in
93.32 nonwetlands, wetlands created by dikes or dams along public or private drainage ditches,
93.33 or wetlands created by dikes or dams associated with the restoration of previously
93.34 drained or filled wetlands may be used ~~in a statewide banking program established in for~~
93.35 wetland replacement according to rules adopted under section 103G.2242, subdivision 1.

94.1 Modification or conversion of nondegraded naturally occurring wetlands from one type to
94.2 another are not eligible for ~~enrollment in a statewide wetlands bank~~ wetland replacement.

94.3 (j) The Technical Evaluation Panel established under section 103G.2242, subdivision
94.4 2, shall ensure that sufficient time has occurred for the wetland to develop wetland
94.5 characteristics of soils, vegetation, and hydrology before recommending that the wetland
94.6 be deposited in the statewide wetland bank. If the Technical Evaluation Panel has reason
94.7 to believe that the wetland characteristics may change substantially, the panel shall
94.8 postpone its recommendation until the wetland has stabilized.

94.9 (k) This section and sections 103G.223 to 103G.2242, 103G.2364, and 103G.2365
94.10 apply to the state and its departments and agencies.

94.11 (l) For projects involving draining or filling of wetlands associated with a new public
94.12 transportation project, and for projects expanded solely for additional traffic capacity,
94.13 public transportation authorities may purchase credits from the board at the cost to the
94.14 board to establish credits. Proceeds from the sale of credits provided under this paragraph
94.15 are appropriated to the board for the purposes of this paragraph. For the purposes of this
94.16 paragraph, "transportation project" does not include an airport project.

94.17 (m) A replacement plan for wetlands is not required for individual projects that
94.18 result in the filling or draining of wetlands for the repair, rehabilitation, reconstruction,
94.19 or replacement of a currently serviceable existing state, city, county, or town public road
94.20 necessary, as determined by the public transportation authority, to meet state or federal
94.21 design or safety standards or requirements, excluding new roads or roads expanded solely
94.22 for additional traffic capacity lanes. This paragraph only applies to authorities for public
94.23 transportation projects that:

94.24 (1) minimize the amount of wetland filling or draining associated with the project
94.25 and consider mitigating important site-specific wetland functions on site;

94.26 (2) except as provided in clause (3), submit project-specific reports to the board, the
94.27 Technical Evaluation Panel, the commissioner of natural resources, and members of the
94.28 public requesting a copy at least 30 days prior to construction that indicate the location,
94.29 amount, and type of wetlands to be filled or drained by the project or, alternatively,
94.30 convene an annual meeting of the parties required to receive notice to review projects to
94.31 be commenced during the upcoming year; and

94.32 (3) for minor and emergency maintenance work impacting less than 10,000 square
94.33 feet, submit project-specific reports, within 30 days of commencing the activity, to the board
94.34 that indicate the location, amount, and type of wetlands that have been filled or drained.

94.35 Those required to receive notice of public transportation projects may appeal
94.36 minimization, delineation, and on-site mitigation decisions made by the public

95.1 transportation authority to the board according to the provisions of section 103G.2242,
95.2 subdivision 9. The Technical Evaluation Panel shall review minimization and delineation
95.3 decisions made by the public transportation authority and provide recommendations
95.4 regarding on-site mitigation if requested to do so by the local government unit, a
95.5 contiguous landowner, or a member of the Technical Evaluation Panel.

95.6 Except for state public transportation projects, for which the state Department of
95.7 Transportation is responsible, the board must replace the wetlands, and wetland areas of
95.8 public waters if authorized by the commissioner or a delegated authority, drained or filled
95.9 by public transportation projects on existing roads.

95.10 Public transportation authorities at their discretion may deviate from federal and
95.11 state design standards on existing road projects when practical and reasonable to avoid
95.12 wetland filling or draining, provided that public safety is not unreasonably compromised.
95.13 The local road authority and its officers and employees are exempt from liability for
95.14 any tort claim for injury to persons or property arising from travel on the highway and
95.15 related to the deviation from the design standards for construction or reconstruction under
95.16 this paragraph. This paragraph does not preclude an action for damages arising from
95.17 negligence in construction or maintenance on a highway.

95.18 (n) If a landowner seeks approval of a replacement plan after the proposed project
95.19 has already affected the wetland, the local government unit may require the landowner to
95.20 replace the affected wetland at a ratio not to exceed twice the replacement ratio otherwise
95.21 required.

95.22 (o) A local government unit may request the board to reclassify a county or
95.23 watershed on the basis of its percentage of presettlement wetlands remaining. After
95.24 receipt of satisfactory documentation from the local government, the board shall change
95.25 the classification of a county or watershed. If requested by the local government unit,
95.26 the board must assist in developing the documentation. Within 30 days of its action to
95.27 approve a change of wetland classifications, the board shall publish a notice of the change
95.28 in the Environmental Quality Board Monitor.

95.29 (p) One hundred citizens who reside within the jurisdiction of the local government
95.30 unit may request the local government unit to reclassify a county or watershed on the basis
95.31 of its percentage of presettlement wetlands remaining. In support of their petition, the
95.32 citizens shall provide satisfactory documentation to the local government unit. The local
95.33 government unit shall consider the petition and forward the request to the board under
95.34 paragraph (o) or provide a reason why the petition is denied.

95.35 Sec. 33. Minnesota Statutes 2014, section 103G.222, subdivision 3, is amended to read:

96.1 Subd. 3. **Wetland replacement siting.** (a) Impacted wetlands in a 50 to 80 percent
 96.2 area must be replaced in a 50 to 80 percent area or in a less than 50 percent area. Impacted
 96.3 wetlands in a less than 50 percent area must be replaced in a less than 50 percent area.

96.4 All wetland replacement must follow this priority order:

96.5 (1) on site or in the same minor watershed as the impacted wetland;

96.6 (2) in the same watershed as the impacted wetland;

96.7 (3) in the same county or wetland bank service area as the impacted wetland; and

96.8 (4) in another wetland bank service area; and

96.9 ~~(5) statewide for public transportation projects, except that wetlands impacted in~~
 96.10 ~~less than 50 percent areas must be replaced in less than 50 percent areas, and wetlands~~
 96.11 ~~impacted in the seven-county metropolitan area must be replaced at a ratio of two to one in:~~
 96.12 ~~(i) the affected county or, (ii) in another of the seven metropolitan counties, or (iii) in one~~
 96.13 ~~of the major watersheds that are wholly or partially within the seven-county metropolitan~~
 96.14 ~~area, but at least one to one must be replaced within the seven-county metropolitan area.~~

96.15 ~~(b) The exception in paragraph (a), clause (5), does not apply to replacement~~
 96.16 ~~completed using wetland banking credits established by a person who submitted a~~
 96.17 ~~complete wetland banking application to a local government unit by April 1, 1996.~~

96.18 (b) Notwithstanding paragraph (a), clauses (1) and (2), the priority order for
 96.19 replacement by wetland banking begins at paragraph (a), clause (3), according to rules
 96.20 adopted under section 103G.2242, subdivision 1.

96.21 (c) When reasonable, practicable, and environmentally beneficial replacement
 96.22 opportunities are not available in siting priorities listed in paragraph (a), the applicant
 96.23 may seek opportunities at the next level.

96.24 (d) For the purposes of this section, "reasonable, practicable, and environmentally
 96.25 beneficial replacement opportunities" are defined as opportunities that:

96.26 (1) take advantage of naturally occurring hydrogeomorphological conditions and
 96.27 require minimal landscape alteration;

96.28 (2) have a high likelihood of becoming a functional wetland that will continue
 96.29 in perpetuity;

96.30 (3) do not adversely affect other habitat types or ecological communities that are
 96.31 important in maintaining the overall biological diversity of the area; and

96.32 (4) are available and capable of being done after taking into consideration cost,
 96.33 existing technology, and logistics consistent with overall project purposes.

96.34 ~~(e) Applicants and local government units shall rely on board-approved~~
 96.35 ~~comprehensive inventories of replacement opportunities and watershed conditions,~~
 96.36 ~~including the Northeast Minnesota Wetland Mitigation Inventory and Assessment (January~~

97.1 2010), ~~in determining whether reasonable, practicable, and environmentally beneficial~~
97.2 ~~replacement opportunities are available.~~

97.3 ~~(f)~~ (e) Regulatory agencies, local government units, and other entities involved in
97.4 wetland restoration shall collaborate to identify potential replacement opportunities within
97.5 their jurisdictional areas.

97.6 (f) The board must establish wetland replacement ratios and wetland bank service
97.7 area priorities to implement the siting and targeting of wetland replacement and encourage
97.8 the use of high priority areas for wetland replacement.

97.9 Sec. 34. Minnesota Statutes 2014, section 103G.2242, subdivision 1, is amended to
97.10 read:

97.11 Subdivision 1. **Rules.** (a) The board, in consultation with the commissioner, shall
97.12 adopt rules governing the approval of wetland value replacement plans under this section
97.13 and public waters work permits affecting public waters wetlands under section 103G.245.
97.14 These rules must address the criteria, procedure, timing, and location of acceptable
97.15 replacement of wetland values; and may address the state establishment and administration
97.16 of a wetland banking program for public and private projects, ~~which may include~~ including
97.17 ~~provisions allowing monetary payment to the wetland banking program for alteration of~~
97.18 ~~wetlands on agricultural land~~ for an in-lieu fee program; the administrative, monitoring, and
97.19 enforcement procedures to be used; and a procedure for the review and appeal of decisions
97.20 under this section. In the case of peatlands, the replacement plan rules must consider the
97.21 impact on carbon ~~balance described in the report required by Laws 1990, chapter 587, and~~
97.22 ~~include the planting of trees or shrubs.~~ Any in-lieu fee program established by the board
97.23 must conform with Code of Federal Regulations, title 33, section 332.8, as amended.

97.24 (b) After the adoption of the rules, a replacement plan must be approved by a
97.25 resolution of the governing body of the local government unit, consistent with the
97.26 provisions of the rules or a comprehensive wetland protection and management plan
97.27 approved under section 103G.2243.

97.28 (c) If the local government unit fails to apply the rules, or fails to implement a
97.29 local comprehensive wetland protection and management plan established under section
97.30 103G.2243, the government unit is subject to penalty as determined by the board.

97.31 Sec. 35. Minnesota Statutes 2014, section 103G.2242, subdivision 2, is amended to
97.32 read:

97.33 Subd. 2. **Evaluation.** (a) Questions concerning the public value, location, size,
97.34 or type of a wetland shall be submitted to and determined by a Technical Evaluation

98.1 Panel after an on-site inspection. The Technical Evaluation Panel shall be composed of
98.2 a technical professional employee of the board, a technical professional employee of
98.3 the local soil and water conservation district or districts, a technical professional with
98.4 expertise in water resources management appointed by the local government unit, and
98.5 a technical professional employee of the Department of Natural Resources for projects
98.6 affecting public waters or wetlands adjacent to public waters. The panel shall use the
98.7 "United States Army Corps of Engineers Wetland Delineation Manual" (January 1987),
98.8 including updates, supplementary guidance, and replacements, if any, "Wetlands of
98.9 the United States" (United States Fish and Wildlife Service Circular 39, 1971 edition),
98.10 and "Classification of Wetlands and Deepwater Habitats of the United States" (1979
98.11 edition). The panel shall provide the wetland determination and recommendations on
98.12 other technical matters to the local government unit that must approve a replacement plan,
98.13 ~~wetland banking plan~~ sequencing, exemption determination, no-loss determination, or
98.14 wetland boundary or type determination and may recommend approval or denial of the
98.15 plan. The authority must consider and include the decision of the Technical Evaluation
98.16 Panel in their approval or denial of a plan or determination.

98.17 (b) Persons conducting wetland or public waters boundary delineations or type
98.18 determinations are exempt from the requirements of chapter 326. The board may develop
98.19 a professional wetland delineator certification program.

98.20 (c) The board must establish an interagency team to assist in identifying and
98.21 evaluating potential wetland replacement sites. The team must consist of members
98.22 of the Technical Evaluation Panel and representatives from the Department of Natural
98.23 Resources; the Pollution Control Agency; the United States Army Corps of Engineers, St.
98.24 Paul district; and other organizations as determined by the board.

98.25 Sec. 36. Minnesota Statutes 2014, section 103G.2242, subdivision 3, is amended to
98.26 read:

98.27 Subd. 3. **Replacement completion.** (a) Replacement of wetland values must be
98.28 completed prior to or concurrent with the actual draining or filling of a wetland, unless:

98.29 (1) an irrevocable bank letter of credit or other security financial assurance
98.30 acceptable to the local government unit or the board is given to the local government unit
98.31 or the board to guarantee the successful completion of the replacement; or

98.32 (2) the replacement is approved under an in-lieu fee program according to rules
98.33 adopted under subdivision 1. In the case of an in-lieu fee program established by a
98.34 board-approved sponsor, the board may require that a financial assurance in an amount

99.1 and method acceptable to the board be given to the board to ensure the approved sponsor
 99.2 fulfills the sponsor's obligation to complete the required wetland replacement.

99.3 ~~The board may establish, sponsor, or administer a wetland banking program, which~~
 99.4 ~~may include provisions allowing monetary payment to the wetland bank for impacts to~~
 99.5 ~~wetlands on agricultural land, for impacts that occur in greater than 80 percent areas, and~~
 99.6 ~~for public road projects. (b) The board may acquire land in fee title, purchase or accept~~
 99.7 ~~easements, enter into agreements, and purchase existing wetland replacement credits to~~
 99.8 ~~facilitate the wetland banking program. The board may establish in-lieu fee payment~~
 99.9 ~~amounts and hold money in an account in the special revenue fund, which is appropriated~~
 99.10 ~~to the board to be used solely for establishing replacement wetlands and administering the~~
 99.11 ~~wetland banking program.~~

99.12 (c) The board shall coordinate the establishment and operation of a wetland bank
 99.13 with the United States Army Corps of Engineers, the Natural Resources Conservation
 99.14 Service of the United States Department of Agriculture, and the commissioners of natural
 99.15 resources, agriculture, and the Pollution Control Agency.

99.16 Sec. 37. Minnesota Statutes 2014, section 103G.2242, subdivision 4, is amended to
 99.17 read:

99.18 Subd. 4. **Decision.** Upon receiving and considering all required data, the local
 99.19 government unit reviewing replacement plan applications, ~~banking plan sequencing~~
 99.20 applications, and exemption or no-loss determination requests must act on all replacement
 99.21 plan applications, ~~banking plan sequencing~~ applications, and exemption or no-loss
 99.22 determination requests in compliance with section 15.99.

99.23 Sec. 38. Minnesota Statutes 2014, section 103G.2242, subdivision 9, is amended to
 99.24 read:

99.25 Subd. 9. **Appeals to board.** (a) Appeal of a replacement plan, sequencing,
 99.26 exemption, wetland banking, wetland boundary or type determination, or no-loss decision
 99.27 may be obtained by mailing a petition and payment of a filing fee, which shall be retained
 99.28 by the board to defray administrative costs, to the board within 30 days after the postmarked
 99.29 date of the mailing or date of sending by electronic transmission specified in subdivision 7.
 99.30 If appeal is not sought within 30 days, the decision becomes final. If the petition for hearing
 99.31 is accepted, the amount posted must be returned to the petitioner. Appeal may be made by:

99.32 (1) the wetland owner;

99.33 (2) any of those to whom notice is required to be mailed or sent by electronic
 99.34 transmission under subdivision 7; or

- 100.1 (3) 100 residents of the county in which a majority of the wetland is located.
- 100.2 (b) Within 30 days after receiving a petition, the board shall decide whether to
- 100.3 grant the petition and hear the appeal. The board shall grant the petition unless the board
- 100.4 finds that:
- 100.5 (1) the appeal is without significant merit, trivial, or brought solely for the purposes
- 100.6 of delay;
- 100.7 (2) the petitioner has not exhausted all local administrative remedies;
- 100.8 (3) expanded technical review is needed;
- 100.9 (4) the local government unit's record is not adequate; or
- 100.10 (5) the petitioner has not posted a letter of credit, cashier's check, or cash if required
- 100.11 by the local government unit.
- 100.12 (c) In determining whether to grant the appeal, the board, executive director, or
- 100.13 dispute resolution committee shall also consider the size of the wetland, other factors in
- 100.14 controversy, any patterns of similar acts by the local government unit or petitioner, and
- 100.15 the consequences of the delay resulting from the appeal.
- 100.16 (d) If an appeal is granted, the appeal must be heard by the committee for dispute
- 100.17 resolution of the board, and a decision must be made by the board within 60 days of
- 100.18 filing the local government unit's record and the written briefs submitted for the appeal
- 100.19 and the hearing. The decision must be served by mail or by electronic transmission to
- 100.20 the parties to the appeal, and is not subject to the provisions of chapter 14. A decision
- 100.21 whether to grant a petition for appeal and a decision on the merits of an appeal must be
- 100.22 considered the decision of an agency in a contested case for purposes of judicial review
- 100.23 under sections 14.63 to 14.69.
- 100.24 (e) Notwithstanding section 16A.1283, the board shall establish a fee schedule to
- 100.25 defray the administrative costs of appeals made to the board under this subdivision. Fees
- 100.26 established under this authority shall not exceed \$1,000. Establishment of the fee is not
- 100.27 subject to the rulemaking process of chapter 14 and section 14.386 does not apply.
- 100.28 (f) A replacement plan, sequencing, exemption, wetland banking, wetland boundary
- 100.29 or type determination, or no-loss decision that are included in a permit to mine under
- 100.30 section 93.481 are not subject to appeal under this subdivision.

100.31 Sec. 39. Minnesota Statutes 2014, section 103G.2242, subdivision 12, is amended to

100.32 read:

100.33 Subd. 12. **Replacement credits.** (a) No public or private wetland restoration,

100.34 enhancement, or construction may be allowed for replacement unless specifically

100.35 designated for replacement and paid for by the individual or organization performing the

101.1 wetland restoration, enhancement, or construction, ~~and is completed prior to any draining~~
101.2 ~~or filling of the wetland.~~

101.3 (b) Paragraph (a) does not apply to a wetland whose owner has paid back with
101.4 interest the individual or organization restoring, enhancing, or constructing the wetland.

101.5 (c) Notwithstanding section 103G.222, subdivision 1, paragraph (i), the following
101.6 actions, and others established in rule, that are consistent with criteria in rules adopted by
101.7 the board in conjunction with the commissioners of natural resources and agriculture, are
101.8 eligible for replacement credit as determined by the local government unit or the board,
101.9 including enrollment in a statewide wetlands bank:

101.10 (1) reestablishment of permanent native, noninvasive vegetative cover on a wetland
101.11 on agricultural land that was planted with annually seeded crops, was in a crop rotation
101.12 seeding of pasture grasses or legumes, or was in a land retirement program during the
101.13 past ten years;

101.14 (2) buffer areas of permanent native, noninvasive vegetative cover established or
101.15 preserved on upland adjacent to replacement wetlands;

101.16 (3) wetlands restored for conservation purposes under terminated easements or
101.17 contracts; ~~and~~

101.18 (4) water quality treatment ponds constructed to pretreat storm water runoff prior
101.19 to discharge to wetlands, public waters, or other water bodies, provided that the water
101.20 quality treatment ponds must be associated with an ongoing or proposed project that
101.21 will impact a wetland and replacement credit for the treatment ponds is based on the
101.22 replacement of wetland functions and on an approved storm water management plan for
101.23 the local government; and

101.24 (5) in a greater than 80 percent area, restoration and protection of streams, riparian
101.25 buffers, and habitat corridors that are important to the functions and sustainability of
101.26 aquatic resources.

101.27 (d) Notwithstanding section 103G.222, subdivision 1, paragraphs (f) and (g), the
101.28 board may establish by rule different replacement ratios for restoration projects with
101.29 exceptional natural resource value.

101.30 Sec. 40. Minnesota Statutes 2014, section 103G.2242, subdivision 14, is amended to
101.31 read:

101.32 Subd. 14. **Fees established.** (a) Fees must be assessed for managing wetland bank
101.33 accounts and transactions as follows:

101.34 (1) account maintenance annual fee: one percent of the value of credits not to
101.35 exceed \$500;

102.1 (2) account establishment, deposit, or transfer: 6.5 percent of the value of credits not
102.2 to exceed \$1,000 per establishment, deposit, or transfer; and

102.3 (3) withdrawal fee: 6.5 percent of the value of credits withdrawn.

102.4 (b) The board may establish fees at or below the amounts in paragraph (a) for
102.5 single-user or other dedicated wetland banking accounts.

102.6 (c) Fees for single-user or other dedicated wetland banking accounts established
102.7 pursuant to section 103G.005, subdivision 10e, clause (4), are limited to establishment
102.8 of a wetland banking account and are assessed at the rate of 6.5 percent of the value of
102.9 the credits not to exceed \$1,000.

102.10 (d) The board may assess a fee to pay the costs associated with establishing
102.11 conservation easements, or other long-term protection mechanisms prescribed in the rules
102.12 adopted under subdivision 1, on property used for wetland replacement.

102.13 Sec. 41. Minnesota Statutes 2014, section 103G.2242, subdivision 15, is amended to
102.14 read:

102.15 Subd. 15. **Fees paid to board.** All fees established in subdivisions 9 and 14 must
102.16 be paid to the Board of Water and Soil Resources and are annually appropriated to the
102.17 board for the purpose of administration of the wetland bank and to process appeals under
102.18 section 103G.2242, subdivision 9. One-half of the fees collected for wetland bank credit
102.19 withdrawals under subdivision 14, paragraph (a), clause (3), or alternative fees for wetland
102.20 bank credit withdrawal under paragraph (b), must be paid to the county where the property
102.21 for wetland credit is located. The amount paid to the county shall be distributed as
102.22 follows: one-third to the school district; one-third to the city or organized township; and
102.23 one-third to the county. If the property is located in an unorganized township, the county
102.24 shall retain the township share.

102.25 Sec. 42. Minnesota Statutes 2014, section 103G.2251, is amended to read:

102.26 **103G.2251 STATE CONSERVATION EASEMENTS; WETLAND BANK**
102.27 **CREDIT.**

102.28 In greater than 80 percent areas, preservation of wetlands, riparian buffers,
102.29 habitat corridors, and watershed areas essential to maintaining important functions and
102.30 sustainability of aquatic resources in the watershed that are protected by a permanent
102.31 conservation easement as defined under section 84C.01 and held by the board may be
102.32 eligible for wetland replacement or mitigation credits, according to rules adopted by
102.33 the board. To be eligible for credit under this section, a conservation easement must be
102.34 established after May 24, 2008, and approved by the board. Wetland areas on private

103.1 lands preserved under this section are not eligible for replacement or mitigation credit if
103.2 the area has been protected using public conservation funds.

103.3 Sec. 43. Minnesota Statutes 2014, section 115A.1415, subdivision 16, is amended to
103.4 read:

103.5 Subd. 16. **Administrative fee.** (a) The stewardship organization or individual
103.6 producer submitting a stewardship plan shall pay an annual administrative fee to the
103.7 commissioner. The agency may establish a variable fee based on relevant factors,
103.8 including, but not limited to, the portion of architectural paint sold in the state by members
103.9 of the organization compared to the total amount of architectural paint sold in the state by
103.10 all organizations submitting a stewardship plan.

103.11 (b) Prior to July 1, 2014, and before July 1 annually thereafter, the agency shall
103.12 identify the costs it incurs under this section. The agency shall set the fee at an amount
103.13 that, when paid by every stewardship organization or individual producer that submits a
103.14 stewardship plan, is adequate to reimburse the agency's full costs of administering this
103.15 section. The total amount of annual fees collected under this subdivision must not exceed
103.16 the amount necessary to reimburse costs incurred by the agency to administer this section.

103.17 (c) A stewardship organization or individual producer subject to this subdivision
103.18 must pay the agency's administrative fee under paragraph (a) on or before July 1, 2014,
103.19 and annually thereafter. Each year after the initial payment, the annual administrative fee
103.20 may not exceed five percent of the aggregate stewardship assessment added to the cost of
103.21 all architectural paint sold by producers in the state for the preceding calendar year.

103.22 (d) All fees received under this section shall be deposited in the state treasury and
103.23 credited to a product stewardship account in the special revenue fund. For fiscal years
103.24 2014 ~~and~~ 2015, 2016, and 2017, the amount collected under this section is annually
103.25 appropriated to the agency to implement and enforce this section.

103.26 Sec. 44. Minnesota Statutes 2014, section 116.07, subdivision 4d, is amended to read:

103.27 Subd. 4d. **Permit fees.** (a) The agency may collect permit fees in amounts not greater
103.28 than those necessary to cover the reasonable costs of developing, reviewing, and acting
103.29 upon applications for agency permits and implementing and enforcing the conditions of
103.30 the permits pursuant to agency rules. Permit fees shall not include the costs of litigation.
103.31 The fee schedule must reflect reasonable and routine direct and indirect costs associated
103.32 with permitting, implementation, and enforcement. The agency may impose an additional
103.33 enforcement fee to be collected for a period of up to two years to cover the reasonable costs

104.1 of implementing and enforcing the conditions of a permit under the rules of the agency.

104.2 Any money collected under this paragraph shall be deposited in the environmental fund.

104.3 (b) Notwithstanding paragraph (a), the agency shall collect an annual fee from
104.4 the owner or operator of all stationary sources, emission facilities, emissions units, air
104.5 contaminant treatment facilities, treatment facilities, potential air contaminant storage
104.6 facilities, or storage facilities ~~subject to the requirement to obtain a permit a notification,~~
104.7 permit, or license requirement under subchapter this chapter, subchapters I and V of
104.8 the federal Clean Air Act, United States Code, title 42, section 7401 et seq., or section
104.9 ~~116-081~~ or rules adopted thereunder. The annual fee shall be used to pay for all direct and
104.10 indirect reasonable costs, including ~~attorney general~~ legal costs, required to develop and
104.11 administer the notification, permit, or license program requirements of ~~subchapter this~~
104.12 chapter, subchapters I and V of the federal Clean Air Act, United States Code, title 42,
104.13 section 7401 et seq., and sections of this chapter and the or rules adopted ~~under this chapter~~
104.14 related to air contamination and noise under those sections. Those costs include the
104.15 reasonable costs of reviewing and acting upon an application for a permit; implementing
104.16 and enforcing statutes, rules, and the terms and conditions of a permit; emissions, ambient,
104.17 and deposition monitoring; preparing generally applicable regulations; responding to
104.18 federal guidance; modeling, analyses, and demonstrations; preparing inventories and
104.19 tracking emissions; and providing information to the public about these activities.

104.20 (c) The agency shall set fees that:

104.21 (1) will result in the collection, in the aggregate, from the sources listed in paragraph
104.22 (b), of an amount not less than \$25 per ton of each volatile organic compound; pollutant
104.23 regulated under United States Code, title 42, section 7411 or 7412 (section 111 or 112
104.24 of the federal Clean Air Act); and each pollutant, except carbon monoxide, for which a
104.25 national primary ambient air quality standard has been promulgated;

104.26 (2) may result in the collection, in the aggregate, from the sources listed in paragraph
104.27 (b), of an amount not less than \$25 per ton of each pollutant not listed in clause (1) that is
104.28 regulated under this chapter or air quality rules adopted under this chapter; and

104.29 (3) shall collect, in the aggregate, from the sources listed in paragraph (b), the
104.30 amount needed to match grant funds received by the state under United States Code, title
104.31 42, section 7405 (section 105 of the federal Clean Air Act).

104.32 The agency must not include in the calculation of the aggregate amount to be collected
104.33 under clauses (1) and (2) any amount in excess of 4,000 tons per year of each air pollutant
104.34 from a source. The increase in air permit fees to match federal grant funds shall be a
104.35 surcharge on existing fees. The commissioner may not collect the surcharge after the grant

105.1 funds become unavailable. In addition, the commissioner shall use nonfee funds to the
105.2 extent practical to match the grant funds so that the fee surcharge is minimized.

105.3 (d) To cover the reasonable costs described in ~~paragraph~~ paragraphs (b) and (d),
105.4 the agency shall provide in the rules promulgated ~~under paragraph (e) to implement~~
105.5 paragraphs (b) to (d) for an increase in the fee collected in each year by the percentage,
105.6 if any, by which the Consumer Price Index for the most recent calendar year ending
105.7 before the beginning of the year the fee is collected exceeds the Consumer Price Index
105.8 for the calendar year 1989. For purposes of this paragraph the Consumer Price Index for
105.9 any calendar year is the average of the Consumer Price Index for all-urban consumers
105.10 published by the United States Department of Labor, as of the close of the 12-month period
105.11 ending on August 31 of each calendar year. The revision of the Consumer Price Index that
105.12 is most consistent with the Consumer Price Index for calendar year 1989 shall be used.

105.13 (e) Any money collected under ~~paragraphs (b) to (d)~~ this subdivision must be
105.14 deposited in the environmental fund and must be used solely for the activities listed in
105.15 ~~paragraph~~ paragraphs (b) and (d).

105.16 (f) Permit applicants who wish to construct, reconstruct, or modify a facility may
105.17 offer to reimburse the agency for the costs of staff time or consultant services needed to
105.18 expedite the permit development process, including the analysis of environmental review
105.19 documents. The reimbursement shall be in addition to permit application fees imposed by
105.20 law. When the agency determines that it needs additional resources to develop the permit
105.21 application in an expedited manner, and that expediting the development is consistent with
105.22 permitting program priorities, the agency may accept the reimbursement. Reimbursements
105.23 accepted by the agency are appropriated to the agency for the purpose of developing
105.24 the permit or analyzing environmental review documents. Reimbursement by a permit
105.25 applicant shall precede and not be contingent upon issuance of a permit; shall not affect
105.26 the agency's decision on whether to issue or deny a permit, what conditions are included
105.27 in a permit, or the application of state and federal statutes and rules governing permit
105.28 determinations; and shall not affect final decisions regarding environmental review.

105.29 (g) The fees under this subdivision are exempt from section 16A.1285.

105.30 Sec. 45. **TRANSFERS.**

105.31 (a) On June 30, 2015, the commissioner of management and budget shall transfer
105.32 to the natural resources conservation easement stewardship account, established in
105.33 Minnesota Statutes, section 84.69, the remaining balance:

105.34 (1) in the forests for the future conservation easement account under section 84.68;
105.35 and

106.1 (2) of all appropriations to the Department of Natural Resources from the outdoor
106.2 heritage fund for the establishment of conservation easement monitoring and enforcement
106.3 accounts.

106.4 (b) On June 30, 2015, the commissioner of management and budget shall transfer to
106.5 the water and soil conservation easement stewardship account, established in Minnesota
106.6 Statutes, section 103B.103, the remaining balance of all appropriations to the board from
106.7 the outdoor heritage fund for the establishment of conservation easement monitoring
106.8 and enforcement accounts.

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

106.10 Sec. 46. **REPORT.**

106.11 By March 15, 2016, the Board of Water and Soil Resources, in cooperation with the
106.12 Department of Natural Resources, shall report to the committees with jurisdiction over
106.13 environment and natural resources on the proposals to implement high priority areas for
106.14 wetland replacement and in-lieu fees for replacement and modify wetland replacement
106.15 siting and actions eligible for credit. In developing the report, the board and department
106.16 shall consult with stakeholders and agencies.

106.17 Sec. 47. **RULEMAKING; LIFTING SPEARING BANS AND NORTHERN PIKE**
106.18 **REGULATIONS.**

106.19 (a) The commissioner of natural resources shall amend Minnesota Rules, parts
106.20 6262.0575, subpart 9, and 6264.0400, subparts 70 and 72, to delete the language
106.21 prohibiting spearing.

106.22 (b) Notwithstanding Minnesota Statutes, section 97C.007, the commissioner of
106.23 natural resources shall amend Minnesota Rules, part 6264.0400, subpart 71, to delete the
106.24 language prohibiting spearing and modify the northern pike protected slot to 26 to 40 inches.

106.25 (c) The commissioner may use the good cause exemption under Minnesota Statutes,
106.26 section 14.388, subdivision 1, clause (3), to adopt rules under this section, and Minnesota
106.27 Statutes, section 14.386, does not apply.

106.28 **EFFECTIVE DATE.** This section is effective July 1, 2015.

106.29 Sec. 48. **REFUNDS; YOUTH BEAR LICENSES.**

106.30 The commissioner of natural resources may issue refunds for youth bear licenses
106.31 that were purchased between August 1, 2013, and June 30, 2014, to individuals who were
106.32 10, 11, or 12 years old at the time of purchase.

107.1 Sec. 49. **WILD RICE WATER QUALITY STANDARDS.**

107.2 (a) Until the commissioner of the Pollution Control Agency adopts rules refining
107.3 the wild rice water quality standard in Minnesota Rules, part 7050.0224, subpart 2,
107.4 to incorporate new science, and to include criteria for identifying waters and a list of
107.5 waters subject to the standard, implementation of the wild rice water quality standard in
107.6 Minnesota Rules, part 7050.0224, subpart 2, shall be limited to the following, unless the
107.7 permittee requests additional conditions:

107.8 (1) the agency shall ensure that no existing discharge further causes or contributes
107.9 to sulfate impacts to wild rice, and to accomplish this shall be limited by the following
107.10 conditions:

107.11 (i) the agency shall not require permittees to expend money for design or
107.12 implementation of sulfate treatment technologies or other forms of sulfate mitigation; and

107.13 (ii) the agency may require sulfate minimization plans in permits;

107.14 (2) the agency shall consider wild rice protection when evaluating proposals for new
107.15 or expanded discharges that include sulfate; and

107.16 (3) the agency shall not list waters containing natural beds of wild rice as impaired
107.17 for sulfate under section 303(d) of the federal Clean Water Act, United States Code, title
107.18 33, section 1313, until the rulemaking described in this paragraph takes effect.

107.19 (b) Upon the rule described in paragraph (a) taking effect, the agency may reopen
107.20 permits issued or reissued after the effective date of this section as needed to include
107.21 numeric permit limits based on the wild rice water quality standard.

107.22 (c) The commissioner shall complete the rulemaking described in paragraph (a) by
107.23 January 15, 2018.

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

107.25 Sec. 50. **MINIMUM WATER QUALITY STANDARDS.**

107.26 Until the Red River of the North water quality strategic plan is completed and
107.27 submitted to the legislature according to section 2, the Minnesota Pollution Control
107.28 Agency must not require a current permittee that discharges to the Red River of the North
107.29 to meet standards above the minimum standards for water quality that are set by the
107.30 United States Environmental Protection Agency and that are applicable in North Dakota.

107.31 Sec. 51. **WORKING LANDS WATERSHED RESTORATION**
107.32 **IMPLEMENTATION PLAN.**

107.33 (a) The board shall develop a detailed plan to implement Minnesota Statutes, section
107.34 103F.519, that includes the following:

- 108.1 (1) selection of pilot watersheds that are expected to best demonstrate water quality
108.2 improvements and exhibit readiness to participate in the program;
- 108.3 (2) an assessment of the quantity of agricultural lands that are expected to be eligible
108.4 for the program in each watershed;
- 108.5 (3) an assessment of landowner interest in participating in the program;
- 108.6 (4) an assessment of the contract terms and any recommendations for changes to
108.7 the terms;
- 108.8 (5) an assessment of opportunity to leverage federal funds through the program and
108.9 recommendations on how to maximize the use of federal funds in the future;
- 108.10 (6) an estimate of water quality improvements resulting from implementation;
- 108.11 (7) an assessment of potential groundwater quantity use of the proposed advanced
108.12 biofuel production facilities;
- 108.13 (8) an assessment of how to best integrate implementation with existing conservation
108.14 requirements and practices;
- 108.15 (9) a timeline for implementation, coordinated to the extent possible with the
108.16 proposed advanced biofuel production facilities; and
- 108.17 (10) a projection of funding sources needed to complete implementation.

108.18 The board shall coordinate development of the plan with the commissioners of
108.19 natural resources, agriculture, and the Pollution Control Agency. The implementation plan
108.20 shall be submitted by October 1, 2016, to the chairs and ranking minority members of the
108.21 legislative committees and divisions with jurisdiction over agriculture, natural resources,
108.22 and environment policy and finance and to the Clean Water Council.

108.23 **Sec. 52. COST ANALYSIS OF WATER QUALITY STANDARDS;**
108.24 **APPROPRIATION.**

108.25 (a) The commissioner of the Pollution Control Agency, after consultation with the
108.26 commissioner of management and budget, shall issue a request for proposal not to exceed
108.27 \$..... to contract with a nonstate entity for an engineering cost analysis of current and
108.28 recently adopted, proposed, or anticipated changes to water quality standards and rules,
108.29 including:

- 108.30 (1) recently adopted or proposed changes to total suspended solid, nutrient, chloride,
108.31 nitrate, and sulfate standards;
- 108.32 (2) proposed nondegradation rulemaking provisions; and
- 108.33 (3) proposed changes to water quality standards to incorporate a tiered aquatic
108.34 life use framework.

109.1 (b) The contractor may employ engineering subcontractors serving local
109.2 governments to complete the analysis. The analysis must include a cost analysis for
109.3 a representative sample of at least 15 communities. The sample must include a diverse
109.4 set of communities based on geography, watersheds, community size, wastewater facility
109.5 types and operators, storm water system types, and other factors to ensure the analysis is
109.6 representative of the state as a whole. The analysis must include:

109.7 (1) an estimate of the overall capital and operating costs to maintain and upgrade
109.8 wastewater and storm water systems for existing water quality standards;

109.9 (2) an estimate of the overall capital and operating costs likely to be incurred
109.10 to upgrade wastewater and storm water systems for recently adopted, proposed, or
109.11 anticipated changes to water quality standards; and

109.12 (3) an estimate of the incremental effect to overall water quality in the receiving
109.13 waters as a direct result of the recently adopted, proposed, or anticipated changes to
109.14 water quality standards.

109.15 (c) The commissioner shall submit the analysis to the chairs and ranking minority
109.16 members of the committees and divisions of the house of representatives and senate with
109.17 jurisdiction over water quality standards no later than January 1, 2017.

109.18 (d) Until 45 legislative days after the report is submitted under paragraph (c), the
109.19 commissioner of the Pollution Control Agency must not require additional wastewater
109.20 treatment at wastewater treatment facilities that are necessary due to the changes in the
109.21 agency's water quality rules adopted on August 4, 2014.

109.22 **EFFECTIVE DATE.** Paragraph (d) of this section is effective the day following
109.23 final enactment.

109.24 **Sec. 53. REVISOR'S INSTRUCTION.**

109.25 The revisor of statutes shall renumber the subdivisions of Minnesota Statutes,
109.26 section 103G.005, to retain alphabetical order and shall correct cross-references to the
109.27 renumbered subdivisions.

109.28 **Sec. 54. REPEALER.**

109.29 (a) Minnesota Statutes 2014, section 84.68, is repealed.

109.30 (b) Minnesota Statutes 2014, section 86B.13, subdivisions 2 and 4, are repealed.

109.31 (c) Laws 2010, chapter 215, article 3, section 3, subdivision 6, as amended by Laws
109.32 2010, First Special Session chapter 1, article 6, section 6, Laws 2013, chapter 114, article
109.33 3, section 9, is repealed.

110.1 **EFFECTIVE DATE.** Paragraph (b) is effective the day following final enactment.