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State of Minnesota  
**HOUSE OF REPRESENTATIVES**

EIGHTY-EIGHTH SESSION

**H. F. No. 976**

02/28/2013 Authored by Wagenius, Atkins, Hansen and Poppe  
The bill was read for the first time and referred to the Committee on Rules and Legislative Administration

03/06/2013 Adoption of Report: Pass and re-referred to the Committee on Environment, Natural Resources and Agriculture Finance

04/11/2013 Adoption of Report: Pass as Amended and re-referred to the Committee on Ways and Means

04/15/2013 Adoption of Report: Pass as Amended and Read Second Time

04/18/2013 Calendar for the Day, Amended  
Read Third Time as Amended  
Passed by the House as Amended and transmitted to the Senate to include Floor Amendments

05/18/2013 Conference Committee Report Adopted  
Read Third Time as Amended by Conference and repassed by the House

A bill for an act

1.1 relating to state government; appropriating money for environment, natural  
1.2 resources, and agriculture; modifying and providing for disposition of certain  
1.3 revenue; modifying pesticide control; providing certain fee exemptions;  
1.4 establishing agricultural water certification program; modifying Minnesota  
1.5 Noxious Weed Law; providing for biobased and biofuel products; modifying  
1.6 certain bond requirements; modifying animal waste technician provisions;  
1.7 making technical changes; modifying certain permit requirements; providing for  
1.8 federal law compliance; providing for certain easements; modifying all-terrain  
1.9 vehicle operating provisions; establishing pollinator habitat program; modifying  
1.10 snowmobile registration provisions; modifying state trails; modifying State  
1.11 Timber Act; modifying certain park boundaries and expenditures; modifying  
1.12 reporting requirements; modifying Petroleum Tank Release Cleanup Act;  
1.13 providing for silica sand mining model standards and technical assistance;  
1.14 providing for wastewater laboratory certification; providing for product  
1.15 stewardship program; providing for discontinuance of Hennepin County Soil and  
1.16 Water Conservation District; authorizing recreation of Hall's Island; providing  
1.17 for certain interim ordinance extension or renewal; repealing certain pollution  
1.18 control rules; modifying certain environmental review; modifying Water Law;  
1.19 modifying public utilities provisions; providing certain criteria for wastewater  
1.20 treatment systems; providing for sanitary districts; requiring studies and reports;  
1.21 requiring rulemaking; amending Minnesota Statutes 2012, sections 13.6435, by  
1.22 adding a subdivision; 13.7411, subdivision 4; 17.03, subdivision 3; 17.1015;  
1.23 17.118, subdivision 2; 18.77, subdivisions 3, 4, 10, 12; 18.78, subdivision 3;  
1.24 18.79, subdivisions 6, 13; 18.82, subdivision 1; 18.91, subdivisions 1, 2; 18B.01,  
1.25 by adding a subdivision; 18B.07, subdivisions 4, 5, 7; 18B.26, subdivision 3;  
1.26 18B.305; 18B.316, subdivisions 1, 3, 4, 8, 9; 18B.37, subdivision 4; 18C.111,  
1.27 subdivision 4; 18C.430; 18C.433, subdivision 1; 31.94; 41A.10, subdivision 2,  
1.28 by adding a subdivision; 41A.105, subdivisions 1a, 3, 5; 41A.12, subdivision  
1.29 3, by adding a subdivision; 41B.04, subdivision 9; 41D.01, subdivision 4;  
1.30 84.027, by adding a subdivision; 84.415, by adding a subdivision; 84.63; 84.82,  
1.31 subdivision 3, by adding a subdivision; 84.8205, subdivision 1; 84.922, by  
1.32 adding a subdivision; 84.9256, subdivision 1; 84.928, subdivision 1; 84D.108,  
1.33 subdivision 2; 85.015, subdivision 13; 85.052, subdivision 6; 85.053, subdivision  
1.34 8; 85.054, by adding a subdivision; 85.055, subdivisions 1, 2; 85.42; 89.0385;  
1.35 90.01, subdivisions 4, 5, 6, 8, 11; 90.031, subdivision 4; 90.041, subdivisions  
1.36 2, 5, 6, 9, by adding subdivisions; 90.045; 90.061, subdivision 8; 90.101,  
1.37 subdivision 1; 90.121; 90.145; 90.151, subdivisions 1, 2, 3, 4, 6, 7, 8, 9;  
1.38 90.161; 90.162; 90.171; 90.181, subdivision 2; 90.191, subdivision 1; 90.193;

2.1 90.195; 90.201, subdivision 2a; 90.211; 90.221; 90.252, subdivision 1; 90.301,  
 2.2 subdivisions 2, 4; 90.41, subdivision 1; 93.46, by adding a subdivision; 93.481,  
 2.3 subdivision 3; 97A.401, subdivision 3; 103G.265, subdivisions 2, 3; 103G.271,  
 2.4 subdivisions 1, 4; 103G.287, subdivisions 1, 4, 5; 103I.205, subdivision 1;  
 2.5 114D.50, subdivision 4; 115A.1320, subdivision 1; 115B.20, subdivision  
 2.6 6; 115B.28, subdivision 1; 115B.421; 115C.02, subdivision 4; 115C.08,  
 2.7 subdivision 4, by adding a subdivision; 115D.10; 116.48, subdivision 6; 116C.03,  
 2.8 subdivisions 2, 4, 5; 116D.04, by adding a subdivision; 116J.437, subdivision 1;  
 2.9 223.17, by adding a subdivision; 232.22, by adding a subdivision; 239.051, by  
 2.10 adding subdivisions; 239.761, subdivision 3; 239.791, subdivisions 1, 2a, 2b;  
 2.11 239.7911; 275.066; 282.04, subdivision 1; 296A.01, by adding a subdivision;  
 2.12 473.846; 583.215; Laws 2010, chapter 215, article 3, section 3, subdivision 6,  
 2.13 as amended; Laws 2010, chapter 361, article 3, section 7; proposing coding for  
 2.14 new law in Minnesota Statutes, chapters 17; 18; 84; 90; 93; 103G; 115; 115A;  
 2.15 116C; 383B; proposing coding for new law as Minnesota Statutes, chapter 442A;  
 2.16 repealing Minnesota Statutes 2012, sections 18.91, subdivisions 3, 5; 18B.07,  
 2.17 subdivision 6; 90.163; 90.173; 90.41, subdivision 2; 103G.265, subdivision 2a;  
 2.18 115.18, subdivisions 1, 3, 4, 5, 6, 7, 8, 9, 10; 115.19; 115.20; 115.21; 115.22;  
 2.19 115.23; 115.24; 115.25; 115.26; 115.27; 115.28; 115.29; 115.30; 115.31; 115.32;  
 2.20 115.33; 115.34; 115.35; 115.36; 115.37; 239.791, subdivision 1a; Laws 2011,  
 2.21 First Special Session chapter 2, article 4, section 30; Minnesota Rules, parts  
 2.22 7021.0010, subparts 1, 2, 4, 5; 7021.0020; 7021.0030; 7021.0040; 7021.0050,  
 2.23 subpart 5; 9210.0300; 9210.0310; 9210.0320; 9210.0330; 9210.0340; 9210.0350;  
 2.24 9210.0360; 9210.0370; 9210.0380; 9220.0530, subpart 6.

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

2.26 **ARTICLE 1**

2.27 **AGRICULTURE APPROPRIATIONS**

2.28 Section 1. **SUMMARY OF APPROPRIATIONS.**

2.29 The amounts shown in this section summarize direct appropriations, by fund, made  
 2.30 in this article.

	<b><u>2014</u></b>		<b><u>2015</u></b>		<b><u>Total</u></b>
2.31 <b><u>General</u></b>	\$	<b><u>39,050,000</u></b>	\$	<b><u>39,050,000</u></b>	<b><u>78,100,000</u></b>
2.32 <b><u>Agricultural</u></b>	\$	<b><u>1,240,000</u></b>	\$	<b><u>1,240,000</u></b>	<b><u>2,480,000</u></b>
2.33 <b><u>Remediation</u></b>	\$	<b><u>388,000</u></b>	\$	<b><u>388,000</u></b>	<b><u>776,000</u></b>
2.34 <b><u>Total</u></b>	\$	<b><u>40,678,000</u></b>	\$	<b><u>40,678,000</u></b>	<b><u>81,356,000</u></b>

2.35

2.36 Sec. 2. **AGRICULTURE APPROPRIATIONS.**

2.37 The sums shown in the columns marked "Appropriations" are appropriated to the  
 2.38 agencies and for the purposes specified in this act. The appropriations are from the general  
 2.39 fund, or another named fund, and are available for the fiscal years indicated for each  
 2.40 purpose. The figures "2014" and "2015" used in this act mean that the appropriations  
 2.41 listed under them are available for the fiscal year ending June 30, 2014, or June 30, 2015,  
 2.42 respectively. "The first year" is fiscal year 2014. "The second year" is fiscal year 2015.  
 2.43 "The biennium" is fiscal years 2014 and 2015.

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**APPROPRIATIONS**  
**Available for the Year**  
**Ending June 30**  
**2014**                      **2015**

**Sec. 3. DEPARTMENT OF AGRICULTURE**

**Subdivision 1. Total Appropriation**                      \$        **33,198,000** \$        **33,198,000**

Appropriations by Fund

	<u>2014</u>	<u>2015</u>
<u>General</u>	<u>31,570,000</u>	<u>31,570,000</u>
<u>Remediation</u>	<u>388,000</u>	<u>388,000</u>
<u>Agricultural</u>	<u>1,240,000</u>	<u>1,240,000</u>

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

**Subd. 2. Protection Services**    **12,808,000**                      **12,808,000**

Appropriations by Fund

	<u>2014</u>	<u>2015</u>
<u>General</u>	<u>11,980,000</u>	<u>11,980,000</u>
<u>Agricultural</u>	<u>440,000</u>	<u>440,000</u>
<u>Remediation</u>	<u>388,000</u>	<u>388,000</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.

\$25,000 the first year and \$25,000 the second year are for compensation for destroyed or crippled animals under Minnesota Statutes, section 3.737. If the amount in the first year is insufficient, the amount in the second year is available in the first year.

\$75,000 the first year and \$75,000 the second year are for compensation for crop damage under Minnesota Statutes, section 3.7371. If the amount in the first year is insufficient, the

4.1 amount in the second year is available in the  
4.2 first year.

4.3 If the commissioner determines that claims  
4.4 made under Minnesota Statutes, section  
4.5 3.737 or 3.7371, are unusually high, amounts  
4.6 appropriated for either program may be  
4.7 transferred to the appropriation for the other  
4.8 program.

4.9 \$225,000 the first year and \$225,000 the  
4.10 second year are for an increase in retail food  
4.11 handler inspections.

4.12 \$245,000 the first year and \$245,000 the  
4.13 second year are for an increase in the  
4.14 operating budget for the Laboratory Services  
4.15 Division.

4.16 Notwithstanding Minnesota Statutes, section  
4.17 18B.05, \$90,000 the first year and \$90,000  
4.18 the second year are from the pesticide  
4.19 regulatory account in the agricultural fund  
4.20 for an increase in the operating budget for  
4.21 the Laboratory Services Division.

4.22 \$100,000 the first year and \$100,000 the  
4.23 second year are from the pesticide regulatory  
4.24 account in the agricultural fund to monitor  
4.25 pesticides and pesticide degradates in surface  
4.26 water and groundwater in areas vulnerable to  
4.27 surface water impairments and groundwater  
4.28 degradation and to use data collected to  
4.29 improve pesticide use practices. This is a  
4.30 onetime appropriation.

4.31 \$100,000 the first year and \$100,000 the  
4.32 second year are from the pesticide regulatory  
4.33 account in the agricultural fund to update  
4.34 and modify applicator education and training  
4.35 materials. No later than January 15, 2015, the

5.1 commissioner must report to the legislative  
 5.2 committees with jurisdiction over agriculture  
 5.3 finance regarding the agency's progress and a  
 5.4 schedule of activities the commissioner will  
 5.5 accomplish to update and modify additional  
 5.6 materials by December 31, 2017.

5.7 Notwithstanding Minnesota Statutes, section  
 5.8 18B.05, \$150,000 the first year and \$150,000  
 5.9 the second year are from the pesticide  
 5.10 regulatory account in the agricultural fund to:  
 5.11 develop and use best management practices  
 5.12 that protect pollinators by providing habitat  
 5.13 necessary for their survival and reproduction;  
 5.14 incorporate these practices into pesticide  
 5.15 applicator and county agricultural inspector  
 5.16 training; and increase public awareness of  
 5.17 the importance of pollinators and pollinator  
 5.18 habitat. The commissioner may transfer a  
 5.19 portion of this appropriation to the Board of  
 5.20 Regents of the University of Minnesota to  
 5.21 design habitat and measure and report the  
 5.22 outcomes achieved under this paragraph.

5.23 This is a onetime appropriation.

5.24 **Subd. 3. Agricultural Marketing and**  
 5.25 **Development**

3,062,000

3,062,000

5.26 \$186,000 the first year and \$186,000 the  
 5.27 second year are for transfer to the Minnesota  
 5.28 grown account and may be used as grants  
 5.29 for Minnesota grown promotion under  
 5.30 Minnesota Statutes, section 17.102. Grants  
 5.31 may be made for one year. Notwithstanding  
 5.32 Minnesota Statutes, section 16A.28, the  
 5.33 appropriations encumbered under contract  
 5.34 on or before June 30, 2015, for Minnesota  
 5.35 grown grants in this paragraph are available  
 5.36 until June 30, 2017.

6.1 \$100,000 each year is for a licensed  
 6.2 education professional for the agriculture  
 6.3 in the classroom program to develop and  
 6.4 disseminate curriculum, provide teacher  
 6.5 training opportunities, and work with  
 6.6 schools to enhance agricultural literacy by  
 6.7 incorporating agriculture into classroom  
 6.8 curriculum.

6.9 The commissioner may use funds  
 6.10 appropriated in this subdivision for annual  
 6.11 cost-share payments to resident farmers  
 6.12 or entities that sell, process, or package  
 6.13 agricultural products in this state for the costs  
 6.14 of organic certification. Annual cost-share  
 6.15 payments must be 75 percent of the cost of the  
 6.16 certification or \$750, whichever is less. The  
 6.17 commissioner may allocate these funds for  
 6.18 organic market and program development,  
 6.19 including organic producer education efforts,  
 6.20 assistance for persons transitioning from  
 6.21 conventional to organic agriculture, or  
 6.22 sustainable agriculture demonstration grants  
 6.23 authorized under Minnesota Statutes, section  
 6.24 17.116, and pertaining to organic research or  
 6.25 demonstration. Any unencumbered balance  
 6.26 does not cancel at the end of the first year  
 6.27 and is available for the second year.

6.28 **Subd. 4. Bioenergy and Value-Added**  
 6.29 **Agriculture**

10,235,000

10,235,000

6.30 \$10,235,000 the first year and \$10,235,000  
 6.31 the second year are for the agricultural  
 6.32 growth, research, and innovation program  
 6.33 in Minnesota Statutes, section 41A.12.

6.34 The commissioner shall consider creating  
 6.35 a competitive grant program for small  
 6.36 renewable energy projects for rural residents.

7.1 No later than February 1, 2014, and February  
7.2 1, 2015, the commissioner must report to  
7.3 the legislative committees with jurisdiction  
7.4 over agriculture policy and finance regarding  
7.5 the commissioner's accomplishments and  
7.6 anticipated accomplishments in the following  
7.7 areas: developing new markets for Minnesota  
7.8 farmers by providing more fruits and  
7.9 vegetables for Minnesota school children;  
7.10 facilitating the start-up, modernization,  
7.11 or expansion of livestock operations  
7.12 including beginning and transitioning  
7.13 livestock operations; facilitating the start-up,  
7.14 modernization, or expansion of other  
7.15 beginning and transitioning farms; research  
7.16 on conventional and cover crops; and biofuel  
7.17 and other renewable energy development  
7.18 including small renewable energy projects  
7.19 for rural residents.

7.20 The commissioner may use up to 4.5 percent  
7.21 of this appropriation for costs incurred to  
7.22 administer the program. Any unencumbered  
7.23 balance does not cancel at the end of the first  
7.24 year and is available for the second year.

7.25 Notwithstanding Minnesota Statutes, section  
7.26 16A.28, the appropriations encumbered  
7.27 under contract on or before June 30, 2015, for  
7.28 agricultural growth, research, and innovation  
7.29 grants in this subdivision are available until  
7.30 June 30, 2017.

7.31 Money in this appropriation may be used  
7.32 to provide additional assistance to persons  
7.33 eligible for the pilot agricultural microloan  
7.34 program under Minnesota Statutes, section  
7.35 41B.056.

8.1 Funds in this appropriation may be used for  
8.2 grants under this paragraph. The NextGen  
8.3 Energy Board, established in Minnesota  
8.4 Statutes, section 41A.105, shall make  
8.5 recommendations to the commissioner on  
8.6 grants for owners of Minnesota facilities  
8.7 producing bioenergy, biobased content,  
8.8 or a biobased formulated product; for  
8.9 organizations that provide for on-station,  
8.10 on-farm field scale research and outreach to  
8.11 develop and test the agronomic and economic  
8.12 requirements of diverse stands of prairie  
8.13 plants and other perennials for bioenergy  
8.14 systems; or for certain nongovernmental  
8.15 entities. For the purposes of this paragraph,  
8.16 "bioenergy" includes transportation fuels  
8.17 derived from cellulosic material, as well as  
8.18 the generation of energy for commercial heat,  
8.19 industrial process heat, or electrical power  
8.20 from cellulosic materials via gasification or  
8.21 other processes. Grants are limited to 50  
8.22 percent of the cost of research, technical  
8.23 assistance, or equipment related to bioenergy,  
8.24 biobased content, or biobased formulated  
8.25 product production or \$500,000, whichever  
8.26 is less. Grants to nongovernmental entities  
8.27 for the development of business plans and  
8.28 structures related to community ownership  
8.29 of eligible bioenergy facilities together may  
8.30 not exceed \$150,000. The board shall make  
8.31 a good-faith effort to select projects that have  
8.32 merit and, when taken together, represent a  
8.33 variety of bioenergy technologies, biomass  
8.34 feedstocks, and geographic regions of the  
8.35 state. Projects must have a qualified engineer  
8.36 provide certification on the technology and

9.1 fuel source. Grantees must provide reports  
 9.2 at the request of the commissioner. No later  
 9.3 than February 1, 2014, and February 1,  
 9.4 2015, the commissioner shall report on the  
 9.5 projects funded under this appropriation to  
 9.6 the legislative committees with jurisdiction  
 9.7 over agriculture policy and finance.

9.8 Money in this appropriation may be used  
 9.9 for sustainable agriculture grants under  
 9.10 Minnesota Statutes, section 17.116.

9.11 Notwithstanding Minnesota Statutes, section  
 9.12 41A.12, subdivision 3, of the amount  
 9.13 appropriated in this subdivision, \$1,000,000  
 9.14 the first year and \$1,000,000 the second year  
 9.15 are for distribution in equal amounts to each  
 9.16 of the state's county fairs to enhance arts  
 9.17 access and education and to preserve and  
 9.18 promote Minnesota's history and cultural  
 9.19 heritage.

9.20 **Subd. 5. Administration and Financial**  
 9.21 **Assistance**

7,093,000

7,093,000

9.22	<u>Appropriations by Fund</u>		
9.23	<u>General</u>	<u>6,293,000</u>	<u>6,293,000</u>
9.24	<u>Agricultural</u>	<u>800,000</u>	<u>800,000</u>

9.25 \$634,000 the first year and \$634,000 the  
 9.26 second year are for continuation of the dairy  
 9.27 development and profitability enhancement  
 9.28 and dairy business planning grant programs  
 9.29 established under Laws 1997, chapter  
 9.30 216, section 7, subdivision 2, and Laws  
 9.31 2001, First Special Session chapter 2,  
 9.32 section 9, subdivision 2. The commissioner  
 9.33 may allocate the available sums among  
 9.34 permissible activities, including efforts to  
 9.35 improve the quality of milk produced in the  
 9.36 state in the proportions that the commissioner

10.1 deems most beneficial to Minnesota's  
10.2 dairy farmers. The commissioner must  
10.3 submit a detailed accomplishment report  
10.4 and a work plan detailing future plans for,  
10.5 and anticipated accomplishments from,  
10.6 expenditures under this program to the  
10.7 chairs and ranking minority members of the  
10.8 legislative committees with jurisdiction over  
10.9 agricultural policy and finance on or before  
10.10 the start of each fiscal year. If significant  
10.11 changes are made to the plans in the course  
10.12 of the year, the commissioner must notify the  
10.13 chairs and ranking minority members.

10.14 \$47,000 the first year and \$47,000 the second  
10.15 year are for the Northern Crops Institute.  
10.16 These appropriations may be spent to  
10.17 purchase equipment.

10.18 \$18,000 the first year and \$18,000 the  
10.19 second year are for a grant to the Minnesota  
10.20 Livestock Breeders Association.

10.21 \$235,000 the first year and \$235,000 the  
10.22 second year are for grants to the Minnesota  
10.23 Agricultural Education and Leadership  
10.24 Council for programs of the council under  
10.25 Minnesota Statutes, chapter 41D.

10.26 \$474,000 the first year and \$474,000 the  
10.27 second year are for payments to county and  
10.28 district agricultural societies and associations  
10.29 under Minnesota Statutes, section 38.02,  
10.30 subdivision 1. Aid payments to county and  
10.31 district agricultural societies and associations  
10.32 shall be disbursed no later than July 15 of  
10.33 each year. These payments are the amount of  
10.34 aid from the state for an annual fair held in  
10.35 the previous calendar year.

11.1 \$1,000 the first year and \$1,000 the second  
11.2 year are for grants to the Minnesota State  
11.3 Poultry Association.

11.4 \$108,000 the first year and \$108,000 the  
11.5 second year are for annual grants to the  
11.6 Minnesota Turf Seed Council for basic  
11.7 and applied research on: (1) the improved  
11.8 production of forage and turf seed related to  
11.9 new and improved varieties; and (2) native  
11.10 plants, including plant breeding, nutrient  
11.11 management, pest management, disease  
11.12 management, yield, and viability. The grant  
11.13 recipient may subcontract with a qualified  
11.14 third party for some or all of the basic or  
11.15 applied research.

11.16 \$500,000 the first year and \$500,000 the  
11.17 second year are for grants to Second Harvest  
11.18 Heartland on behalf of Minnesota's six  
11.19 Second Harvest food banks for the purchase  
11.20 of milk for distribution to Minnesota's food  
11.21 shelves and other charitable organizations  
11.22 that are eligible to receive food from the food  
11.23 banks. Milk purchased under the grants must  
11.24 be acquired from Minnesota milk processors  
11.25 and based on low-cost bids. The milk must be  
11.26 allocated to each Second Harvest food bank  
11.27 serving Minnesota according to the formula  
11.28 used in the distribution of United States  
11.29 Department of Agriculture commodities  
11.30 under The Emergency Food Assistance  
11.31 Program (TEFAP). Second Harvest  
11.32 Heartland must submit quarterly reports  
11.33 to the commissioner on forms prescribed  
11.34 by the commissioner. The reports must  
11.35 include, but are not limited to, information  
11.36 on the expenditure of funds, the amount

12.1 of milk purchased, and the organizations  
12.2 to which the milk was distributed. Second  
12.3 Harvest Heartland may enter into contracts  
12.4 or agreements with food banks for shared  
12.5 funding or reimbursement of the direct  
12.6 purchase of milk. Each food bank receiving  
12.7 money from this appropriation may use up to  
12.8 two percent of the grant for administrative  
12.9 expenses.

12.10 \$94,000 the first year and \$94,000 the  
12.11 second year are for transfer to the Board of  
12.12 Trustees of the Minnesota State Colleges  
12.13 and Universities for statewide mental health  
12.14 counseling support to farm families and  
12.15 business operators through farm business  
12.16 management programs at Central Lakes  
12.17 College and Ridgewater College.

12.18 \$17,000 the first year and \$17,000 the  
12.19 second year are for grants to the Minnesota  
12.20 Horticultural Society.

12.21 Notwithstanding Minnesota Statutes,  
12.22 section 18C.131, \$800,000 the first year  
12.23 and \$800,000 the second year are from the  
12.24 fertilizer account in the agricultural fund  
12.25 for grants for fertilizer research as awarded  
12.26 by the Minnesota Agricultural Fertilizer  
12.27 Research and Education Council under  
12.28 Minnesota Statutes, section 18C.71. The  
12.29 amount appropriated in either fiscal year  
12.30 must not exceed 57 percent of the inspection  
12.31 fee revenue collected under Minnesota  
12.32 Statutes, section 18C.425, subdivision 6,  
12.33 during the previous fiscal year. No later  
12.34 than February 1, 2015, the commissioner  
12.35 shall report to the legislative committees

13.1 with jurisdiction over agriculture finance.  
 13.2 The report must include the progress and  
 13.3 outcome of funded projects as well as the  
 13.4 sentiment of the council concerning the need  
 13.5 for additional research funds.

13.6	Sec. 4. <b><u>BOARD OF ANIMAL HEALTH</u></b>	\$	<b><u>4,837,000</u></b>	\$	<b><u>4,837,000</u></b>
13.7	Sec. 5. <b><u>AGRICULTURAL UTILIZATION</u></b>				
13.8	<b><u>RESEARCH INSTITUTE</u></b>	\$	<b><u>2,643,000</u></b>	\$	<b><u>2,643,000</u></b>

13.9 **ARTICLE 2**

13.10 **AGRICULTURE POLICY**

13.11 Section 1. Minnesota Statutes 2012, section 13.6435, is amended by adding a  
 13.12 subdivision to read:

13.13 Subd. 14. **Agricultural water quality certification program.** Data collected  
 13.14 under the Minnesota agricultural water quality certification program are classified under  
 13.15 section 17.9899.

13.16 Sec. 2. Minnesota Statutes 2012, section 17.03, subdivision 3, is amended to read:

13.17 **Subd. 3. Cooperation with federal agencies.** (a) The commissioner shall cooperate  
 13.18 with the government of the United States, with financial agencies created to assist in the  
 13.19 development of the agricultural resources of this state, and so far as practicable may use  
 13.20 the facilities provided by the existing state departments and the various state and local  
 13.21 organizations. This subdivision is intended to relate to every function and duty which  
 13.22 devolves upon the commissioner.

13.23 (b) The commissioner may apply for, receive, and disburse federal funds made  
 13.24 available to the state by federal law or regulation for any purpose related to the powers and  
 13.25 duties of the commissioner. All money received by the commissioner under this paragraph  
 13.26 shall be deposited in the state treasury and is appropriated to the commissioner for the  
 13.27 purposes for which it was received. Money made available under this paragraph may  
 13.28 be paid pursuant to applicable federal regulations and rate structures. Money received  
 13.29 under this paragraph does not cancel and is available for expenditure according to federal  
 13.30 law. The commissioner may contract with and enter into grant agreements with persons,  
 13.31 organizations, educational institutions, firms, corporations, other state agencies, and any  
 13.32 agency or instrumentality of the federal government to carry out agreements made with

14.1 the federal government relating to the expenditure of money under this paragraph. Bid  
14.2 requirements under chapter 16C do not apply to contracts under this paragraph.

14.3 Sec. 3. Minnesota Statutes 2012, section 17.1015, is amended to read:

14.4 **17.1015 PROMOTIONAL EXPENDITURES.**

14.5 In order to accomplish the purposes of section 17.101, the commissioner may  
14.6 participate jointly with private persons in appropriate programs and projects and may enter  
14.7 into contracts to carry out those programs and projects. The contracts may not include  
14.8 the acquisition of land or buildings and are not subject to the provisions of chapter 16C  
14.9 relating to competitive bidding.

14.10 The commissioner may spend money appropriated for the purposes of section  
14.11 17.101 in the same manner that private persons, firms, corporations, and associations  
14.12 make expenditures for these purposes, and expenditures made pursuant to section 17.101  
14.13 for food, lodging, or travel are not governed by the travel rules of the commissioner of  
14.14 management and budget.

14.15 Sec. 4. Minnesota Statutes 2012, section 17.118, subdivision 2, is amended to read:

14.16 Subd. 2. **Definitions.** (a) For the purposes of this section, the terms defined in this  
14.17 subdivision have the meanings given them.

14.18 (b) "Livestock" means beef cattle, dairy cattle, swine, poultry, goats, mules, farmed  
14.19 cervidae, ratitae, bison, sheep, horses, and llamas.

14.20 (c) "Qualifying expenditures" means the amount spent for:

14.21 (1) the acquisition, construction, or improvement of buildings or facilities for the  
14.22 production of livestock or livestock products;

14.23 (2) the development of pasture for use by livestock including, but not limited to, the  
14.24 acquisition, development, or improvement of:

14.25 (i) lanes used by livestock that connect pastures to a central location;

14.26 (ii) watering systems for livestock on pasture including water lines, booster pumps,  
14.27 and well installations;

14.28 (iii) livestock stream crossing stabilization; and

14.29 (iv) fences; or

14.30 (3) the acquisition of equipment for livestock housing, confinement, feeding, and  
14.31 waste management including, but not limited to, the following:

14.32 (i) freestall barns;

14.33 (ii) watering facilities;

14.34 (iii) feed storage and handling equipment;

- 15.1 (iv) milking parlors;
- 15.2 (v) robotic equipment;
- 15.3 (vi) scales;
- 15.4 (vii) milk storage and cooling facilities;
- 15.5 (viii) bulk tanks;
- 15.6 (ix) computer hardware and software and associated equipment used to monitor
- 15.7 the productivity and feeding of livestock;
- 15.8 (x) manure pumping and storage facilities;
- 15.9 (xi) swine farrowing facilities;
- 15.10 (xii) swine and cattle finishing barns;
- 15.11 (xiii) calving facilities;
- 15.12 (xiv) digesters;
- 15.13 (xv) equipment used to produce energy;
- 15.14 (xvi) on-farm processing facilities equipment;
- 15.15 (xvii) fences; and
- 15.16 (xviii) livestock pens and corrals and sorting, restraining, and loading chutes.

15.17 Except for qualifying pasture development expenditures under clause (2), qualifying  
 15.18 expenditures only include amounts that are allowed to be capitalized and deducted under  
 15.19 either section 167 or 179 of the Internal Revenue Code in computing federal taxable  
 15.20 income. Qualifying expenditures do not include an amount paid to refinance existing debt.

15.21 ~~(d) "Qualifying period" means, for a grant awarded during a fiscal year, that full~~  
 15.22 ~~calendar year of which the first six months precede the first day of the current fiscal year. For~~  
 15.23 ~~example, an eligible person who makes qualifying expenditures during calendar year 2008~~  
 15.24 ~~is eligible to receive a livestock investment grant between July 1, 2008, and June 30, 2009.~~

15.25 **Sec. 5. [17.9891] PURPOSE.**

15.26 The commissioner, in consultation with the commissioner of natural resources,  
 15.27 commissioner of the Pollution Control Agency, and Board of Water and Soil Resources,  
 15.28 may implement a Minnesota agricultural water quality certification program whereby a  
 15.29 producer who demonstrates practices and management sufficient to protect water quality  
 15.30 is certified for up to ten years and presumed to be contributing the producer's share of  
 15.31 any targeted reduction of water pollutants during the certification period. The program  
 15.32 is voluntary. The voluntary program will first be piloted in selected watersheds across  
 15.33 the state, until the commissioner, in consultation with the Minnesota Agricultural Water  
 15.34 Quality Certification Program Advisory Committee, commissioner of natural resources,

16.1 commissioner of the Pollution Control Agency, and Board of Water and Soil Resources,  
16.2 determines the program is suitable to be implemented in other watersheds.

16.3 **Sec. 6. [17.9892] DEFINITIONS.**

16.4 Subdivision 1. **Application.** The definitions in this section apply to sections  
16.5 17.9891 to 17.993.

16.6 Subd. 2. **Certification.** "Certification" means a producer has demonstrated  
16.7 compliance with all applicable environmental rules and statutes for all of the producer's  
16.8 owned and rented agricultural land and has achieved a satisfactory score through the  
16.9 certification instrument as verified by a certifying agent.

16.10 Subd. 3. **Certifying agent.** "Certifying agent" means a person who is authorized  
16.11 by the commissioner to assess producers to determine whether a producer satisfies the  
16.12 standards of the program.

16.13 Subd. 4. **Effective control.** "Effective control" means possession of land by  
16.14 ownership, written lease, or other legal agreement and authority to act as decision  
16.15 maker for the day-to-day management of the operation at the time the producer achieves  
16.16 certification and for the required certification period.

16.17 Subd. 5. **Eligible land.** "Eligible land" means all acres of a producer's agricultural  
16.18 operation, whether contiguous or not, that are under the effective control of the producer  
16.19 at the time the producer enters into the program and that the producer operates with  
16.20 equipment, labor, and management.

16.21 Subd. 6. **Program.** "Program" means the Minnesota agricultural water quality  
16.22 certification program.

16.23 Subd. 7. **Technical assistance.** "Technical assistance" means professional, advisory,  
16.24 or cost-share assistance provided to individuals in order to achieve certification.

16.25 **Sec. 7. [17.9893] CERTIFICATION INSTRUMENT.**

16.26 The commissioner, in consultation with the Minnesota Agricultural Water Quality  
16.27 Certification Program Advisory Committee, commissioner of natural resources,  
16.28 commissioner of the Pollution Control Agency, and Board of Water and Soil Resources,  
16.29 shall develop an analytical instrument to assess the water quality practices and  
16.30 management of agricultural operations. This instrument shall be used to certify that the  
16.31 water quality practices and management of an agricultural operation are consistent with  
16.32 state water quality goals and standards. The commissioner shall define a satisfactory score  
16.33 for certification purposes. The certification instrument tool shall:

16.34 (1) integrate applicable existing regulatory requirements;

- 17.1 (2) utilize technology and prioritize ease of use;  
17.2 (3) utilize a water quality index or score applicable to the landscape;  
17.3 (4) incorporate a process for updates and revisions as practices, management, and  
17.4 technology changes become established and approved; and  
17.5 (5) comprehensively address water quality impacts.

17.6 **Sec. 8. [17.9894] CERTIFYING AGENT LICENSE.**

17.7 Subdivision 1. **License.** A person who offers certification services to producers  
17.8 as part of the program must satisfy all criteria in subdivision 2 and be licensed by  
17.9 the commissioner. A certifying agent is ineligible to provide certification services  
17.10 to any producer to whom the certifying agent has also provided technical assistance.  
17.11 Notwithstanding section 16A.1283, the commissioner may set license fees.

17.12 Subd. 2. **Certifying agent requirements.** In order to be licensed as a certifying  
17.13 agent, a person must:

17.14 (1) be an agricultural conservation professional employed by a soil and water  
17.15 conservation district or the Natural Resources Conservation Service, a Minnesota certified  
17.16 crop advisor recognized by the American Society of Agronomy, or an individual with  
17.17 agricultural conservation experience approved by the commissioner. The commissioner  
17.18 may establish eligibility criteria by rule;

17.19 (2) have passed a comprehensive exam, as set by the commissioner, evaluating  
17.20 knowledge of water quality, soil health, best farm management techniques, and the  
17.21 certification instrument; and

17.22 (3) maintain continuing education requirements as set by the commissioner.

17.23 **Sec. 9. [17.9895] DUTIES OF A CERTIFYING AGENT.**

17.24 Subdivision 1. **Duties.** A certifying agent shall conduct a formal certification  
17.25 assessment utilizing the certification instrument to determine whether a producer meets  
17.26 program criteria. If a producer satisfies all requirements, the certifying agent shall notify  
17.27 the commissioner of the producer's eligibility and request that the commissioner issue a  
17.28 certificate. All records and documents used in the assessment shall be compiled by the  
17.29 certifying agent and submitted to the commissioner.

17.30 Subd. 2. **Violations.** (a) In the event a certifying agent violates any provision of  
17.31 sections 17.9891 to 17.993 or an order of the commissioner, the commissioner may issue a  
17.32 written warning or a correction order and may suspend or revoke a license.

17.33 (b) If the commissioner suspends or revokes a license, the certifying agent has ten  
17.34 days from the date of suspension or revocation to appeal. If a certifying agent appeals, the

18.1 commissioner shall hold an administrative hearing within 30 days of the suspension or  
18.2 revocation of the license, or longer by agreement of the parties, to determine whether the  
18.3 license is revoked or suspended. The commissioner shall issue an opinion within 30 days.  
18.4 If a person notifies the commissioner that the person intends to contest the commissioner's  
18.5 opinion, the Office of Administrative Hearings shall conduct a hearing in accordance with  
18.6 the applicable provisions of chapter 14 for hearings in contested cases.

18.7 Sec. 10. [17.9896] CERTIFICATION PROCEDURES.

18.8 Subdivision 1. **Producer duties.** A producer who seeks certification of eligible land  
18.9 shall conduct an initial assessment using the certification instrument, obtain technical  
18.10 assistance if necessary to achieve a satisfactory score on the certification instrument, and  
18.11 apply for certification from a licensed certifying agent.

18.12 Subd. 2. **Owned land.** Once certified, if a producer obtains ownership of additional  
18.13 agricultural land, the producer must notify a certifying agent and obtain certification of the  
18.14 additional land within one year in order to retain the producer's original certification.

18.15 Subd. 3. **Leased land.** Once certified, if a producer leases additional land, then the  
18.16 producer must notify a certifying agent before farming operations commence on the newly  
18.17 leased land. A producer who operates leased land is not required to implement practices  
18.18 that permanently alter the landscape in order to be certified or remain certified if the land  
18.19 is added following the original certification. A producer who operates leased land must  
18.20 demonstrate sufficient annual crop management practices, consistent with the original  
18.21 certification agreement, in order to remain certified.

18.22 Subd. 4. **Violations.** (a) The commissioner may revoke a certification if the  
18.23 producer violates subdivision 2 or 3.

18.24 (b) The commissioner may revoke a certification and seek reimbursement of any  
18.25 monetary benefit a producer may have received due to certification from a producer who  
18.26 fails to maintain certification criteria.

18.27 (c) If the commissioner revokes a certification, the producer has 30 days from the  
18.28 date of suspension or revocation to appeal. If a producer appeals, the commissioner shall  
18.29 hold an administrative hearing within 30 days of the suspension or revocation of the  
18.30 certification, or longer by agreement of the parties, to determine whether the certification  
18.31 is revoked or suspended. The commissioner shall issue an opinion within 30 days. If the  
18.32 producer notifies the commissioner that the producer intends to contest the commissioner's  
18.33 opinion, the Office of Administrative Hearings shall conduct a hearing in accordance with  
18.34 the applicable provisions of chapter 14 for hearings in contested cases.

19.1 Sec. 11. **[17.9897] CERTIFICATION CERTAINTY.**

19.2 (a) Once a producer is certified, the producer:

19.3 (1) retains certification for up to ten years from the date of certification if the  
19.4 producer complies with the certification agreement, even if the producer does not comply  
19.5 with new state water protection laws or rules that take effect during the certification period;

19.6 (2) is presumed to be meeting the producer's contribution to any targeted reduction  
19.7 of pollutants during the certification period;

19.8 (3) is required to continue implementation of practices that maintain the producer's  
19.9 certification; and

19.10 (4) is required to retain all records pertaining to certification.

19.11 (b) Paragraph (a) does not preclude enforcement of a local rule or ordinance by a  
19.12 local unit of government.

19.13 Sec. 12. **[17.9898] AUDITS.**

19.14 The commissioner shall perform random audits of producers and certifying agents to  
19.15 ensure compliance with the program. All producers and certifying agents shall cooperate  
19.16 with the commissioner during these audits, and provide all relevant documents to the  
19.17 commissioner for inspection and copying. Any delay, obstruction, or refusal to cooperate  
19.18 with the commissioner's audit or falsification of or failure to provide required data or  
19.19 information is a violation subject to the provisions of section 17.9895, subdivision 2, or  
19.20 17.9896, subdivision 3.

19.21 Sec. 13. **[17.9899] DATA.**

19.22 All data collected under the program that identifies a producer or a producer's  
19.23 location are considered nonpublic data as defined in section 13.02, subdivision 9, or  
19.24 private data on individuals as defined in section 13.02, subdivision 12. The commissioner  
19.25 shall make available summary data of program outcomes on data classified as private  
19.26 or nonpublic under this section.

19.27 Sec. 14. **[17.991] RULEMAKING.**

19.28 The commissioner may adopt rules to implement the program.

19.29 Sec. 15. **[17.992] REPORTS.**

19.30 The commissioner, in consultation with the Minnesota Agricultural Water Quality  
19.31 Certification Program Advisory Committee, commissioner of natural resources,  
19.32 commissioner of the Pollution Control Agency, and Board of Water and Soil Resources,

20.1 shall issue a biennial report to the chairs and ranking minority members of the legislative  
20.2 committees with jurisdiction over agricultural policy on the status of the program.

20.3 Sec. 16. **[17.993] FINANCIAL ASSISTANCE.**

20.4 The commissioner may use contributions from gifts or other state accounts, provided  
20.5 that the purpose of the expenditure is consistent with the purpose of the accounts, for  
20.6 grants, loans, or other financial assistance.

20.7 Sec. 17. Minnesota Statutes 2012, section 18.77, subdivision 3, is amended to read:

20.8 Subd. 3. **Control.** "Control" means to ~~destroy all or part of the aboveground~~  
20.9 ~~growth of noxious weeds~~ manage or prevent the maturation and spread of propagating  
20.10 parts of noxious weeds from one area to another by a lawful method that does not cause  
20.11 unreasonable adverse effects on the environment as defined in section 18B.01, subdivision  
20.12 31, ~~and prevents the maturation and spread of noxious weed propagating parts from one~~  
20.13 ~~area to another.~~

20.14 Sec. 18. Minnesota Statutes 2012, section 18.77, subdivision 4, is amended to read:

20.15 Subd. 4. **Eradicate.** "Eradicate" means to destroy the aboveground ~~growth and the~~  
20.16 ~~roots~~ and belowground plant parts of noxious weeds by a lawful method ~~that, which~~  
20.17 prevents the maturation and spread of noxious weed propagating parts from one area  
20.18 to another.

20.19 Sec. 19. Minnesota Statutes 2012, section 18.77, subdivision 10, is amended to read:

20.20 Subd. 10. **Permanent pasture, hay meadow, woodlot, and or other noncrop**  
20.21 **area.** "Permanent pasture, hay meadow, woodlot, ~~and or~~ other noncrop area" means an  
20.22 area of predominantly native or seeded perennial plants that can be used for grazing or hay  
20.23 purposes but is not harvested on a regular basis and is not considered to be a growing crop.

20.24 Sec. 20. Minnesota Statutes 2012, section 18.77, subdivision 12, is amended to read:

20.25 Subd. 12. **Propagating parts.** "Propagating parts" means all plant parts, including  
20.26 seeds, that are capable of producing new plants.

20.27 Sec. 21. **[18.771] NOXIOUS WEED CATEGORIES.**

20.28 (a) For purposes of designation under section 18.79, subdivision 13, noxious weed  
20.29 category means each of the following categories.

21.1 (b) "Prohibited noxious weeds" includes noxious weeds that must be controlled or  
21.2 eradicated on all lands within the state. Transportation of a prohibited noxious weed's  
21.3 propagating parts is restricted by permit except as allowed by section 18.82. Prohibited  
21.4 noxious weeds may not be sold or propagated in Minnesota. There are two regulatory  
21.5 listings for prohibited noxious weeds in Minnesota:

21.6 (1) the noxious weed eradicate list is established. Prohibited noxious weeds placed  
21.7 on the noxious weed eradicate list are plants that are not currently known to be present in  
21.8 Minnesota or are not widely established. These species must be eradicated; and

21.9 (2) the noxious weed control list is established. Prohibited noxious weeds placed on  
21.10 the noxious weed control list are plants that are already established throughout Minnesota  
21.11 or regions of the state. Species on this list must at least be controlled.

21.12 (c) "Restricted noxious weeds" includes noxious weeds that are widely distributed  
21.13 in Minnesota, but for which the only feasible means of control is to prevent their spread  
21.14 by prohibiting the importation, sale, and transportation of their propagating parts in the  
21.15 state, except as allowed by section 18.82.

21.16 (d) "Specially regulated plants" includes noxious weeds that may be native  
21.17 species or have demonstrated economic value, but also have the potential to cause harm  
21.18 in noncontrolled environments. Plants designated as specially regulated have been  
21.19 determined to pose ecological, economical, or human or animal health concerns. Species  
21.20 specific management plans or rules that define the use and management requirements  
21.21 for these plants must be developed by the commissioner of agriculture for each plant  
21.22 designated as specially regulated. The commissioner must also take measures to minimize  
21.23 the potential for harm caused by these plants.

21.24 (e) "County noxious weeds" includes noxious weeds that are designated by  
21.25 individual county boards to be enforced as prohibited noxious weeds within the county's  
21.26 jurisdiction and must be approved by the commissioner of agriculture, in consultation with  
21.27 the Noxious Weed Advisory Committee. Each county board must submit newly proposed  
21.28 county noxious weeds to the commissioner of agriculture for review. Approved county  
21.29 noxious weeds shall also be posted with the county's general weed notice prior to May 15  
21.30 each year. Counties are solely responsible for developing county noxious weed lists and  
21.31 their enforcement.

21.32 Sec. 22. Minnesota Statutes 2012, section 18.78, subdivision 3, is amended to read:

21.33 Subd. 3. **Cooperative Weed control agreement.** The commissioner, municipality,  
21.34 or county agricultural inspector or county-designated employee may enter into a  
21.35 cooperative weed control agreement with a landowner or weed management area

22.1 group to establish a mutually agreed-upon noxious weed management plan for up to  
22.2 three years duration, whereby a noxious weed problem will be controlled without  
22.3 additional enforcement action. If a property owner fails to comply with the noxious weed  
22.4 management plan, an individual notice may be served.

22.5 Sec. 23. Minnesota Statutes 2012, section 18.79, subdivision 6, is amended to read:

22.6 Subd. 6. **Training for control or eradication of noxious weeds.** The commissioner  
22.7 shall conduct initial training considered necessary for inspectors and county-designated  
22.8 employees in the enforcement of the Minnesota Noxious Weed Law. The director of the  
22.9 University of Minnesota Extension Service may conduct educational programs for the  
22.10 general public that will aid compliance with the Minnesota Noxious Weed Law. Upon  
22.11 request, the commissioner may provide information and other technical assistance to the  
22.12 county agricultural inspector or county-designated employee to aid in the performance of  
22.13 responsibilities specified by the county board under section 18.81, subdivisions 1a and 1b.

22.14 Sec. 24. Minnesota Statutes 2012, section 18.79, subdivision 13, is amended to read:

22.15 Subd. 13. **Noxious weed designation.** The commissioner, in consultation with the  
22.16 Noxious Weed Advisory Committee, shall determine which plants are noxious weeds  
22.17 subject to ~~control~~ regulation under sections 18.76 to 18.91. The commissioner shall  
22.18 prepare, publish, and revise as necessary, but at least once every three years, a list of  
22.19 noxious weeds and their designated classification. The list must be distributed to the public  
22.20 by the commissioner who may request the help of the University of Minnesota Extension,  
22.21 the county agricultural inspectors, and any other organization the commissioner considers  
22.22 appropriate to assist in the distribution. The commissioner may, in consultation with  
22.23 the Noxious Weed Advisory Committee, accept and consider noxious weed designation  
22.24 petitions from Minnesota citizens or Minnesota organizations or associations.

22.25 Sec. 25. Minnesota Statutes 2012, section 18.82, subdivision 1, is amended to read:

22.26 Subdivision 1. **Permits.** Except as provided in section 21.74, if a person wants to  
22.27 transport along a public highway materials or equipment containing the propagating  
22.28 parts of weeds designated as noxious by the commissioner, the person must secure a  
22.29 written permit for transportation of the material or equipment from an inspector or  
22.30 county-designated employee. Inspectors or county-designated employees may issue  
22.31 permits to persons residing or operating within their jurisdiction. ~~If the noxious weed~~  
22.32 ~~propagating parts are removed from materials and equipment or devitalized before~~  
22.33 ~~being transported, a permit is not needed.~~ A permit is not required for the transport of

23.1 noxious weeds for the purpose of destroying propagating parts at a Department of  
23.2 Agriculture-approved disposal site. Anyone transporting noxious weed propagating parts  
23.3 for the purpose of disposal at an approved site shall ensure that all materials are contained  
23.4 in a manner that prevents escape during transport.

23.5 Sec. 26. Minnesota Statutes 2012, section 18.91, subdivision 1, is amended to read:

23.6 Subdivision 1. **Duties.** The commissioner shall consult with the Noxious Weed  
23.7 Advisory Committee to advise the commissioner concerning responsibilities under  
23.8 the noxious weed control program. The committee shall also evaluate species for  
23.9 invasiveness, difficulty of control, cost of control, benefits, and amount of injury caused  
23.10 by them. For each species evaluated, the committee shall recommend to the commissioner  
23.11 on which noxious weed list or lists, if any, the species should be placed. Species ~~currently~~  
23.12 designated as prohibited or restricted noxious weeds or specially regulated plants must  
23.13 be reevaluated every three years for a recommendation on whether or not they need to  
23.14 remain on the noxious weed lists. The committee shall also advise the commissioner on  
23.15 the implementation of the Minnesota Noxious Weed Law and assist the commissioner in  
23.16 the development of management criteria for each noxious weed category. Members of  
23.17 the committee are not entitled to reimbursement of expenses nor payment of per diem.  
23.18 Members shall serve two-year terms with subsequent reappointment by the commissioner.

23.19 Sec. 27. Minnesota Statutes 2012, section 18.91, subdivision 2, is amended to read:

23.20 Subd. 2. **Membership.** The commissioner shall appoint members, which shall  
23.21 include representatives from the following:

- 23.22 (1) horticultural science, agronomy, and forestry at the University of Minnesota;
- 23.23 (2) the nursery and landscape industry in Minnesota;
- 23.24 (3) the seed industry in Minnesota;
- 23.25 (4) the Department of Agriculture;
- 23.26 (5) the Department of Natural Resources;
- 23.27 (6) a conservation organization;
- 23.28 (7) an environmental organization;
- 23.29 (8) at least two farm organizations;
- 23.30 (9) the county agricultural inspectors;
- 23.31 (10) city, township, and county governments;
- 23.32 (11) the Department of Transportation;
- 23.33 (12) the University of Minnesota Extension;
- 23.34 (13) the timber and forestry industry in Minnesota;

- 24.1 (14) the Board of Water and Soil Resources; ~~and~~  
24.2 (15) soil and water conservation districts;  
24.3 (16) Minnesota Association of County Land Commissioners; and  
24.4 (17) members as needed.

24.5 Sec. 28. Minnesota Statutes 2012, section 18B.01, is amended by adding a subdivision  
24.6 to read:

24.7 Subd. 4a. **Bulk pesticide storage facility.** "Bulk pesticide storage facility" means a  
24.8 facility that is required to have a permit under section 18B.14.

24.9 Sec. 29. Minnesota Statutes 2012, section 18B.07, subdivision 4, is amended to read:

24.10 Subd. 4. **Pesticide storage safeguards at application sites.** A person may not  
24.11 allow a pesticide, rinsate, or unrinsed pesticide container to be stored, kept, or to remain in  
24.12 or on any site without safeguards adequate to prevent an incident. Pesticides may not be  
24.13 stored in an area with access to an open drain, unless a safeguard is provided.

24.14 Sec. 30. Minnesota Statutes 2012, section 18B.07, subdivision 5, is amended to read:

24.15 Subd. 5. **Use of public water supplies for filling application equipment.** (a) A  
24.16 person may not fill pesticide application equipment directly from a public water supply,  
24.17 as defined in section 144.382, or from public waters, as defined in section 103G.005,  
24.18 subdivision 15, unless the ~~outlet from the public~~ equipment or water supply is equipped  
24.19 with a backflow prevention device that complies with the Minnesota Plumbing Code  
24.20 under Minnesota Rules, parts 4715.2000 to 4715.2280.

24.21 (b) Cross connections between a water supply used for filling pesticide application  
24.22 equipment are prohibited.

24.23 (c) This subdivision does not apply to permitted applications of aquatic pesticides to  
24.24 public waters.

24.25 Sec. 31. Minnesota Statutes 2012, section 18B.07, subdivision 7, is amended to read:

24.26 Subd. 7. ~~Cleaning equipment in or near surface water~~ **Pesticide handling**  
24.27 **restrictions.** (a) A person may not:

- 24.28 (1) clean pesticide application equipment in surface waters of the state; or  
24.29 (2) fill or clean pesticide application equipment adjacent to surface waters,  
24.30 ditches, or wells where, because of the slope or other conditions, pesticides or materials  
24.31 contaminated with pesticides could enter or contaminate the surface waters, groundwater,  
24.32 or wells, as a result of overflow, leakage, or other causes.

25.1 (b) This subdivision does not apply to permitted application of aquatic pesticides to  
25.2 public waters.

25.3 Sec. 32. Minnesota Statutes 2012, section 18B.26, subdivision 3, is amended to read:

25.4 Subd. 3. **Registration application and gross sales fee.** (a) For an agricultural  
25.5 pesticide, a registrant shall pay an annual registration application fee for each agricultural  
25.6 pesticide of \$350. The fee is due by December 31 preceding the year for which the  
25.7 application for registration is made. The fee is nonrefundable.

25.8 (b) For a nonagricultural pesticide, a registrant shall pay a minimum annual  
25.9 registration application fee for each nonagricultural pesticide of \$350. The fee is due by  
25.10 December 31 preceding the year for which the application for registration is made. The  
25.11 fee is nonrefundable. The registrant of a nonagricultural pesticide shall pay, in addition to  
25.12 the \$350 minimum fee, a fee of 0.5 percent of annual gross sales of the nonagricultural  
25.13 pesticide in the state and the annual gross sales of the nonagricultural pesticide sold into  
25.14 the state for use in this state. ~~The commissioner may not assess a fee under this paragraph~~  
25.15 ~~if the amount due based on percent of annual gross sales is less than \$10~~ No fee is required  
25.16 if the fee due amount based on percent of annual gross sales of a nonagricultural pesticide  
25.17 is less than \$10. The registrant shall secure sufficient sales information of nonagricultural  
25.18 pesticides distributed into this state from distributors and dealers, regardless of distributor  
25.19 location, to make a determination. Sales of nonagricultural pesticides in this state and  
25.20 sales of nonagricultural pesticides for use in this state by out-of-state distributors are not  
25.21 exempt and must be included in the registrant's annual report, as required under paragraph  
25.22 (g), and fees shall be paid by the registrant based upon those reported sales. Sales of  
25.23 nonagricultural pesticides in the state for use outside of the state are exempt from the  
25.24 gross sales fee in this paragraph if the registrant properly documents the sale location and  
25.25 distributors. A registrant paying more than the minimum fee shall pay the balance due by  
25.26 March 1 based on the gross sales of the nonagricultural pesticide by the registrant for the  
25.27 preceding calendar year. A pesticide determined by the commissioner to be a sanitizer or  
25.28 disinfectant is exempt from the gross sales fee.

25.29 (c) For agricultural pesticides, a licensed agricultural pesticide dealer or licensed  
25.30 pesticide dealer shall pay a gross sales fee of 0.55 percent of annual gross sales of the  
25.31 agricultural pesticide in the state and the annual gross sales of the agricultural pesticide  
25.32 sold into the state for use in this state.

25.33 (d) In those cases where a registrant first sells an agricultural pesticide in or into the  
25.34 state to a pesticide end user, the registrant must first obtain an agricultural pesticide dealer

26.1 license and is responsible for payment of the annual gross sales fee under paragraph (c),  
26.2 record keeping under paragraph (i), and all other requirements of section 18B.316.

26.3 (e) If the total annual revenue from fees collected in fiscal year 2011, 2012, or 2013,  
26.4 by the commissioner on the registration and sale of pesticides is less than \$6,600,000, the  
26.5 commissioner, after a public hearing, may increase proportionally the pesticide sales and  
26.6 product registration fees under this chapter by the amount necessary to ensure this level  
26.7 of revenue is achieved. The authority under this section expires on June 30, 2014. The  
26.8 commissioner shall report any fee increases under this paragraph 60 days before the fee  
26.9 change is effective to the senate and house of representatives agriculture budget divisions.

26.10 (f) An additional fee of 50 percent of the registration application fee must be paid by  
26.11 the applicant for each pesticide to be registered if the application is a renewal application  
26.12 that is submitted after December 31.

26.13 (g) A registrant must annually report to the commissioner the amount, type and  
26.14 annual gross sales of each registered nonagricultural pesticide sold, offered for sale, or  
26.15 otherwise distributed in the state. The report shall be filed by March 1 for the previous  
26.16 year's registration. The commissioner shall specify the form of the report or approve  
26.17 the method for submittal of the report and may require additional information deemed  
26.18 necessary to determine the amount and type of nonagricultural pesticide annually  
26.19 distributed in the state. The information required shall include the brand name, United  
26.20 States Environmental Protection Agency registration number, and amount of each  
26.21 nonagricultural pesticide sold, offered for sale, or otherwise distributed in the state, but  
26.22 the information collected, if made public, shall be reported in a manner which does not  
26.23 identify a specific brand name in the report.

26.24 (h) A licensed agricultural pesticide dealer or licensed pesticide dealer must annually  
26.25 report to the commissioner the amount, type, and annual gross sales of each registered  
26.26 agricultural pesticide sold, offered for sale, or otherwise distributed in the state or into the  
26.27 state for use in the state. The report must be filed by January 31 for the previous year's  
26.28 sales. The commissioner shall specify the form, contents, and approved electronic method  
26.29 for submittal of the report and may require additional information deemed necessary to  
26.30 determine the amount and type of agricultural pesticide annually distributed within the  
26.31 state or into the state. The information required must include the brand name, United States  
26.32 Environmental Protection Agency registration number, and amount of each agricultural  
26.33 pesticide sold, offered for sale, or otherwise distributed in the state or into the state.

26.34 (i) A person who registers a pesticide with the commissioner under paragraph (b),  
26.35 or a registrant under paragraph (d), shall keep accurate records for five years detailing

27.1 all distribution or sales transactions into the state or in the state and subject to a fee and  
 27.2 surcharge under this section.

27.3 (j) The records are subject to inspection, copying, and audit by the commissioner  
 27.4 and must clearly demonstrate proof of payment of all applicable fees and surcharges  
 27.5 for each registered pesticide product sold for use in this state. A person who is located  
 27.6 outside of this state must maintain and make available records required by this subdivision  
 27.7 in this state or pay all costs incurred by the commissioner in the inspecting, copying, or  
 27.8 auditing of the records.

27.9 (k) The commissioner may adopt by rule regulations that require persons subject  
 27.10 to audit under this section to provide information determined by the commissioner to be  
 27.11 necessary to enable the commissioner to perform the audit.

27.12 (l) A registrant who is required to pay more than the minimum fee for any pesticide  
 27.13 under paragraph (b) must pay a late fee penalty of \$100 for each pesticide application fee  
 27.14 paid after March 1 in the year for which the license is to be issued.

27.15 Sec. 33. Minnesota Statutes 2012, section 18B.305, is amended to read:

27.16 **18B.305 PESTICIDE EDUCATION AND TRAINING.**

27.17 Subdivision 1. **Education and training.** (a) The commissioner, as the lead agency,  
 27.18 shall develop, implement or approve, and evaluate, in conjunction consultation with the  
 27.19 University of Minnesota Extension Service, the Minnesota State Colleges and Universities  
 27.20 system, and other educational institutions, innovative educational and training programs  
 27.21 addressing pesticide concerns including:

27.22 (1) water quality protection;

27.23 (2) endangered species protection;

27.24 (3) minimizing pesticide residues in food and water;

27.25 (4) worker protection and applicator safety;

27.26 (5) chronic toxicity;

27.27 (6) integrated pest management and pest resistance; ~~and~~

27.28 (7) pesticide disposal;

27.29 (8) pesticide drift;

27.30 (9) relevant laws including pesticide labels and labeling and state and federal rules  
 27.31 and regulations; and

27.32 (10) current science and technology updates.

27.33 (b) The commissioner shall appoint educational planning committees which must  
 27.34 include representatives of industry and applicators.

28.1 (c) Specific current regulatory concerns must be discussed and, if appropriate,  
28.2 incorporated into each training session. Relevant changes to pesticide product labels or  
28.3 labeling or state and federal rules and regulations may be included.

28.4 (d) The commissioner may approve programs from private industry, higher  
28.5 education institutions, and nonprofit organizations that meet minimum requirements for  
28.6 education, training, and certification.

28.7 Subd. 2. **Training manual and examination development.** The commissioner, in  
28.8 ~~conjunction~~ consultation with the University of Minnesota Extension Service and other  
28.9 higher education institutions, shall continually revise and update pesticide applicator  
28.10 training manuals and examinations. The manuals and examinations must be written to meet  
28.11 or exceed the minimum standards required by the United States Environmental Protection  
28.12 Agency and pertinent state specific information. Questions in the examinations must be  
28.13 determined by the commissioner in consultation with other responsible agencies. Manuals  
28.14 and examinations must include pesticide management practices that discuss prevention of  
28.15 pesticide occurrence in ~~groundwaters~~ groundwater and surface water of the state.

28.16 Sec. 34. Minnesota Statutes 2012, section 18B.316, subdivision 1, is amended to read:

28.17 Subdivision 1. **Requirement.** (a) A person must not ~~distribute~~ offer for sale or sell  
28.18 an agricultural pesticide in the state or into the state without first obtaining an agricultural  
28.19 pesticide dealer license.

28.20 (b) Each location or place of business from which an agricultural pesticide is  
28.21 ~~distributed~~ offered for sale or sold in the state or into the state is required to have a  
28.22 separate agricultural pesticide dealer license.

28.23 (c) A person who is a licensed pesticide dealer under section 18B.31 is not required  
28.24 to also be licensed under this subdivision.

28.25 Sec. 35. Minnesota Statutes 2012, section 18B.316, subdivision 3, is amended to read:

28.26 Subd. 3. **Resident agent.** A person required to be licensed under subdivisions 1  
28.27 and 2, or a person licensed as a pesticide dealer pursuant to section 18B.31 and who  
28.28 operates from a location or place of business outside the state and who ~~distributes~~ offers  
28.29 for sale or sells an agricultural pesticide into the state, must continuously maintain in  
28.30 this state the following:

28.31 (1) a registered office; and

28.32 (2) a registered agent, who may be either a resident of this state whose business  
28.33 office or residence is identical with the registered office under clause (1), a domestic  
28.34 corporation or limited liability company, or a foreign corporation of limited liability

29.1 company authorized to transact business in this state and having a business office identical  
29.2 with the registered office.

29.3 A person licensed under this section or section 18B.31 shall annually file with the  
29.4 commissioner, either at the time of initial licensing or as part of license renewal, the name,  
29.5 address, telephone number, and e-mail address of the licensee's registered agent.

29.6 For licensees under section 18B.31 who are located in the state, the licensee is  
29.7 the registered agent.

29.8 Sec. 36. Minnesota Statutes 2012, section 18B.316, subdivision 4, is amended to read:

29.9 Subd. 4. **Responsibility.** The resident agent is responsible for the acts of a licensed  
29.10 agricultural pesticide dealer, or of a licensed pesticide dealer under section 18B.31 who  
29.11 operates from a location or place of business outside the state and who distributes offers  
29.12 for sale or sells an agricultural pesticide into the state, as well as the acts of the employees  
29.13 of those licensees.

29.14 Sec. 37. Minnesota Statutes 2012, section 18B.316, subdivision 8, is amended to read:

29.15 Subd. 8. **Report of sales and payment to commissioner.** A person who is an  
29.16 agricultural pesticide dealer, or is a licensed pesticide dealer under section 18B.31, who  
29.17 distributes offers for sale or sells an agricultural pesticide in or into the state, and a  
29.18 pesticide registrant pursuant to section 18B.26, subdivision 3, paragraph (d), shall no  
29.19 later than January 31 of each year report and pay applicable fees on annual gross sales  
29.20 of agricultural pesticides to the commissioner pursuant to requirements under section  
29.21 18B.26, subdivision 3, paragraphs (c) and (h).

29.22 Sec. 38. Minnesota Statutes 2012, section 18B.316, subdivision 9, is amended to read:

29.23 Subd. 9. **Application.** (a) A person must apply to the commissioner for an  
29.24 agricultural pesticide dealer license on forms and in a manner approved by the  
29.25 commissioner.

29.26 (b) The applicant must be the person in charge of each location or place of business  
29.27 from which agricultural pesticides are distributed offered for sale or sold in or into the state.

29.28 (c) The commissioner may require that the applicant provide information regarding  
29.29 the applicant's proposed operations and other information considered pertinent by the  
29.30 commissioner.

29.31 (d) The commissioner may require additional demonstration of licensee qualification  
29.32 if the licensee has had a license suspended or revoked, or has otherwise had a history of  
29.33 violations in another state or violations of this chapter.

30.1 (e) A licensed agricultural pesticide dealer who changes the dealer's address or place  
30.2 of business must immediately notify the commissioner of the change.

30.3 (f) Beginning January 1, 2011, an application for renewal of an agricultural pesticide  
30.4 dealer license is complete only when a report and any applicable payment of fees under  
30.5 subdivision 8 are received by the commissioner.

30.6 Sec. 39. Minnesota Statutes 2012, section 18B.37, subdivision 4, is amended to read:

30.7 Subd. 4. ~~Storage, handling, Incident response, and disposal plan.~~ A pesticide  
30.8 dealer, agricultural pesticide dealer, or a commercial, noncommercial, or structural pest  
30.9 control applicator or the business that the applicator is employed by business must develop  
30.10 and maintain a an incident response plan that describes its pesticide storage, handling,  
30.11 ~~incident response, and disposal practices~~ the actions that will be taken to prevent and  
30.12 respond to pesticide incidents. The plan must contain the same information as forms  
30.13 provided by the commissioner. The plan must be kept at a principal business site or location  
30.14 within this state and must be submitted to the commissioner upon request ~~on forms provided~~  
30.15 ~~by the commissioner. The plan must be available for inspection by the commissioner.~~

30.16 Sec. 40. Minnesota Statutes 2012, section 18C.111, subdivision 4, is amended to read:

30.17 Subd. 4. **Certification of regulatory compliance.** (a) The commissioner may,  
30.18 under rules adopted under section 18C.121, subdivision 1, certify a person to offer or  
30.19 perform a regulatory compliance inspection of any person or site that stores, handles, or  
30.20 distributes ammonia or anhydrous ammonia fertilizer. The deadlines established in section  
30.21 14.125, are extended until June 30, 2014, for rules adopted under this subdivision.

30.22 (b) Pursuant to those rules, a person certified under paragraph (a) may issue a  
30.23 certification of compliance to an inspected person or site if the certified person documents  
30.24 in writing full compliance with the provisions of this chapter and rules adopted under  
30.25 this chapter.

30.26 (c) A person or site issued a certification of compliance must provide a copy of the  
30.27 certification to the commissioner immediately upon request or within 90 days following  
30.28 certification.

30.29 (d) Certifications of compliance are valid for a period of three years. The  
30.30 commissioner may determine a different time period in the interest of public safety or for  
30.31 other reasonable cause.

30.32 Sec. 41. Minnesota Statutes 2012, section 18C.430, is amended to read:

30.33 **18C.430 COMMERCIAL ANIMAL WASTE TECHNICIAN.**

31.1 Subdivision 1. **Requirement.** (a) ~~Except as provided in paragraph (c), after March~~  
31.2 ~~1, 2000,~~ A person may not manage or apply animal wastes to the land for hire ~~without a~~  
31.3 ~~valid commercial animal waste technician license. This section does not apply to a person~~  
31.4 ~~managing or applying animal waste on land managed by the person's employer.:~~

31.5 (1) without a valid commercial animal waste technician applicator license;

31.6 (2) without a valid commercial animal waste technician site manager license; or

31.7 (3) as a sole proprietorship, company, partnership, or corporation unless a  
31.8 commercial animal waste technician company license is held and a commercial animal  
31.9 waste technical site manager is employed by the entity.

31.10 (b) A person managing or applying animal wastes for hire must have a valid  
31.11 license identification card when managing or applying animal wastes for hire and must  
31.12 display it upon demand by an authorized representative of the commissioner or a law  
31.13 enforcement officer. The commissioner shall prescribe the information required on the  
31.14 license identification card.

31.15 (c) ~~A person who is not a licensed commercial animal waste technician who has had~~  
31.16 ~~at least two hours of training or experience in animal waste management may manage~~  
31.17 ~~or apply animal waste for hire under the supervision of a commercial animal waste~~  
31.18 ~~technician. A commercial animal waste technician applicator must have a minimum of~~  
31.19 two hours of certification training in animal waste management and may only manage or  
31.20 apply animal waste for hire under the supervision of a commercial animal waste technician  
31.21 site manager. The commissioner shall prescribe the conditions of the supervision and the  
31.22 form and format required on the certification training.

31.23 (d) This section does not apply to a person managing or applying animal waste on  
31.24 land managed by the person's employer.

31.25 Subd. 2. **Responsibility.** A person required to be licensed under this section who  
31.26 performs animal waste management or application for hire or who employs a person to  
31.27 perform animal waste management or application for compensation is responsible for  
31.28 proper management or application of the animal wastes.

31.29 Subd. 3. **License.** (a) A commercial animal waste technician license, including  
31.30 applicator, site manager, and company:

31.31 (1) is valid for ~~three years~~ one year and expires on December 31 of the ~~third~~ year for  
31.32 which it is issued, unless suspended or revoked before that date;

31.33 (2) is not transferable to another person; and

31.34 (3) must be prominently displayed to the public in the commercial animal waste  
31.35 technician's place of business.

32.1 (b) The commercial animal waste technician company license number assigned by  
32.2 the commissioner must appear on the application equipment when a person manages  
32.3 or applies animal waste for hire.

32.4 Subd. 4. **Application.** (a) A person must apply to the commissioner for a commercial  
32.5 animal waste technician license on forms and in the manner required by the commissioner  
32.6 and must include the application fee. The commissioner shall prescribe and administer  
32.7 an examination or equivalent measure to determine if the applicant is eligible for the  
32.8 commercial animal waste technician license, site manager license, or applicator license.

32.9 (b) The commissioner of agriculture, in cooperation with the University of  
32.10 Minnesota Extension Service and appropriate educational institutions, shall establish and  
32.11 implement a program for training and licensing commercial animal waste technicians.

32.12 Subd. 5. **Renewal application.** (a) A person must apply to the commissioner of  
32.13 agriculture to renew a commercial animal waste technician license and must include the  
32.14 application fee. The commissioner may renew a commercial animal waste technician  
32.15 applicator or site manager license, subject to reexamination, attendance at workshops  
32.16 approved by the commissioner, or other requirements imposed by the commissioner to  
32.17 provide the animal waste technician with information regarding changing technology and  
32.18 to help ensure a continuing level of competence and ability to manage and apply animal  
32.19 wastes properly. The applicant may renew a commercial animal waste technician license  
32.20 within 12 months after expiration of the license without having to meet initial testing  
32.21 requirements. The commissioner may require additional demonstration of animal waste  
32.22 technician qualification if a person has had a license suspended or revoked or has had a  
32.23 history of violations of this section.

32.24 (b) An applicant who meets renewal requirements by reexamination instead  
32.25 of attending workshops must pay a fee for the reexamination as determined by the  
32.26 commissioner.

32.27 Subd. 6. **Financial responsibility.** (a) A commercial animal waste technician  
32.28 license may not be issued unless the applicant furnishes proof of financial responsibility.  
32.29 The financial responsibility may be demonstrated by (1) proof of net assets equal to or  
32.30 greater than \$50,000, or (2) a performance bond or insurance of the kind and in an amount  
32.31 determined by the commissioner of agriculture.

32.32 (b) The bond or insurance must cover a period of time at least equal to the term of  
32.33 the applicant's license. The commissioner shall immediately suspend the license of a  
32.34 person who fails to maintain the required bond or insurance.

32.35 (c) An employee of a licensed person is not required to maintain an insurance policy  
32.36 or bond during the time the employer is maintaining the required insurance or bond.

33.1 (d) Applications for reinstatement of a license suspended under paragraph (b) must  
 33.2 be accompanied by proof of satisfaction of judgments previously rendered.

33.3 Subd. 7. **Application fee.** (a) A person initially applying for or renewing  
 33.4 a commercial animal waste technician applicator license must pay a nonrefundable  
 33.5 ~~application fee of \$50 and a fee of \$10 for each additional identification card requested.~~  
 33.6 \$25. A person initially applying for or renewing a commercial animal waste technician  
 33.7 site manager license must pay a nonrefundable application fee of \$50. A person initially  
 33.8 applying for or renewing a commercial animal waste technician company license must  
 33.9 pay a nonrefundable application fee of \$100.

33.10 (b) A license renewal application received after March 1 in the year for which the  
 33.11 license is to be issued is subject to a penalty fee of 50 percent of the application fee. The  
 33.12 penalty fee must be paid before the renewal license may be issued.

33.13 (c) An application for a duplicate commercial animal waste technician license must  
 33.14 be accompanied by a nonrefundable fee of \$10.

33.15 Sec. 42. Minnesota Statutes 2012, section 18C.433, subdivision 1, is amended to read:

33.16 Subdivision 1. **Requirement.** Beginning January 1, 2006, only a commercial  
 33.17 animal waste technician; site manager or commercial animal waste technician applicator  
 33.18 may apply animal waste from a feedlot that:

33.19 (1) has a capacity of 300 animal units or more; and

33.20 (2) does not have an updated manure management plan that meets the requirements  
 33.21 of Pollution Control Agency rules.

33.22 Sec. 43. Minnesota Statutes 2012, section 31.94, is amended to read:

33.23 **31.94 COMMISSIONER DUTIES.**

33.24 (a) In order to promote opportunities for organic agriculture in Minnesota, the  
 33.25 commissioner shall:

33.26 (1) survey producers and support services and organizations to determine  
 33.27 information and research needs in the area of organic agriculture practices;

33.28 (2) work with the University of Minnesota to demonstrate the on-farm applicability  
 33.29 of organic agriculture practices to conditions in this state;

33.30 (3) direct the programs of the department so as to work toward the promotion of  
 33.31 organic agriculture in this state;

33.32 (4) inform agencies of how state or federal programs could utilize and support  
 33.33 organic agriculture practices; and

34.1 (5) work closely with producers, the University of Minnesota, the Minnesota Trade  
34.2 Office, and other appropriate organizations to identify opportunities and needs as well  
34.3 as ensure coordination and avoid duplication of state agency efforts regarding research,  
34.4 teaching, marketing, and extension work relating to organic agriculture.

34.5 (b) By November 15 of each year that ends in a zero or a five, the commissioner,  
34.6 in conjunction with the task force created in paragraph (c), shall report on the status of  
34.7 organic agriculture in Minnesota to the legislative policy and finance committees and  
34.8 divisions with jurisdiction over agriculture. The report must include available data on  
34.9 organic acreage and production, available data on the sales or market performance of  
34.10 organic products, and recommendations regarding programs, policies, and research efforts  
34.11 that will benefit Minnesota's organic agriculture sector.

34.12 (c) A Minnesota Organic Advisory Task Force shall advise the commissioner and the  
34.13 University of Minnesota on policies and programs that will improve organic agriculture in  
34.14 Minnesota, including how available resources can most effectively be used for outreach,  
34.15 education, research, and technical assistance that meet the needs of the organic agriculture  
34.16 community. The task force must consist of the following residents of the state:

- 34.17 (1) three organic farmers ~~using organic agriculture methods~~;
- 34.18 (2) one wholesaler or distributor of organic products;
- 34.19 (3) one representative of organic certification agencies;
- 34.20 (4) two organic processors;
- 34.21 (5) one representative from University of Minnesota Extension;
- 34.22 (6) one University of Minnesota faculty member;
- 34.23 (7) one representative from a nonprofit organization representing producers;
- 34.24 (8) two public members;
- 34.25 (9) one representative from the United States Department of Agriculture;
- 34.26 (10) one retailer of organic products; and
- 34.27 (11) one organic consumer representative.

34.28 The commissioner, in consultation with the director of the Minnesota Agricultural  
34.29 Experiment Station; the dean and director of University of Minnesota Extension; and the  
34.30 dean of the College of Food, Agricultural and Natural Resource Sciences, shall appoint  
34.31 members to serve ~~staggered two-year~~ three-year terms.

34.32 Compensation and removal of members are governed by section 15.059, subdivision  
34.33 6. The task force must meet at least twice each year and expires on June 30, ~~2013~~ 2016.

34.34 (d) For the purposes of expanding, improving, and developing production and  
34.35 marketing of the organic products of Minnesota agriculture, the commissioner may  
34.36 receive funds from state and federal sources and spend them, including through grants or

35.1 contracts, to assist producers and processors to achieve certification, to conduct education  
35.2 or marketing activities, to enter into research and development partnerships, or to address  
35.3 production or marketing obstacles to the growth and well-being of the industry.

35.4 (e) The commissioner may facilitate the registration of state organic production  
35.5 and handling operations including those exempt from organic certification according to  
35.6 Code of Federal Regulations, title 7, section 205.101, and certification agents operating  
35.7 within the state.

35.8 Sec. 44. Minnesota Statutes 2012, section 41A.10, subdivision 2, is amended to read:

35.9 Subd. 2. **Cellulosic biofuel production goal.** The state cellulosic biofuel production  
35.10 goal is one-quarter of the total amount necessary for ~~ethanol~~ biofuel use required under  
35.11 section 239.791, subdivision ~~1a~~ 1, by 2015 or when cellulosic biofuel facilities in the state  
35.12 attain a total annual production level of 60,000,000 gallons, whichever is first.

35.13 Sec. 45. Minnesota Statutes 2012, section 41A.10, is amended by adding a subdivision  
35.14 to read:

35.15 Subd. 3. **Expiration.** This section expires January 1, 2015.

35.16 Sec. 46. Minnesota Statutes 2012, section 41A.105, subdivision 1a, is amended to read:

35.17 Subd. 1a. **Definitions.** For the purpose of this section:

35.18 (1) "biobased content" means a chemical, polymer, monomer, or plastic that is not  
35.19 sold primarily for use as food, feed, or fuel and that has a biobased percentage of at least  
35.20 51 percent as determined by testing representative samples using American Society for  
35.21 Testing and Materials specification D6866;

35.22 (2) "biobased formulated product" means a product that is not sold primarily for use  
35.23 as food, feed, or fuel and that has a biobased content percentage of at least ten percent  
35.24 as determined by testing representative samples using American Society for Testing  
35.25 and Materials specification D6866, or that contains a biobased chemical constituent  
35.26 that displaces a known hazardous or toxic constituent previously used in the product  
35.27 formulation;

35.28 ~~(1)~~ (3) "biobutanol facility" means a facility at which biobutanol is produced; and

35.29 ~~(2)~~ (4) "biobutanol" means fermentation isobutyl alcohol that is derived from  
35.30 agricultural products, including potatoes, cereal grains, cheese whey, and sugar beets;  
35.31 forest products; or other renewable resources, including residue and waste generated  
35.32 from the production, processing, and marketing of agricultural products, forest products,  
35.33 and other renewable resources.

36.1 Sec. 47. Minnesota Statutes 2012, section 41A.105, subdivision 3, is amended to read:

36.2 Subd. 3. **Duties.** The board shall research and report to the commissioner of  
36.3 agriculture and to the legislature recommendations as to how the state can invest its  
36.4 resources to most efficiently achieve energy independence, agricultural and natural  
36.5 resources sustainability, and rural economic vitality. The board shall:

36.6 (1) examine the future of fuels, such as synthetic gases, biobutanol, hydrogen,  
36.7 methanol, biodiesel, and ethanol within Minnesota;

36.8 (2) examine the opportunity for biobased content and biobased formulated product  
36.9 production at integrated biorefineries or stand alone facilities using agricultural and  
36.10 forestry feedstocks;

36.11 ~~(2)~~ (3) develop equity grant programs to assist locally owned facilities;

36.12 ~~(3)~~ (4) study the proper role of the state in creating financing and investing and  
36.13 providing incentives;

36.14 ~~(4)~~ (5) evaluate how state and federal programs, including the Farm Bill, can best  
36.15 work together and leverage resources;

36.16 ~~(5)~~ (6) work with other entities and committees to develop a clean energy program;  
36.17 and

36.18 ~~(6)~~ (7) report to the legislature before February 1 each year with recommendations  
36.19 as to appropriations and results of past actions and projects.

36.20 Sec. 48. Minnesota Statutes 2012, section 41A.105, subdivision 5, is amended to read:

36.21 Subd. 5. **Expiration.** This section expires June 30, ~~2014~~ 2015.

36.22 Sec. 49. Minnesota Statutes 2012, section 41A.12, subdivision 3, is amended to read:

36.23 Subd. 3. **Oversight.** The commissioner, in consultation with the chairs and ranking  
36.24 minority members of the house of representatives and senate committees with jurisdiction  
36.25 over agriculture finance, must allocate available funds among eligible uses, develop  
36.26 competitive eligibility criteria, and award funds on a needs basis. By February 1 each  
36.27 year, the commissioner shall report to the legislature on the allocation among eligible uses  
36.28 and any financial assistance provided under this section.

36.29 Sec. 50. Minnesota Statutes 2012, section 41A.12, is amended by adding a subdivision  
36.30 to read:

36.31 Subd. 3a. **Grant awards.** Grant projects may continue for up to three years.

36.32 Multiyear projects must be reevaluated by the commissioner before second- and third-year  
36.33 funding is approved. A project is limited to one grant for its funding.

37.1 Sec. 51. Minnesota Statutes 2012, section 41B.04, subdivision 9, is amended to read:

37.2 Subd. 9. **Restructured loan agreement.** (a) For a deferred restructured loan, all  
37.3 payments on the primary and secondary principal, all payments of interest on the secondary  
37.4 principal, and an agreed portion of the interest payable to the eligible agricultural lender  
37.5 on the primary principal must be deferred to the end of the term of the loan.

37.6 (b) Interest on secondary principal must accrue at a below market interest rate.

37.7 (c) At the conclusion of the term of the restructured loan, the borrower owes primary  
37.8 principal, secondary principal, and deferred interest on primary and secondary principal.  
37.9 However, part of this balloon payment may be forgiven following an appraisal by the  
37.10 lender and the authority to determine the current market value of the real estate subject to  
37.11 the mortgage. If the current market value of the land after appraisal is less than the amount  
37.12 of debt owed by the borrower to the lender and authority on this obligation, that portion of  
37.13 the obligation that exceeds the current market value of the real property must be forgiven  
37.14 by the lender and the authority in the following order:

37.15 (1) deferred interest on secondary principal;

37.16 (2) secondary principal;

37.17 (3) deferred interest on primary principal;

37.18 (4) primary principal as provided in an agreement between the authority and the  
37.19 lender; and

37.20 (5) accrued but not deferred interest on primary principal.

37.21 (d) For an amortized restructured loan, payments must include installments on  
37.22 primary principal and interest on the primary principal. An amortized restructured loan  
37.23 must be amortized over a time period and upon terms to be established by the authority by  
37.24 rule.

37.25 (e) A borrower may prepay the restructured loan, with all primary and secondary  
37.26 principal and interest and deferred interest at any time ~~without prepayment penalty~~.

37.27 (f) The authority may not participate in refinancing a restructured loan at the  
37.28 conclusion of the restructured loan.

37.29 Sec. 52. Minnesota Statutes 2012, section 41D.01, subdivision 4, is amended to read:

37.30 Subd. 4. **Expiration.** This section expires on June 30, ~~2013~~ 2018.

37.31 Sec. 53. Minnesota Statutes 2012, section 116J.437, subdivision 1, is amended to read:

37.32 Subdivision 1. **Definitions.** (a) For the purpose of this section, the following terms  
37.33 have the meanings given.

38.1 (b) "Green economy" means products, processes, methods, technologies, or services  
38.2 intended to do one or more of the following:

38.3 (1) increase the use of energy from renewable sources, including through achieving  
38.4 the renewable energy standard established in section 216B.1691;

38.5 (2) achieve the statewide energy-savings goal established in section 216B.2401,  
38.6 including energy savings achieved by the conservation investment program under section  
38.7 216B.241;

38.8 (3) achieve the greenhouse gas emission reduction goals of section 216H.02,  
38.9 subdivision 1, including through reduction of greenhouse gas emissions, as defined in  
38.10 section 216H.01, subdivision 2, or mitigation of the greenhouse gas emissions through,  
38.11 but not limited to, carbon capture, storage, or sequestration;

38.12 (4) monitor, protect, restore, and preserve the quality of surface waters, including  
38.13 actions to further the purposes of the Clean Water Legacy Act as provided in section  
38.14 114D.10, subdivision 1;

38.15 (5) expand the use of biofuels, including by expanding the feasibility or reducing the  
38.16 cost of producing biofuels or the types of equipment, machinery, and vehicles that can  
38.17 use biofuels, including activities to achieve the ~~biofuels 25 by 2025 initiative in sections~~  
38.18 ~~41A.10, subdivision 2, and 41A.11~~ petroleum replacement goal in section 239.7911; or

38.19 (6) increase the use of green chemistry, as defined in section 116.9401.

38.20 For the purpose of clause (3), "green economy" includes strategies that reduce carbon  
38.21 emissions, such as utilizing existing buildings and other infrastructure, and utilizing mass  
38.22 transit or otherwise reducing commuting for employees.

38.23 Sec. 54. Minnesota Statutes 2012, section 223.17, is amended by adding a subdivision  
38.24 to read:

38.25 Subd. 7a. **Bond requirements; claims.** For entities licensed under this chapter  
38.26 and chapter 232, the bond requirements and claims against the bond are governed under  
38.27 section 232.22, subdivision 6a.

38.28 Sec. 55. Minnesota Statutes 2012, section 232.22, is amended by adding a subdivision  
38.29 to read:

38.30 Subd. 6a. **Bond determinations.** If a public grain warehouse operator is licensed  
38.31 under both this chapter and chapter 223, the warehouse shall have its bond determined  
38.32 by its gross annual grain purchase amount or its annual average grain storage value,  
38.33 whichever is greater. For those entities licensed under this chapter and chapter 223, the

39.1 entire bond shall be available to any claims against the bond for claims filed under this  
39.2 chapter and chapter 223.

39.3 Sec. 56. Minnesota Statutes 2012, section 239.051, is amended by adding a subdivision  
39.4 to read:

39.5 Subd. 1a. **Advanced biofuel.** "Advanced biofuel" has the meaning given in Public  
39.6 Law 110-140, title 2, subtitle A, section 201.

39.7 Sec. 57. Minnesota Statutes 2012, section 239.051, is amended by adding a subdivision  
39.8 to read:

39.9 Subd. 5a. **Biofuel.** "Biofuel" means a renewable fuel with an approved pathway  
39.10 under authority of the federal Energy Policy Act of 2005, Public Law 109-58, as amended  
39.11 by the federal Energy Independence and Security Act of 2007, Public Law 110-140,  
39.12 and approved for sale by the United States Environmental Protection Agency. The term  
39.13 "biofuel" includes both advanced and conventional biofuels.

39.14 Sec. 58. Minnesota Statutes 2012, section 239.051, is amended by adding a subdivision  
39.15 to read:

39.16 Subd. 7a. **Conventional biofuel.** "Conventional biofuel" means ethanol derived  
39.17 from cornstarch, as defined in Public Law 110-140, title 2, subtitle A, section 201.

39.18 Sec. 59. Minnesota Statutes 2012, section 239.761, subdivision 3, is amended to read:

39.19 Subd. 3. **Gasoline.** (a) Gasoline that is not blended with ~~ethanol~~ biofuel must not be  
39.20 contaminated with water or other impurities and must comply with ASTM specification  
39.21 D4814-08b. Gasoline that is not blended with ~~ethanol~~ biofuel must also comply with the  
39.22 volatility requirements in Code of Federal Regulations, title 40, part 80.

39.23 (b) After gasoline is sold, transferred, or otherwise removed from a refinery or  
39.24 terminal, a person responsible for the product:

39.25 (1) may blend the gasoline with agriculturally derived ethanol as provided in  
39.26 subdivision 4;

39.27 (2) shall not blend the gasoline with any oxygenate other than ~~denatured,~~  
39.28 ~~agriculturally derived ethanol~~ biofuel;

39.29 (3) shall not blend the gasoline with other petroleum products that are not gasoline  
39.30 or ~~denatured, agriculturally derived ethanol~~ biofuel;

40.1 (4) shall not blend the gasoline with products commonly and commercially known  
 40.2 as casinghead gasoline, absorption gasoline, condensation gasoline, drip gasoline, or  
 40.3 natural gasoline; and

40.4 (5) may blend the gasoline with a detergent additive, an antiknock additive, or an  
 40.5 additive designed to replace tetra-ethyl lead, that is registered by the EPA.

40.6 Sec. 60. Minnesota Statutes 2012, section 239.791, subdivision 1, is amended to read:

40.7 Subdivision 1. **Minimum ethanol biofuel content required.** (a) Except as provided  
 40.8 in subdivisions 10 to 14, a person responsible for the product shall ensure that all gasoline  
 40.9 sold or offered for sale in Minnesota must contain at least the quantity of ethanol biofuel  
 40.10 required by clause (1) or (2), ~~whichever is greater~~ at the option of the person responsible  
 40.11 for the product:

40.12 (1) the greater of:

40.13 (i) 10.0 percent denatured ethanol conventional biofuel by volume; or

40.14 ~~(2) (ii) the maximum percent of denatured ethanol conventional biofuel~~ by volume  
 40.15 authorized in a waiver granted by the United States Environmental Protection Agency; or

40.16 (2) 10.0 percent of a biofuel, other than a conventional biofuel, by volume authorized  
 40.17 in a waiver granted by the United States Environmental Protection Agency or a biofuel  
 40.18 formulation registered by the United States Environmental Protection Agency under  
 40.19 United States Code, title 42, section 7545.

40.20 (b) For purposes of enforcing the ~~minimum ethanol~~ requirement of paragraph (a),  
 40.21 clause (1), item (i), a gasoline/ethanol gasoline/biofuel blend will be construed to be in  
 40.22 compliance if the ethanol biofuel content, exclusive of denaturants and other permitted  
 40.23 components, comprises not less than 9.2 percent by volume and not more than 10.0 percent  
 40.24 by volume of the blend as determined by an appropriate United States Environmental  
 40.25 Protection Agency or American Society of Testing Materials standard method of analysis  
 40.26 of ~~alcohol/ether content in engine fuels.~~

40.27 (c) ~~The provisions of this subdivision are suspended during any period of time that~~  
 40.28 ~~subdivision 1a, paragraph (a), is in effect.~~ The aggregate amount of biofuel blended  
 40.29 pursuant to this subdivision may be any biofuel; however, conventional biofuel must  
 40.30 comprise no less than the portion specified on and after the specified dates:

40.31	<u>(1)</u>	<u>July 1, 2013</u>	<u>90 percent</u>
40.32	<u>(2)</u>	<u>January 1, 2015</u>	<u>80 percent</u>
40.33	<u>(3)</u>	<u>January 1, 2017</u>	<u>70 percent</u>
40.34	<u>(4)</u>	<u>January 1, 2020</u>	<u>60 percent</u>
40.35	<u>(5)</u>	<u>January 1, 2025</u>	<u>no minimum</u>

41.1 Sec. 61. Minnesota Statutes 2012, section 239.791, subdivision 2a, is amended to read:

41.2 Subd. 2a. **Federal Clean Air Act waivers; conditions.** (a) Before a waiver granted  
41.3 by the United States Environmental Protection Agency under ~~section 211(f)(4) of the~~  
41.4 ~~Clean Air Act~~, United States Code, title 42, section 7545, ~~subsection (f), paragraph (4),~~  
41.5 may alter the minimum content level required by subdivision 1, paragraph (a), clause ~~(2),~~  
41.6 ~~or subdivision 1a, paragraph (a), clause (2) (1), item (ii)~~, the waiver must:

41.7 (1) apply to all gasoline-powered motor vehicles irrespective of model year; and

41.8 (2) allow for special regulatory treatment of Reid vapor pressure under Code of  
41.9 Federal Regulations, title 40, section 80.27, paragraph (d), for blends of gasoline and  
41.10 ethanol up to the maximum percent of denatured ethanol by volume authorized under  
41.11 the waiver.

41.12 (b) The minimum ~~ethanol~~ biofuel requirement in subdivision 1, paragraph (a), clause  
41.13 ~~(2), or subdivision 1a, paragraph (a), clause (2), (1), item (ii)~~, shall, upon the grant of the  
41.14 federal waiver, be effective the day after the commissioner of commerce publishes notice  
41.15 in the State Register. In making this determination, the commissioner shall consider the  
41.16 amount of time required by refiners, retailers, pipeline and distribution terminal companies,  
41.17 and other fuel suppliers, acting expeditiously, to make the operational and logistical changes  
41.18 required to supply fuel in compliance with the minimum ~~ethanol~~ biofuel requirement.

41.19 Sec. 62. Minnesota Statutes 2012, section 239.791, subdivision 2b, is amended to read:

41.20 Subd. 2b. **Limited liability waiver.** No motor fuel shall be deemed to be a defective  
41.21 product by virtue of the fact that the motor fuel is formulated or blended pursuant to  
41.22 the requirements of subdivision 1, paragraph (a), clause ~~(2), or subdivision 1a (1), item~~  
41.23 ~~(ii)~~, under any theory of liability except for simple or willful negligence or fraud. This  
41.24 subdivision does not preclude an action for negligent, fraudulent, or willful acts. This  
41.25 subdivision does not affect a person whose liability arises under chapter 115, water  
41.26 pollution control; 115A, waste management; 115B, environmental response and liability;  
41.27 115C, leaking underground storage tanks; or 299J, pipeline safety; under public nuisance  
41.28 law for damage to the environment or the public health; under any other environmental or  
41.29 public health law; or under any environmental or public health ordinance or program of a  
41.30 municipality as defined in section 466.01.

41.31 Sec. 63. Minnesota Statutes 2012, section 239.7911, is amended to read:

41.32 **239.7911 PETROLEUM REPLACEMENT PROMOTION.**

42.1 Subdivision 1. **Petroleum replacement goal.** The tiered petroleum replacement  
 42.2 goal of the state of Minnesota is that biofuel comprises at least the specified portion of  
 42.3 total gasoline sold or offered for sale in this state by each specified year:

42.4 (1) ~~at least 20 percent of the liquid fuel sold in the state is derived from renewable~~  
 42.5 ~~sources by December 31, 2015; and~~

42.6 (2) ~~at least 25 percent of the liquid fuel sold in the state is derived from renewable~~  
 42.7 ~~sources by December 31, 2025.~~

42.8	(1)	<u>2015</u>	<u>14 percent</u>
42.9	(2)	<u>2017</u>	<u>18 percent</u>
42.10	(3)	<u>2020</u>	<u>25 percent</u>
42.11	(4)	<u>2025</u>	<u>30 percent</u>

42.12 Subd. 2. **Promotion of renewable liquid fuels.** (a) The commissioner of agriculture,  
 42.13 in consultation with the commissioners of commerce and the Pollution Control Agency,  
 42.14 shall identify and implement activities necessary ~~for the widespread use of renewable~~  
 42.15 ~~liquid fuels in the state~~ to achieve the goals in subdivision 1. Beginning November  
 42.16 1, 2005, and continuing through 2015, the commissioners, or their designees, shall  
 42.17 ~~work with~~ convene a task force pursuant to section 15.014 that includes representatives  
 42.18 from the renewable fuels industry, petroleum retailers, refiners, automakers, small  
 42.19 engine manufacturers, and other interested groups; ~~to.~~ The task force shall assist the  
 42.20 commissioners in carrying out the activities in paragraph (b) and eliminating barriers to the  
 42.21 use of greater biofuel blends in this state. The task force must coordinate efforts with the  
 42.22 NextGen Energy Board, the biodiesel task force, and the Renewable Energy Roundtable  
 42.23 and develop annual recommendations for administrative and legislative action.

42.24 (b) The activities of the commissioners under this subdivision shall include, but not  
 42.25 be limited to:

42.26 (1) developing recommendations for specific, cost-effective incentives necessary  
 42.27 to expedite the use of greater biofuel blends in this state including, but not limited to,  
 42.28 incentives for retailers to install equipment necessary for dispensing to dispense renewable  
 42.29 liquid fuels to the public;

42.30 (2) expanding the renewable-fuel options available to Minnesota consumers by  
 42.31 obtaining federal approval for the use of E20 ~~and~~ additional blends that contain a greater  
 42.32 percentage of ethanol, ~~including but not limited to E30 and E50, as gasoline biofuel;~~

42.33 (3) developing recommendations ~~for ensuring~~ to ensure that motor vehicles and  
 42.34 small engine equipment have access to an adequate supply of fuel;

42.35 (4) working with the owners and operators of large corporate automotive fleets in the  
 42.36 state to increase their use of renewable fuels; ~~and~~

43.1 (5) working to maintain an affordable retail price for liquid fuels;  
43.2 (6) facilitating the production and use of advanced biofuels in this state; and  
43.3 (7) developing procedures for reporting the amount and type of biofuel under  
43.4 subdivision 1 and section 239.791, subdivision 1, paragraph (c).

43.5 (c) Notwithstanding section 15.014, the task force required under paragraph (a)  
43.6 expires on December 31, 2015.

43.7 Sec. 64. Minnesota Statutes 2012, section 296A.01, is amended by adding a  
43.8 subdivision to read:

43.9 Subd. 8b. **Biobutanol.** "Biobutanol" means isobutyl alcohol produced by  
43.10 fermenting agriculturally generated organic material that is to be blended with gasoline  
43.11 and meets either:

43.12 (1) the initial ASTM Standard Specification for Butanol for Blending with Gasoline  
43.13 for Use as an Automotive Spark-Ignition Engine Fuel once it has been released by ASTM  
43.14 for general distribution; or

43.15 (2) in the absence of an ASTM standard specification, the following list of  
43.16 requirements:

43.17 (i) visually free of sediment and suspended matter;

43.18 (ii) clear and bright at the ambient temperature of 21 degrees Celsius or the ambient  
43.19 temperature, whichever is higher;

43.20 (iii) free of any adulterant or contaminant that can render it unacceptable for its  
43.21 commonly used applications;

43.22 (iv) contains not less than 96 volume percent isobutyl alcohol;

43.23 (v) contains not more than 0.4 volume percent methanol;

43.24 (vi) contains not more than 1.0 volume percent water as determined by ASTM  
43.25 standard test method E203 or E1064;

43.26 (vii) acidity (as acetic acid) of not more than 0.007 mass percent as determined  
43.27 by ASTM standard test method D1613;

43.28 (viii) solvent washed gum content of not more than 5.0 milligrams per 100 milliliters  
43.29 as determined by ASTM standard test method D381;

43.30 (ix) sulfur content of not more than 30 parts per million as determined by ASTM  
43.31 standard test method D2622 or D5453; and

43.32 (x) contains not more than four parts per million total inorganic sulfate.

43.33 Sec. 65. Minnesota Statutes 2012, section 583.215, is amended to read:

43.34 **583.215 EXPIRATION.**

44.1 Sections 336.9-601, subsections (h) and (i); 550.365; 559.209; 582.039; and 583.20  
44.2 to 583.32, expire June 30, ~~2013~~ 2016.

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

44.4 Sec. 66. **WASTE PESTICIDE REPORTING; 2013, 2014, AND 2015.**

44.5 Notwithstanding the recording and reporting requirements of Minnesota Statutes,  
44.6 section 18B.065, subdivision 2a, paragraph (d), persons are not required to record or  
44.7 report agricultural or nonagricultural waste pesticide collected after the effective date of  
44.8 this section in 2013, 2014, and 2015. The commissioner of agriculture shall analyze  
44.9 existing collection data to identify trends that will inform future collection strategies to  
44.10 better meet the needs and nature of current waste pesticide streams. By January 15, 2015,  
44.11 the commissioner shall report analysis, recommendations, and proposed policy changes  
44.12 to this program to legislative committees and divisions with jurisdiction over agriculture  
44.13 finance and policy.

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

44.15 Sec. 67. **POLLINATOR REPORT REQUIRED.**

44.16 No later than January 15, 2014, the commissioner of agriculture must submit  
44.17 a pollinator report to the legislative committees and divisions with jurisdiction over  
44.18 agriculture and natural resources. The commissioner of agriculture must develop the  
44.19 report in consultation with the commissioners of natural resources and the Pollution  
44.20 Control Agency, the Board of Water and Soil Resources, and representatives of the  
44.21 University of Minnesota. The report must include, but is not limited to, the following:  
44.22 (1) a proposal to establish a pollinator bank to preserve pollinator species diversity;  
44.23 (2) a proposal to efficiently and effectively create and enhance pollinator nesting and  
44.24 foraging habitat in this state including establishment of pollinator reserves or refuges; and  
44.25 (3) the process and criteria the commissioner of agriculture would use to perform a  
44.26 special review of neonicotinoid pesticides registered by the commissioner for use in this  
44.27 state currently and in the future.

44.28 Sec. 68. **REVISOR'S INSTRUCTION.**

44.29 The revisor of statutes shall renumber Minnesota Statutes, section 18B.01,  
44.30 subdivision 4a, as subdivision 4b and correct any cross-references.

44.31 Sec. 69. **REPEALER.**

45.1 Minnesota Statutes 2012, sections 18.91, subdivisions 3 and 5; 18B.07, subdivision  
 45.2 6; and 239.791, subdivision 1a, are repealed.

45.3 **ARTICLE 3**

45.4 **ENVIRONMENT AND NATURAL RESOURCES APPROPRIATIONS**

45.5 Section 1. **SUMMARY OF APPROPRIATIONS.**

45.6 The amounts shown in this section summarize direct appropriations, by fund, made  
 45.7 in this article.

	<b><u>2014</u></b>		<b><u>2015</u></b>		<b><u>Total</u></b>
45.9 <u>General</u>	\$ 87,641,000	\$	92,690,000	\$	<u>180,331,000</u>
45.10 <u>State Government Special</u>					
45.11 <u>Revenue</u>	75,000		75,000		150,000
45.12 <u>Environmental</u>	68,836,000		68,982,000		137,818,000
45.13 <u>Natural Resources</u>	89,906,000		89,606,000		179,512,000
45.14 <u>Game and Fish</u>	91,372,000		91,372,000		182,744,000
45.15 <u>Remediation</u>	10,596,000		10,596,000		21,192,000
45.16 <u>Permanent School</u>	200,000		200,000		400,000
45.17 <b><u>Total</u></b>	<b>\$ 348,626,000</b>	<b>\$</b>	<b>353,521,000</b>	<b>\$</b>	<b><u>702,147,000</u></b>

45.18 Sec. 2. **ENVIRONMENT AND NATURAL RESOURCES APPROPRIATIONS.**

45.19 The sums shown in the columns marked "Appropriations" are appropriated to the  
 45.20 agencies and for the purposes specified in this article. The appropriations are from the  
 45.21 general fund, or another named fund, and are available for the fiscal years indicated  
 45.22 for each purpose. The figures "2014" and "2015" used in this article mean that the  
 45.23 appropriations listed under them are available for the fiscal year ending June 30, 2014, or  
 45.24 June 30, 2015, respectively. "The first year" is fiscal year 2014. "The second year" is fiscal  
 45.25 year 2015. "The biennium" is fiscal years 2014 and 2015. Appropriations for the fiscal  
 45.26 year ending June 30, 2013, are effective the day following final enactment.

45.27 **APPROPRIATIONS**  
 45.28 **Available for the Year**  
 45.29 **Ending June 30**  
 45.30 **2014**                      **2015**

45.31 Sec. 3. **POLLUTION CONTROL AGENCY**

45.32 Subdivision 1. **Total Appropriation**                      **\$ 84,171,000**      **\$ 84,316,000**

45.33 Appropriations by Fund

	<u>2014</u>	<u>2015</u>
45.34 <u>General</u>	4,764,000	4,763,000

46.1	<u>State Government</u>		
46.2	<u>Special Revenue</u>	<u>75,000</u>	<u>75,000</u>
46.3	<u>Environmental</u>	<u>68,836,000</u>	<u>68,982,000</u>
46.4	<u>Remediation</u>	<u>10,496,000</u>	<u>10,496,000</u>

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

46.8	<u>Subd. 2. Water</u>	<u>25,453,000</u>	<u>25,454,000</u>
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46.9	<u>Appropriations by Fund</u>		
46.10	<u>General</u>	<u>3,737,000</u>	<u>3,737,000</u>
46.11	<u>State Government</u>		
46.12	<u>Special Revenue</u>	<u>75,000</u>	<u>75,000</u>
46.13	<u>Environmental</u>	<u>21,641,000</u>	<u>21,642,000</u>

46.14 \$1,959,000 the first year and \$1,959,000  
 46.15 the second year are for grants to delegated  
 46.16 counties to administer the county feedlot  
 46.17 program under Minnesota Statutes, section  
 46.18 116.0711, subdivisions 2 and 3. By January  
 46.19 15, 2016, the commissioner shall submit a  
 46.20 report detailing the results achieved with  
 46.21 this appropriation to the chairs and ranking  
 46.22 minority members at the senate and house  
 46.23 of representatives committees and divisions  
 46.24 with jurisdiction over environment and  
 46.25 natural resources policy and finance. Money  
 46.26 remaining after the first year is available for  
 46.27 the second year.

46.28 \$740,000 the first year and \$740,000 the  
 46.29 second year are from the environmental  
 46.30 fund to address the need for continued  
 46.31 increased activity in the areas of new  
 46.32 technology review, technical assistance  
 46.33 for local governments, and enforcement  
 46.34 under Minnesota Statutes, sections 115.55  
 46.35 to 115.58, and to complete the requirements

47.1 of Laws 2003, chapter 128, article 1, section  
47.2 165.

47.3 \$400,000 the first year and \$400,000  
47.4 the second year are for the clean water  
47.5 partnership program. Any unexpended  
47.6 balance in the first year does not cancel but  
47.7 is available in the second year. Priority shall  
47.8 be given to projects preventing impairments  
47.9 and degradation of lakes, rivers, streams,  
47.10 and groundwater according to Minnesota  
47.11 Statutes, section 114D.20, subdivision 2,  
47.12 clause (4).

47.13 \$664,000 the first year and \$664,000 the  
47.14 second year are from the environmental  
47.15 fund for subsurface sewage treatment  
47.16 system (SSTS) program administration  
47.17 and community technical assistance and  
47.18 education, including grants and technical  
47.19 assistance to communities for water quality  
47.20 protection. Of this amount, \$129,000 each  
47.21 year is for assistance to counties through  
47.22 grants for SSTS program administration.

47.23 A county receiving a grant from this  
47.24 appropriation shall submit the results  
47.25 achieved with the grant to the commissioner  
47.26 as part of its annual SSTS report. Any  
47.27 unexpended balance in the first year does not  
47.28 cancel but is available in the second year.

47.29 \$105,000 the first year and \$105,000 the  
47.30 second year are from the environmental fund  
47.31 for registration of wastewater laboratories.

47.32 \$913,000 the first year and \$913,000 the  
47.33 second year are from the environmental fund  
47.34 to continue perfluorochemical biomonitoring  
47.35 in eastern metropolitan communities, as

48.1 recommended by the Environmental Health  
 48.2 Tracking and Biomonitoring Advisory Panel,  
 48.3 and address other environmental health  
 48.4 risks, including air quality. Of this amount,  
 48.5 \$812,000 the first year and \$812,000 the  
 48.6 second year are for transfer to the Department  
 48.7 of Health.

48.8 Notwithstanding Minnesota Statutes, section  
 48.9 16A.28, the appropriations encumbered on or  
 48.10 before June 30, 2015, as grants or contracts  
 48.11 for SSTS's, surface water and groundwater  
 48.12 assessments, total maximum daily loads,  
 48.13 storm water, and water quality protection in  
 48.14 this subdivision are available until June 30,  
 48.15 2018.

48.16 <u>Subd. 3. Air</u>	<u>15,031,000</u>	<u>15,201,000</u>
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48.17 <u>Appropriations by Fund</u>		
48.18 <u>Environmental</u>	<u>15,031,000</u>	<u>15,201,000</u>

48.19 \$200,000 the first year and \$200,000 the  
 48.20 second year are from the environmental fund  
 48.21 for a monitoring program under Minnesota  
 48.22 Statutes, section 116.454.

48.23 Up to \$150,000 the first year and \$150,000  
 48.24 the second year may be transferred from the  
 48.25 environmental fund to the small business  
 48.26 environmental improvement loan account  
 48.27 established in Minnesota Statutes, section  
 48.28 116.993.

48.29 \$125,000 the first year and \$125,000 the  
 48.30 second year are from the environmental fund  
 48.31 for monitoring ambient air for hazardous  
 48.32 pollutants in the metropolitan area.

48.33 \$210,000 the first year and \$210,000 the  
 48.34 second year are from the environmental fund

49.1 for systematic, localized monitoring efforts  
 49.2 in the state that:  
 49.3 (1) sample ambient air for a period of one to  
 49.4 three months at various sites;  
 49.5 (2) analyze the samples and compare the data  
 49.6 to the agency's fixed air monitoring sites; and  
 49.7 (3) determine whether significant localized  
 49.8 differences exist.

49.9 The commissioner, when selecting areas to  
 49.10 monitor, shall give priority to areas where low  
 49.11 income, indigenous American Indians, and  
 49.12 communities of color are disproportionately  
 49.13 impacted by pollution from highway traffic,  
 49.14 air traffic, and industrial sources to assist  
 49.15 with efforts to ensure environmental justice  
 49.16 for those areas. For the purposes of this  
 49.17 paragraph, "environmental justice" means the  
 49.18 fair treatment of people of all races, cultures,  
 49.19 and income levels in the development,  
 49.20 adoption, implementation, and enforcement  
 49.21 of environmental laws and policies.

49.22 \$690,000 the first year and \$690,000 the  
 49.23 second year are from the environmental  
 49.24 fund for emission reduction activities and  
 49.25 grants to small businesses and other nonpoint  
 49.26 emission reduction efforts. Any unexpended  
 49.27 balance in the first year does not cancel but is  
 49.28 available in the second year.

49.29 Subd. 4. Land 17,412,000 17,412,000

	<u>Appropriations by Fund</u>	
49.31 <u>Environmental</u>	<u>6,916,000</u>	<u>6,916,000</u>
49.32 <u>Remediation</u>	<u>10,496,000</u>	<u>10,496,000</u>

49.33 All money for environmental response,  
 49.34 compensation, and compliance in the

50.1 remediation fund not otherwise appropriated  
 50.2 is appropriated to the commissioners of the  
 50.3 Pollution Control Agency and agriculture  
 50.4 for purposes of Minnesota Statutes, section  
 50.5 115B.20, subdivision 2, clauses (1), (2),  
 50.6 (3), (6), and (7). At the beginning of each  
 50.7 fiscal year, the two commissioners shall  
 50.8 jointly submit an annual spending plan  
 50.9 to the commissioner of management and  
 50.10 budget that maximizes the utilization of  
 50.11 resources and appropriately allocates the  
 50.12 money between the two departments. This  
 50.13 appropriation is available until June 30, 2015.  
 50.14 \$3,616,000 the first year and \$3,616,000 the  
 50.15 second year are from the remediation fund for  
 50.16 purposes of the leaking underground storage  
 50.17 tank program to protect the land. These same  
 50.18 annual amounts are transferred from the  
 50.19 petroleum tank fund to the remediation fund.  
 50.20 \$252,000 the first year and \$252,000 the  
 50.21 second year are from the remediation fund  
 50.22 for transfer to the commissioner of health for  
 50.23 private water supply monitoring and health  
 50.24 assessment costs in areas contaminated  
 50.25 by unpermitted mixed municipal solid  
 50.26 waste disposal facilities and drinking water  
 50.27 advisories and public information activities  
 50.28 for areas contaminated by hazardous releases.

50.29 **Subd. 5. Environmental Assistance and**  
 50.30 **Cross-Media**

26,275,000

26,249,000

50.31	<u>Appropriations by Fund</u>	
50.32	<u>Environmental</u>	<u>25,248,000</u> <u>25,223,000</u>
50.33	<u>General</u>	<u>1,027,000</u> <u>1,026,000</u>

50.34 \$14,250,000 the first year and \$14,250,000  
 50.35 the second year are from the environmental  
 50.36 fund for SCORE block grants to counties.

51.1 \$119,000 the first year and \$119,000 the  
51.2 second year are from the environmental  
51.3 fund for environmental assistance grants  
51.4 or loans under Minnesota Statutes, section  
51.5 115A.0716. Any unencumbered grant and  
51.6 loan balances in the first year do not cancel  
51.7 but are available for grants and loans in the  
51.8 second year.

51.9 \$89,000 the first year and \$89,000 the  
51.10 second year are from the environmental fund  
51.11 for duties related to harmful chemicals in  
51.12 products under Minnesota Statutes, sections  
51.13 116.9401 to 116.9407. Of this amount,  
51.14 \$57,000 each year is transferred to the  
51.15 commissioner of health.

51.16 \$200,000 the first year and \$200,000 the  
51.17 second year are from the environmental  
51.18 fund for the costs of implementing general  
51.19 operating permits for feedlots over 1,000  
51.20 animal units.

51.21 \$312,000 the first year and \$312,000 the  
51.22 second year are from the general fund and  
51.23 \$188,000 the first year and \$188,000 the  
51.24 second year are from the environmental fund  
51.25 for Environmental Quality Board operations  
51.26 and support.

51.27 \$75,000 the first year and \$50,000 the second  
51.28 year are from the environmental fund for  
51.29 transfer to the Office of Administrative  
51.30 Hearings to establish sanitary districts.

51.31 \$500,000 the first year and \$500,000 the  
51.32 second year are from the general fund for  
51.33 the Environmental Quality Board to lead  
51.34 an interagency team to provide technical  
51.35 assistance regarding the mining, processing,

52.1 and transporting of silica sand and develop  
52.2 the model standards and criteria required  
52.3 under Minnesota Statutes, section 116C.99.  
52.4 The agency may transfer a portion of this  
52.5 appropriation to the commissioners of natural  
52.6 resources, health, and transportation and to  
52.7 the Board of Water and Soil Resources for  
52.8 additional costs of duties related to silica  
52.9 sand mining in this act.

52.10 The commissioner shall prepare and submit  
52.11 a report to the chairs and ranking minority  
52.12 members of the senate and house of  
52.13 representatives committees and divisions  
52.14 with jurisdiction over the environment and  
52.15 natural resources by January 15, 2014, with  
52.16 recommendations for a statewide recycling  
52.17 refund program for beverage containers that  
52.18 achieves an 80 percent recycling rate. In  
52.19 preparing the report, the commissioner shall  
52.20 consult with stakeholders, including retailers,  
52.21 collectors, recyclers, local governments, and  
52.22 consumers on options to increase the current  
52.23 recycling rate. An assessment of the financial  
52.24 impact of any recommended program shall  
52.25 be included in the report.

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

52.32 \$315,000 the first year and \$315,000 the  
52.33 second year are from the environmental  
52.34 fund for the electronic waste program under



54.1	<u>Appropriations by Fund</u>		
54.2	<u>General</u>	<u>1,164,000</u>	<u>1,564,000</u>
54.3	<u>Natural Resources</u>	<u>3,472,000</u>	<u>3,472,000</u>
54.4	<u>Game and Fish</u>	<u>1,451,000</u>	<u>1,451,000</u>
54.5	<u>Permanent School</u>	<u>200,000</u>	<u>200,000</u>

54.6 \$68,000 the first year and \$68,000 the  
 54.7 second year are for minerals cooperative  
 54.8 environmental research, of which \$34,000  
 54.9 the first year and \$34,000 the second year are  
 54.10 available only as matched by \$1 of nonstate  
 54.11 money for each \$1 of state money. The  
 54.12 match may be cash or in-kind.

54.13 \$251,000 the first year and \$251,000 the  
 54.14 second year are for iron ore cooperative  
 54.15 research. Of this amount, \$200,000 each year  
 54.16 is from the minerals management account  
 54.17 in the natural resources fund. \$175,000 the  
 54.18 first year and \$175,000 the second year are  
 54.19 available only as matched by \$1 of nonstate  
 54.20 money for each \$1 of state money. The match  
 54.21 may be cash or in-kind. Any unencumbered  
 54.22 balance from the first year does not cancel  
 54.23 and is available in the second year.

54.24 \$2,696,000 the first year and \$2,696,000  
 54.25 the second year are from the minerals  
 54.26 management account in the natural resources  
 54.27 fund for use as provided in Minnesota  
 54.28 Statutes, section 93.2236, paragraph (c),  
 54.29 for mineral resource management, projects  
 54.30 to enhance future mineral income, and  
 54.31 projects to promote new mineral resource  
 54.32 opportunities.

54.33 \$200,000 the first year and \$200,000 the  
 54.34 second year are from the state forest suspense  
 54.35 account in the permanent school fund to  
 54.36 accelerate land exchanges, land sales, and

55.1 commercial leasing of school trust lands and  
 55.2 to identify, evaluate, and lease construction  
 55.3 aggregate located on school trust lands. This  
 55.4 appropriation is to be used for securing  
 55.5 long-term economic return from the  
 55.6 school trust lands consistent with fiduciary  
 55.7 responsibilities and sound natural resources  
 55.8 conservation and management principles.

55.9 The appropriations in Laws 2007, chapter 57,  
 55.10 article 1, section 4, subdivision 2, as amended  
 55.11 by Laws 2009, chapter 37, article 1, section  
 55.12 60, and as extended by Laws 2011, First  
 55.13 Special Session chapter 2, article 1, section 4,  
 55.14 subdivision 2, for support of the land records  
 55.15 management system are available until spent.

55.16 Subd. 3. **Ecological and Water Resources** 27,182,000 31,582,000

55.17	<u>Appropriations by Fund</u>		
55.18	<u>General</u>	<u>12,117,000</u>	<u>16,817,000</u>
55.19	<u>Natural Resources</u>	<u>11,002,000</u>	<u>10,702,000</u>
55.20	<u>Game and Fish</u>	<u>4,063,000</u>	<u>4,063,000</u>

55.21 \$3,542,000 the first year and \$3,242,000 the  
 55.22 second year are from the invasive species  
 55.23 account in the natural resources fund and  
 55.24 \$2,906,000 the first year and \$3,206,000 the  
 55.25 second year are from the general fund for  
 55.26 management, public awareness, assessment  
 55.27 and monitoring research, and water access  
 55.28 inspection to prevent the spread of invasive  
 55.29 species; management of invasive plants in  
 55.30 public waters; and management of terrestrial  
 55.31 invasive species on state-administered lands.  
 55.32 \$5,000,000 the first year and \$5,000,000 the  
 55.33 second year are from the water management  
 55.34 account in the natural resources fund for only

56.1 the purposes specified in Minnesota Statutes,  
56.2 section 103G.27, subdivision 2.

56.3 \$103,000 the first year and \$103,000 the  
56.4 second year are for a grant to the Mississippi  
56.5 Headwaters Board for up to 50 percent of  
56.6 the cost of implementing the comprehensive  
56.7 plan for the upper Mississippi within areas  
56.8 under the board's jurisdiction.

56.9 \$10,000 the first year and \$10,000 the second  
56.10 year are for payment to the Leech Lake Band  
56.11 of Chippewa Indians to implement the band's  
56.12 portion of the comprehensive plan for the  
56.13 upper Mississippi.

56.14 \$264,000 the first year and \$264,000 the  
56.15 second year are for grants for up to 50  
56.16 percent of the cost of implementation of  
56.17 the Red River mediation agreement. The  
56.18 commissioner shall submit a report to the  
56.19 chairs of the legislative committees having  
56.20 primary jurisdiction over environment and  
56.21 natural resources policy and finance on the  
56.22 accomplishments achieved with the grants  
56.23 by January 15, 2015.

56.24 \$1,643,000 the first year and \$1,643,000  
56.25 the second year are from the heritage  
56.26 enhancement account in the game and  
56.27 fish fund for only the purposes specified  
56.28 in Minnesota Statutes, section 297A.94,  
56.29 paragraph (e), clause (1).

56.30 \$1,223,000 the first year and \$1,223,000 the  
56.31 second year are from the nongame wildlife  
56.32 management account in the natural resources  
56.33 fund for the purpose of nongame wildlife  
56.34 management. Notwithstanding Minnesota  
56.35 Statutes, section 290.431, \$100,000 the first

57.1 year and \$100,000 the second year may  
57.2 be used for nongame wildlife information,  
57.3 education, and promotion.

57.4 \$1,600,000 the first year and \$6,000,000 the  
57.5 second year are from the general fund for the  
57.6 following activities:

57.7 (1) increased financial reimbursement  
57.8 and technical support to soil and water  
57.9 conservation districts or other local units  
57.10 of government for groundwater level  
57.11 monitoring;

57.12 (2) additional surface water monitoring and  
57.13 analysis, including installation of monitoring  
57.14 gauges;

57.15 (3) additional groundwater analysis to  
57.16 assist with water appropriation permitting  
57.17 decisions;

57.18 (4) additional permit application review  
57.19 incorporating surface water and groundwater  
57.20 technical analysis;

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

57.23 (6) enhanced information technology,  
57.24 including electronic permitting and  
57.25 integrated data systems; and

57.26 (7) increased compliance and monitoring.

57.27 Of this amount, \$600,000 the first year is for  
57.28 silica sand rulemaking and is available until  
57.29 spent.

57.30 The commissioner, in cooperation with the  
57.31 commissioner of agriculture, shall enforce  
57.32 compliance with aquatic plant management  
57.33 requirements regulating the control of  
57.34 aquatic plants with pesticides and removal of

58.1 aquatic plants by mechanical means under  
 58.2 Minnesota Statutes, section 103G.615.

58.3 Subd. 4. Forest Management 36,860,000      36,810,000

58.4	<u>Appropriations by Fund</u>	
58.5 <u>General</u>	<u>24,450,000</u>	<u>24,400,000</u>
58.6 <u>Natural Resources</u>	<u>11,123,000</u>	<u>11,123,000</u>
58.7 <u>Game and Fish</u>	<u>1,287,000</u>	<u>1,287,000</u>

58.8 \$7,145,000 the first year and \$7,145,000  
 58.9 the second year are for prevention,  
 58.10 presuppression, and suppression costs of  
 58.11 emergency firefighting and other costs  
 58.12 incurred under Minnesota Statutes, section  
 58.13 88.12. The amount necessary to pay for  
 58.14 presuppression and suppression costs during  
 58.15 the biennium is appropriated from the general  
 58.16 fund.

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

58.31 \$11,123,000 the first year and \$11,123,000  
 58.32 the second year are from the forest  
 58.33 management investment account in the  
 58.34 natural resources fund for only the purposes

59.1 specified in Minnesota Statutes, section  
59.2 89.039, subdivision 2.  
59.3 \$1,287,000 the first year and \$1,287,000  
59.4 the second year are from the heritage  
59.5 enhancement account in the game and fish  
59.6 fund to advance ecological classification  
59.7 systems (ECS) scientific management tools  
59.8 for forest and invasive species management.  
59.9 \$580,000 the first year and \$580,000 the  
59.10 second year are for the Forest Resources  
59.11 Council for implementation of the  
59.12 Sustainable Forest Resources Act.  
59.13 \$250,000 the first year and \$250,000 the  
59.14 second year are for the FORIST system.  
59.15 \$50,000 the first year is for development of  
59.16 a plan and recommendations, in consultation  
59.17 with the University of Minnesota,  
59.18 Department of Forest Resources, on utilizing  
59.19 the state forest nurseries to: ensure the  
59.20 long-term availability of ecologically  
59.21 appropriate and genetically diverse native  
59.22 forest seed and seedlings to support state  
59.23 conservation projects and initiatives;  
59.24 protect the genetic fitness and resilience of  
59.25 native forest ecosystems; and support tree  
59.26 improvement research to address evolving  
59.27 pressures such as invasive species and  
59.28 climate change. By December 31, 2013,  
59.29 the commissioner shall submit a report with  
59.30 the plan and recommendations to the chairs  
59.31 and ranking minority members of the senate  
59.32 and house of representatives committees  
59.33 and divisions with jurisdiction over natural  
59.34 resources. The report shall address funding  
59.35 to improve state forest nursery and tree

60.1 improvement capabilities. The report shall  
 60.2 also provide updated recommendations from  
 60.3 those contained in the budget and financial  
 60.4 plan required under Laws 2011, First Special  
 60.5 Session chapter 2, article 4, section 30.

60.6 The general fund base budget for forest  
 60.7 management in fiscal year 2016 and  
 60.8 thereafter is \$23,850,000.

60.9 **Subd. 5. Parks and Trails Management** 67,802,000 67,802,000

60.10	<u>Appropriations by Fund</u>		
60.11		<u>2014</u>	<u>2015</u>
60.12	<u>General</u>	<u>19,780,000</u>	<u>19,780,000</u>
60.13	<u>Natural Resources</u>	<u>45,763,000</u>	<u>45,763,000</u>
60.14	<u>Game and Fish</u>	<u>2,259,000</u>	<u>2,259,000</u>

60.15 \$1,075,000 the first year and \$1,075,000 the  
 60.16 second year are from the water recreation  
 60.17 account in the natural resources fund for  
 60.18 enhancing public water access facilities  
 60.19 and to prevent the spread of aquatic  
 60.20 invasive species, including inspection and  
 60.21 decontamination programs. Of the amount in  
 60.22 the first year, \$300,000 is for construction of  
 60.23 restroom facilities at the public water access  
 60.24 for Crane Lake on Handberg Road and is  
 60.25 available until spent. This appropriation is  
 60.26 not available until the commissioner develops  
 60.27 and implements design standards and best  
 60.28 management practices for public water access  
 60.29 sites that maintain and improve water quality  
 60.30 by avoiding shoreline erosion and runoff.

60.31 \$5,740,000 the first year and \$5,740,000 the  
 60.32 second year are from the natural resources  
 60.33 fund for state trail, park, and recreation area  
 60.34 operations. This appropriation is from the  
 60.35 revenue deposited in the natural resources

61.1 fund under Minnesota Statutes, section  
61.2 297A.94, paragraph (e), clause (2).  
61.3 \$1,005,000 the first year and \$1,005,000 the  
61.4 second year are from the natural resources  
61.5 fund for trail grants to local units of  
61.6 government on land to be maintained for at  
61.7 least 20 years for the purposes of the grants.  
61.8 This appropriation is from the revenue  
61.9 deposited in the natural resources fund  
61.10 under Minnesota Statutes, section 297A.94,  
61.11 paragraph (e), clause (4). Any unencumbered  
61.12 balance does not cancel at the end of the first  
61.13 year and is available for the second year.  
61.14 \$8,424,000 the first year and \$8,424,000  
61.15 the second year are from the snowmobile  
61.16 trails and enforcement account in the  
61.17 natural resources fund for the snowmobile  
61.18 grants-in-aid program. Any unencumbered  
61.19 balance does not cancel at the end of the first  
61.20 year and is available for the second year.  
61.21 \$1,460,000 the first year and \$1,460,000 the  
61.22 second year are from the natural resources  
61.23 fund for the off-highway vehicle grants-in-aid  
61.24 program. Of this amount, \$1,210,000 each  
61.25 year is from the all-terrain vehicle account;  
61.26 \$150,000 each year is from the off-highway  
61.27 motorcycle account; and \$100,000 each year  
61.28 is from the off-road vehicle account. Any  
61.29 unencumbered balance does not cancel at the  
61.30 end of the first year and is available for the  
61.31 second year.  
61.32 \$75,000 the first year and \$75,000 the second  
61.33 year are from the cross-country ski account  
61.34 in the natural resources fund for grooming

62.1 and maintaining cross-country ski trails in  
 62.2 state parks, trails, and recreation areas.  
 62.3 \$250,000 the first year and \$250,000 the  
 62.4 second year are from the state land and  
 62.5 water conservation account (LAWCON)  
 62.6 in the natural resources fund for priorities  
 62.7 established by the commissioner for eligible  
 62.8 state projects and administrative and  
 62.9 planning activities consistent with Minnesota  
 62.10 Statutes, section 84.0264, and the federal  
 62.11 Land and Water Conservation Fund Act.  
 62.12 Any unencumbered balance does not cancel  
 62.13 at the end of the first year and is available for  
 62.14 the second year.

62.15 The appropriation in Laws 2009, chapter  
 62.16 37, article 1, section 4, subdivision 5, from  
 62.17 the natural resources fund from the revenue  
 62.18 deposited under Minnesota Statutes, section  
 62.19 297A.94, paragraph (e), clause (4), for local  
 62.20 grants is available until spent.

62.21 **Subd. 6. Fish and Wildlife Management** 62,775,000 62,775,000

62.22	<u>Appropriations by Fund</u>	
62.23	<u>2014</u>	<u>2015</u>
62.24	<u>Natural Resources</u>	<u>1,906,000</u>
62.25	<u>Game and Fish</u>	<u>60,869,000</u>

62.26 \$8,167,000 the first year and \$8,167,000  
 62.27 the second year are from the heritage  
 62.28 enhancement account in the game and fish  
 62.29 fund only for activities specified in Minnesota  
 62.30 Statutes, section 297A.94, paragraph (e),  
 62.31 clause (1). Notwithstanding Minnesota  
 62.32 Statutes, section 297A.94, five percent of  
 62.33 this appropriation may be used for expanding  
 62.34 hunter and angler recruitment and retention

63.1 activities that emphasize the recruitment and  
 63.2 retention of underrepresented groups.

63.3 Notwithstanding Minnesota Statutes, section  
 63.4 84.943, \$13,000 the first year and \$13,000  
 63.5 the second year from the critical habitat  
 63.6 private sector matching account may be used  
 63.7 to publicize the critical habitat license plate  
 63.8 match program.

63.9 Subd. 7. **Enforcement** 35,518,000 35,518,000

63.10	<u>Appropriations by Fund</u>		
63.11	<u>General</u>	<u>3,975,000</u>	<u>3,975,000</u>
63.12	<u>Natural Resources</u>	<u>10,000,000</u>	<u>10,000,000</u>
63.13	<u>Game and Fish</u>	<u>21,443,000</u>	<u>21,443,000</u>
63.14	<u>Remediation</u>	<u>100,000</u>	<u>100,000</u>

63.15 \$1,718,000 the first year and \$1,718,000 the  
 63.16 second year are from the general fund for  
 63.17 enforcement efforts to prevent the spread of  
 63.18 aquatic invasive species.

63.19 \$1,450,000 the first year and \$1,450,000  
 63.20 the second year are from the heritage  
 63.21 enhancement account in the game and  
 63.22 fish fund for only the purposes specified  
 63.23 in Minnesota Statutes, section 297A.94,  
 63.24 paragraph (e), clause (1).

63.25 \$250,000 the first year and \$250,000 the  
 63.26 second year are for the conservation officer  
 63.27 pre-employment education program. Of this  
 63.28 amount, \$30,000 each year is from the water  
 63.29 recreation account, \$13,000 each year is from  
 63.30 the snowmobile account, and \$20,000 each  
 63.31 year is from the all-terrain vehicle account  
 63.32 in the natural resources fund; and \$187,000  
 63.33 each year is from the game and fish fund, of  
 63.34 which \$17,000 each year is from the heritage  
 63.35 enhancement account.

64.1 \$1,082,000 the first year and \$1,082,000 the  
64.2 second year are from the water recreation  
64.3 account in the natural resources fund  
64.4 for grants to counties for boat and water  
64.5 safety and to prevent the spread of aquatic  
64.6 invasive species, including inspection  
64.7 and decontamination programs. Any  
64.8 unencumbered balance does not cancel at the  
64.9 end of the first year and is available for the  
64.10 second year.

64.11 \$315,000 the first year and \$315,000 the  
64.12 second year are from the snowmobile  
64.13 trails and enforcement account in the  
64.14 natural resources fund for grants to local  
64.15 law enforcement agencies for snowmobile  
64.16 enforcement activities. Any unencumbered  
64.17 balance does not cancel at the end of the first  
64.18 year and is available for the second year.

64.19 \$250,000 the first year and \$250,000 the  
64.20 second year are from the all-terrain vehicle  
64.21 account for grants to qualifying organizations  
64.22 to assist in safety and environmental  
64.23 education and monitoring trails on public  
64.24 lands under Minnesota Statutes, section  
64.25 84.9011. Grants issued under this paragraph:  
64.26 (1) must be issued through a formal  
64.27 agreement with the organization; and  
64.28 (2) must not be used as a substitute for  
64.29 traditional spending by the organization.

64.30 By December 15 each year, an organization  
64.31 receiving a grant under this paragraph shall  
64.32 report to the commissioner with details on  
64.33 expenditures and outcomes from the grant.

64.34 Of this appropriation, \$25,000 each year  
64.35 is for administration of these grants. Any  
64.36 unencumbered balance does not cancel at the

65.1 end of the first year and is available for the  
65.2 second year.

65.3 \$510,000 the first year and \$510,000  
65.4 the second year are from the natural  
65.5 resources fund for grants to county law  
65.6 enforcement agencies for off-highway  
65.7 vehicle enforcement and public education  
65.8 activities based on off-highway vehicle use  
65.9 in the county. Of this amount, \$498,000 each  
65.10 year is from the all-terrain vehicle account;  
65.11 \$11,000 each year is from the off-highway  
65.12 motorcycle account; and \$1,000 each year  
65.13 is from the off-road vehicle account. The  
65.14 county enforcement agencies may use  
65.15 money received under this appropriation  
65.16 to make grants to other local enforcement  
65.17 agencies within the county that have a high  
65.18 concentration of off-highway vehicle use.

65.19 Of this appropriation, \$25,000 each year  
65.20 is for administration of these grants. Any  
65.21 unencumbered balance does not cancel at the  
65.22 end of the first year and is available for the  
65.23 second year.

65.24 \$720,000 the first year and \$720,000 the  
65.25 second year are for development and  
65.26 maintenance of a records management  
65.27 system capable of providing real time data  
65.28 with global positioning system information.

65.29 Of this amount, \$360,000 each year is from  
65.30 the game and fish fund, and \$360,000 each  
65.31 year is from the invasive species account in  
65.32 the natural resources fund.

65.33 Up to \$300,000 each year from the invasive  
65.34 species account is for grants to local units  
65.35 of government and tribes to prevent the

66.1 spread of aquatic invasive species, including  
66.2 inspection and decontamination programs.

66.3 **Subd. 8. Operations Support** 320,000 320,000

66.4 Appropriations by Fund  
66.5 Natural Resources 320,000 320,000

66.6 \$320,000 the first year and \$320,000 the  
66.7 second year are from the natural resources  
66.8 fund for grants to be divided equally between  
66.9 the city of St. Paul for the Como Park Zoo  
66.10 and Conservatory and the city of Duluth  
66.11 for the Duluth Zoo. This appropriation  
66.12 is from the revenue deposited to the fund  
66.13 under Minnesota Statutes, section 297A.94,  
66.14 paragraph (e), clause (5).

66.15 The commissioner may spend up to \$300,000  
66.16 per year from the special revenue fund to  
66.17 improve data analytics. The commissioner  
66.18 may bill the divisions of the agency an  
66.19 appropriate share of costs associated with  
66.20 this project. Any information technology  
66.21 development, support, or costs necessary for  
66.22 this project shall be incorporated into the  
66.23 agency's service level agreement with and  
66.24 paid to the Office of Enterprise Technology.

66.25 **Sec. 5. BOARD OF WATER AND SOIL**  
66.26 **RESOURCES** **\$ 12,641,000 \$ 12,641,000**

66.27 \$3,423,000 the first year and \$3,423,000 the  
66.28 second year are for natural resources block  
66.29 grants to local governments. Grants must be  
66.30 matched with a combination of local cash or  
66.31 in-kind contributions. The base grant portion  
66.32 related to water planning must be matched  
66.33 by an amount as specified by Minnesota  
66.34 Statutes, section 103B.3369. The board may  
66.35 reduce the amount of the natural resources

67.1 block grant to a county by an amount equal to  
67.2 any reduction in the county's general services  
67.3 allocation to a soil and water conservation  
67.4 district from the county's previous year  
67.5 allocation when the board determines that  
67.6 the reduction was disproportionate.

67.7 \$3,116,000 the first year and \$3,116,000  
67.8 the second year are for grants requested  
67.9 by soil and water conservation districts for  
67.10 general purposes, nonpoint engineering, and  
67.11 implementation of the reinvest in Minnesota  
67.12 reserve program. Upon approval of the  
67.13 board, expenditures may be made from these  
67.14 appropriations for supplies and services  
67.15 benefiting soil and water conservation  
67.16 districts. Any district requesting a grant  
67.17 under this paragraph shall maintain a Web  
67.18 page that publishes, at a minimum, its annual  
67.19 report, annual audit, annual budget, and  
67.20 meeting notices and minutes.

67.21 \$1,560,000 the first year and \$1,560,000 the  
67.22 second year are for the following cost-share  
67.23 programs:

67.24 (1) \$260,000 each year is for feedlot water  
67.25 quality grants for feedlots under 300 animal  
67.26 units in areas where there are impaired  
67.27 waters;

67.28 (2) \$1,200,000 each year is for soil and water  
67.29 conservation district cost-sharing contracts  
67.30 for erosion control, nutrient and manure  
67.31 management, vegetative buffers, and water  
67.32 quality management; and

67.33 (3) \$100,000 each year is for county  
67.34 cooperative weed management programs and  
67.35 to restore native plants in selected invasive

68.1 species management sites by providing local  
68.2 native seeds and plants to landowners for  
68.3 implementation.

68.4 The board shall submit a report to the  
68.5 commissioner of the Pollution Control  
68.6 Agency on the status of subsurface sewage  
68.7 treatment systems in order to ensure a single,  
68.8 comprehensive inventory of the systems for  
68.9 planning purposes.

68.10 \$386,000 the first year and \$386,000  
68.11 the second year are for implementation,  
68.12 enforcement, and oversight of the Wetland  
68.13 Conservation Act.

68.14 \$166,000 the first year and \$166,000  
68.15 the second year are to provide technical  
68.16 assistance to local drainage management  
68.17 officials and for the costs of the Drainage  
68.18 Work Group.

68.19 \$100,000 the first year and \$100,000  
68.20 the second year are for a grant to the  
68.21 Red River Basin Commission for water  
68.22 quality and floodplain management,  
68.23 including administration of programs. This  
68.24 appropriation must be matched by nonstate  
68.25 funds. If the appropriation in either year is  
68.26 insufficient, the appropriation in the other  
68.27 year is available for it.

68.28 \$120,000 the first year and \$120,000  
68.29 the second year are for grants to Area  
68.30 II Minnesota River Basin Projects for  
68.31 floodplain management.

68.32 Notwithstanding Minnesota Statutes, section  
68.33 103C.501, the board may shift cost-share  
68.34 funds in this section and may adjust the  
68.35 technical and administrative assistance





71.1 to the general fund. The commissioner shall  
 71.2 transfer ~~\$12,000,000~~ \$9,900,000 on July 1  
 71.3 ~~in each of the years, 2014, 2015, 2016, and~~  
 71.4 ~~2017~~ \$12,550,000 in each of the years 2015  
 71.5 and 2016, and \$13,000,000 in 2017 from the  
 71.6 general fund to the closed landfill investment  
 71.7 fund. For each transfer to the closed landfill  
 71.8 investment fund, the commissioner shall  
 71.9 determine the total amount of interest and  
 71.10 other earnings that would have accrued to  
 71.11 the fund if the transfers to the general fund  
 71.12 under this paragraph had not been made and  
 71.13 add this amount to the transfer. The amounts  
 71.14 necessary for these transfers are appropriated  
 71.15 from the general fund in the fiscal years  
 71.16 specified for the transfers.

#### 71.17 ARTICLE 4

#### 71.18 ENVIRONMENT AND NATURAL RESOURCES STATUTORY CHANGES

71.19 Section 1. Minnesota Statutes 2012, section 13.7411, subdivision 4, is amended to read:

71.20 Subd. 4. **Waste management.** (a) **Product stewardship program.** Trade secret  
 71.21 and sales data information submitted to the Pollution Control Agency under the product  
 71.22 stewardship program is classified under section 115A.1415.

71.23 (b) **Transfer station data.** Data received by a county or district from a transfer  
 71.24 station under section 115A.84, subdivision 5, are classified under that section.

71.25 ~~(b)~~ (c) **Solid waste records.** Records of solid waste facilities received, inspected,  
 71.26 or copied by a county pursuant to section 115A.882 are classified pursuant to section  
 71.27 115A.882, subdivision 3.

71.28 ~~(e)~~ (d) **Customer lists.** Customer lists provided to counties or cities by solid waste  
 71.29 collectors are classified under section 115A.93, subdivision 5.

71.30 Sec. 2. Minnesota Statutes 2012, section 84.027, is amended by adding a subdivision  
 71.31 to read:

71.32 Subd. 19. **Federal law compliance.** Notwithstanding any law to the contrary,  
 71.33 the commissioner may establish, by written order, policies for the use and operation of  
 71.34 other power-driven mobility devices, as defined under Code of Federal Regulations, title

72.1 28, section 35.104, on lands and in facilities administered by the commissioner for the  
72.2 purposes of implementing the Americans with Disabilities Act, United States Code, title  
72.3 42, section 12101 et seq. These policies are exempt from the rulemaking provisions of  
72.4 chapter 14 and section 14.386 does not apply.

72.5 Sec. 3. Minnesota Statutes 2012, section 84.415, is amended by adding a subdivision  
72.6 to read:

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

72.11 **EFFECTIVE DATE.** This section is effective July 1, 2014.

72.12 Sec. 4. Minnesota Statutes 2012, section 84.63, is amended to read:

72.13 **84.63 CONVEYANCE OF INTERESTS IN LANDS TO STATE AND**  
72.14 **FEDERAL GOVERNMENTS.**

72.15 (a) Notwithstanding any existing law to the contrary, the commissioner of natural  
72.16 resources is hereby authorized on behalf of the state to convey to the United States  
72.17 or to the state of Minnesota or any of its subdivisions, upon state-owned lands under  
72.18 the administration of the commissioner of natural resources, permanent or temporary  
72.19 easements for specified periods or otherwise for trails, highways, roads including  
72.20 limitation of right of access from the lands to adjacent highways and roads, flowage for  
72.21 development of fish and game resources, stream protection, flood control, and necessary  
72.22 appurtenances thereto, such conveyances to be made upon such terms and conditions  
72.23 including provision for reversion in the event of non-user as the commissioner of natural  
72.24 resources may determine.

72.25 (b) In addition to the fee for the market value of the easement, the commissioner of  
72.26 natural resources shall assess the applicant the following fees:

72.27 (1) an application fee of \$2,000 to cover reasonable costs for reviewing the  
72.28 application and preparing the easement; and

72.29 (2) a monitoring fee to cover the projected reasonable costs for monitoring the  
72.30 construction of the improvement for which the easement was conveyed and preparing  
72.31 special terms and conditions for the easement. The commissioner must give the applicant  
72.32 an estimate of the monitoring fee before the applicant submits the fee.

73.1 (c) The applicant shall pay these fees to the commissioner of natural resources.  
73.2 The commissioner shall not issue the easement until the applicant has paid in full the  
73.3 application fee, the monitoring fee, and the market value payment for the easement.

73.4 (d) Upon completion of construction of the improvement for which the easement  
73.5 was conveyed, the commissioner shall refund the unobligated balance from the monitoring  
73.6 fee revenue. The commissioner shall not return the application fee, even if the application  
73.7 is withdrawn or denied.

73.8 (e) Money received under paragraph (b) must be deposited in the land management  
73.9 account in the natural resources fund and is appropriated to the commissioner of natural  
73.10 resources to cover the reasonable costs incurred for issuing and monitoring easements.

73.11 (f) A county or joint county regional railroad authority is exempt from all fees  
73.12 specified under this section for trail easements on state-owned land.

73.13 **EFFECTIVE DATE.** This section is effective July 1, 2014.

73.14 Sec. 5. **[84.633] EXCHANGE OF ROAD EASEMENTS.**

73.15 Subdivision 1. Authority. The commissioner of natural resources, on behalf of  
73.16 the state, may convey a road easement according to this section for access across state  
73.17 land under the commissioner's jurisdiction in exchange for a road easement for access to  
73.18 property owned by the United States, the state of Minnesota or any of its subdivisions, or a  
73.19 private party. The exercise of the easement across state land must not cause significant  
73.20 adverse environmental or natural resources management impacts. Exchanges under this  
73.21 section are limited to existing access corridors.

73.22 Subd. 2. Substantially equal acres. The acres covered by the state easement  
73.23 conveyed by the commissioner must be substantially equal to the acres covered by the  
73.24 easement being received by the commissioner. For purposes of this section, "substantially  
73.25 equal" means that the acres do not differ by more than 20 percent. The commissioner's  
73.26 finding of substantially equal acres is in lieu of an appraisal or other determination of  
73.27 value of the lands.

73.28 Subd. 3. School trust lands. If the commissioner conveys a road easement over  
73.29 school trust land to a nongovernmental entity, the term of the road easement is limited  
73.30 to 50 years. The easement exchanged with the state may be limited to 50 years or may  
73.31 be perpetual.

73.32 Subd. 4. Terms and conditions. The commissioner may impose terms and  
73.33 conditions of use as necessary and appropriate under the circumstances. The state may  
73.34 accept an easement with similar terms and conditions as the state easement.

74.1 Subd. 5. **Survey.** If the commissioner determines that a survey is required, the  
 74.2 governmental unit or private landowner shall pay to the commissioner a survey fee of not  
 74.3 less than one half of the cost of the survey as determined by the commissioner.

74.4 Subd. 6. **Application fee.** When a private landowner or governmental unit, except  
 74.5 the state, presents to the commissioner an offer to exchange road easements, the private  
 74.6 landowner or governmental unit shall pay an application fee as provided under section  
 74.7 84.63 to cover reasonable costs for reviewing the application and preparing the easements.

74.8 Subd. 7. **Title.** If the commissioner determines it is necessary to obtain an opinion  
 74.9 as to the title of the land being encumbered by the easement that will be received by the  
 74.10 commissioner, the governmental unit or private landowner shall submit an abstract of title  
 74.11 or other title information sufficient to determine possession of the land, improvements,  
 74.12 liens, encumbrances, and other matters affecting title.

74.13 Subd. 8. **Disposition of fees.** (a) Any fee paid under subdivision 5 must be credited  
 74.14 to the account from which expenses are or will be paid and the fee is appropriated for the  
 74.15 expenditures in the same manner as other money in the account.

74.16 (b) Any fee paid under subdivision 6 must be deposited in the land management  
 74.17 account in the natural resources fund and is appropriated to the commissioner to cover the  
 74.18 reasonable costs incurred for preparing and issuing the state road easement and accepting  
 74.19 the road easement from the private landowner or governmental entity.

74.20 Sec. 6. Minnesota Statutes 2012, section 84.82, is amended by adding a subdivision to  
 74.21 read:

74.22 Subd. 2a. **Nontrail use registration.** A snowmobile may be registered for nontrail  
 74.23 use. A snowmobile registered under this subdivision may not be operated on a state or  
 74.24 grant-in-aid snowmobile trail. The fee for a nontrail use registration is \$45 for three years.  
 74.25 A nontrail use registration is not transferable. In addition to other penalties prescribed by  
 74.26 law, the penalty for violation of this subdivision is immediate revocation of the nontrail  
 74.27 use registration. The commissioner shall ensure that the registration sticker provided for  
 74.28 limited nontrail use is of a different color and is distinguishable from other snowmobile  
 74.29 registration and state trail stickers provided.

74.30 Sec. 7. Minnesota Statutes 2012, section 84.82, subdivision 3, is amended to read:

74.31 Subd. 3. **Fees for registration.** (a) The fee for registration of each snowmobile,  
 74.32 other than those used for an agricultural purpose, as defined in section 84.92, subdivision  
 74.33 1c, ~~or~~ those registered by a dealer or manufacturer pursuant to paragraph (b) or (c), or

75.1 those registered under subdivision 2a shall be as follows: \$75 for three years and \$10  
75.2 for a duplicate or transfer.

75.3 (b) The total registration fee for all snowmobiles owned by a dealer and operated for  
75.4 demonstration or testing purposes shall be \$50 per year.

75.5 (c) The total registration fee for all snowmobiles owned by a manufacturer and  
75.6 operated for research, testing, experimentation, or demonstration purposes shall be \$150  
75.7 per year. Dealer and manufacturer registrations are not transferable.

75.8 (d) The onetime fee for registration of an exempt snowmobile under subdivision  
75.9 6a is \$6.

75.10 Sec. 8. Minnesota Statutes 2012, section 84.8205, subdivision 1, is amended to read:

75.11 Subdivision 1. **Sticker required; fee.** (a) A snowmobile that is not registered  
75.12 in the state under section 84.82, subdivision 3, paragraph (a), or that is registered by a  
75.13 manufacturer or dealer under section 84.82, subdivision 3, paragraph (b) or (c), may  
75.14 not be operated on a state or grant-in-aid snowmobile trail unless a snowmobile state  
75.15 trail sticker is affixed to the snowmobile.

75.16 (b) The commissioner of natural resources shall issue a sticker upon application  
75.17 and payment of a fee. The fee is:

75.18 (1) \$35 for a one-year snowmobile state trail sticker purchased by an individual; and

75.19 (2) \$15 for a one-year snowmobile state trail sticker purchased by a dealer or  
75.20 manufacturer.

75.21 (c) In addition to other penalties prescribed by law, an individual in violation of  
75.22 this subdivision must purchase an annual state trail sticker for a fee of \$70. The sticker  
75.23 is valid from November 1 through June 30. Fees collected under this section, except for  
75.24 the issuing fee for licensing agents, shall be deposited in the state treasury and credited  
75.25 to the snowmobile trails and enforcement account in the natural resources fund and,  
75.26 except for the electronic licensing system commission established by the commissioner  
75.27 under section 84.027, subdivision 15, must be used for grants-in-aid, trail maintenance,  
75.28 grooming, and easement acquisition.

75.29 (d) A state trail sticker is not required under this section for:

75.30 (1) a snowmobile that is owned and used by the United States, an Indian tribal  
75.31 government, another state, or a political subdivision thereof that is exempt from  
75.32 registration under section 84.82, subdivision 6;

75.33 (2) a collector snowmobile that is operated as provided in a special permit issued for  
75.34 the collector snowmobile under section 84.82, subdivision 7a;

76.1 (3) a person operating a snowmobile only on the portion of a trail that is owned by  
76.2 the person or the person's spouse, child, or parent; or

76.3 (4) a snowmobile while being used to groom a state or grant-in-aid trail.

76.4 Sec. 9. Minnesota Statutes 2012, section 84.922, is amended by adding a subdivision  
76.5 to read:

76.6 Subd. 14. **No registration weekend.** The commissioner shall designate, by written  
76.7 order published in the State Register, one weekend each year when, notwithstanding  
76.8 subdivision 1, an all-terrain vehicle may be operated on state and grant-in-aid all-terrain  
76.9 vehicle trails without a registration issued under this section. Nonresidents may participate  
76.10 during the designated weekend without a state trail pass required under section 84.9275.

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

76.12 Sec. 10. Minnesota Statutes 2012, section 84.9256, subdivision 1, is amended to read:

76.13 Subdivision 1. **Prohibitions on youthful operators.** (a) Except for operation on  
76.14 public road rights-of-way that is permitted under section 84.928 and as provided under  
76.15 paragraph (j), a driver's license issued by the state or another state is required to operate an  
76.16 all-terrain vehicle along or on a public road right-of-way.

76.17 (b) A person under 12 years of age shall not:

76.18 (1) make a direct crossing of a public road right-of-way;

76.19 (2) operate an all-terrain vehicle on a public road right-of-way in the state; or

76.20 (3) operate an all-terrain vehicle on public lands or waters, except as provided in  
76.21 paragraph (f).

76.22 (c) Except for public road rights-of-way of interstate highways, a person 12 years  
76.23 of age but less than 16 years may make a direct crossing of a public road right-of-way  
76.24 of a trunk, county state-aid, or county highway or operate on public lands and waters or  
76.25 state or grant-in-aid trails, only if that person possesses a valid all-terrain vehicle safety  
76.26 certificate issued by the commissioner and is accompanied by a person 18 years of age or  
76.27 older who holds a valid driver's license.

76.28 (d) To be issued an all-terrain vehicle safety certificate, a person at least 12 years  
76.29 old, but less than ~~16~~ 18 years old, must:

76.30 (1) successfully complete the safety education and training program under section  
76.31 84.925, subdivision 1, including a riding component; and

76.32 (2) be able to properly reach and control the handle bars and reach the foot pegs  
76.33 while sitting upright on the seat of the all-terrain vehicle.

77.1 (e) A person at least 11 years of age may take the safety education and training  
77.2 program and may receive an all-terrain vehicle safety certificate under paragraph (d), but  
77.3 the certificate is not valid until the person reaches age 12.

77.4 (f) A person at least ten years of age but under 12 years of age may operate an  
77.5 all-terrain vehicle with an engine capacity up to 90cc on public lands or waters if  
77.6 accompanied by a parent or legal guardian.

77.7 (g) A person under 15 years of age shall not operate a class 2 all-terrain vehicle.

77.8 (h) A person under the age of 16 may not operate an all-terrain vehicle on public  
77.9 lands or waters or on state or grant-in-aid trails if the person cannot properly reach and  
77.10 control the handle bars and reach the foot pegs while sitting upright on the seat of the  
77.11 all-terrain vehicle.

77.12 (i) Notwithstanding paragraph (c), a nonresident at least 12 years old, but less than  
77.13 16 years old, may make a direct crossing of a public road right-of-way of a trunk, county  
77.14 state-aid, or county highway or operate an all-terrain vehicle on public lands and waters  
77.15 or state or grant-in-aid trails if:

77.16 (1) the nonresident youth has in possession evidence of completing an all-terrain  
77.17 safety course offered by the ATV Safety Institute or another state as provided in section  
77.18 84.925, subdivision 3; and

77.19 (2) the nonresident youth is accompanied by a person 18 years of age or older who  
77.20 holds a valid driver's license.

77.21 (j) A person 12 years of age but less than 16 years of age may operate an all-terrain  
77.22 vehicle on the bank, slope, or ditch of a public road right-of-way as permitted under  
77.23 section 84.928 if the person:

77.24 (1) possesses a valid all-terrain vehicle safety certificate issued by the commissioner;  
77.25 and

77.26 (2) is accompanied by a parent or legal guardian on a separate all-terrain vehicle.

77.27 Sec. 11. Minnesota Statutes 2012, section 84.928, subdivision 1, is amended to read:

77.28 Subdivision 1. **Operation on roads and rights-of-way.** (a) Unless otherwise  
77.29 allowed in sections 84.92 to 84.928, a person shall not operate an all-terrain vehicle in  
77.30 this state along or on the roadway, shoulder, or inside bank or slope of a public road  
77.31 right-of-way of a trunk, county state-aid, or county highway.

77.32 (b) A person may operate a class 1 all-terrain vehicle in the ditch or the outside  
77.33 bank or slope of a trunk, county state-aid, or county highway unless prohibited under  
77.34 paragraph (d) or (f).

77.35 (c) A person may operate a class 2 all-terrain vehicle;

78.1           (1) within the public road right-of-way of a county state-aid or county highway on  
78.2 the extreme right-hand side of the road and left turns may be made from any part of  
78.3 the road if it is safe to do so under the prevailing conditions, unless prohibited under  
78.4 paragraph (d) or (f). ~~A person may operate a class 2 all-terrain vehicle;~~

78.5           (2) on the bank, slope, or ditch of a public road right-of-way of a trunk, county  
78.6 state-aid, or county highway but only to access businesses or make trail connections, and  
78.7 left turns may be made from any part of the road if it is safe to do so under the prevailing  
78.8 conditions, unless prohibited under paragraph (d) or (f); and

78.9           (3) on the bank or ditch of a public road right-of-way on a designated class 2  
78.10 all-terrain vehicle trail.

78.11           (d) A road authority as defined under section 160.02, subdivision 25, may after a  
78.12 public hearing restrict the use of all-terrain vehicles in the public road right-of-way under  
78.13 its jurisdiction.

78.14           (e) The restrictions in paragraphs (a), (d), (h), (i), and (j) do not apply to the  
78.15 operation of an all-terrain vehicle on the shoulder, inside bank or slope, ditch, or outside  
78.16 bank or slope of a trunk, interstate, county state-aid, or county highway:

78.17           (1) that is part of a funded grant-in-aid trail; or

78.18           (2) when the all-terrain vehicle is owned by or operated under contract with a publicly  
78.19 or privately owned utility or pipeline company and used for work on utilities or pipelines.

78.20           (f) The commissioner may limit the use of a right-of-way for a period of time if the  
78.21 commissioner determines that use of the right-of-way causes:

78.22           (1) degradation of vegetation on adjacent public property;

78.23           (2) siltation of waters of the state;

78.24           (3) impairment or enhancement to the act of taking game; or

78.25           (4) a threat to safety of the right-of-way users or to individuals on adjacent public  
78.26 property.

78.27           The commissioner must notify the road authority as soon as it is known that a closure  
78.28 will be ordered. The notice must state the reasons and duration of the closure.

78.29           (g) A person may operate an all-terrain vehicle registered for private use and used  
78.30 for agricultural purposes on a public road right-of-way of a trunk, county state-aid, or  
78.31 county highway in this state if the all-terrain vehicle is operated on the extreme right-hand  
78.32 side of the road, and left turns may be made from any part of the road if it is safe to do so  
78.33 under the prevailing conditions.

78.34           (h) A person shall not operate an all-terrain vehicle within the public road  
78.35 right-of-way of a trunk, county state-aid, or county highway from April 1 to August 1 in  
78.36 the agricultural zone unless the vehicle is being used exclusively as transportation to and

79.1 from work on agricultural lands. This paragraph does not apply to an agent or employee  
79.2 of a road authority, as defined in section 160.02, subdivision 25, or the Department of  
79.3 Natural Resources when performing or exercising official duties or powers.

79.4 (i) A person shall not operate an all-terrain vehicle within the public road right-of-way  
79.5 of a trunk, county state-aid, or county highway between the hours of one-half hour after  
79.6 sunset to one-half hour before sunrise, except on the right-hand side of the right-of-way  
79.7 and in the same direction as the highway traffic on the nearest lane of the adjacent roadway.

79.8 (j) A person shall not operate an all-terrain vehicle at any time within the  
79.9 right-of-way of an interstate highway or freeway within this state.

79.10 Sec. 12. **[84.973] POLLINATOR HABITAT PROGRAM.**

79.11 (a) The commissioner shall develop best management practices and habitat  
79.12 restoration guidelines for pollinator habitat enhancement. Best management practices  
79.13 and guidelines developed under this section must be used for all habitat enhancement or  
79.14 restoration of lands under the commissioner's control.

79.15 (b) Prairie restorations conducted on state lands or with state funds must include  
79.16 an appropriate diversity of native species selected to provide habitat for pollinators  
79.17 throughout the growing season.

79.18 Sec. 13. Minnesota Statutes 2012, section 84D.108, subdivision 2, is amended to read:

79.19 Subd. 2. **Permit requirements.** (a) Service providers must complete invasive  
79.20 species training provided by the commissioner and pass an examination to qualify for a  
79.21 permit. Service provider permits are valid for three calendar years.

79.22 (b) A \$50 application and testing fee is required for service provider permit  
79.23 applications.

79.24 (c) Persons working for a permittee must satisfactorily complete aquatic invasive  
79.25 species-related training provided by the commissioner, except as provided under  
79.26 paragraph (d).

79.27 (d) A person working for and supervised by a permittee is not required to complete  
79.28 the training under paragraph (c) if the water-related equipment or other water-related  
79.29 structures remain on the riparian property owned or controlled by the permittee and are  
79.30 only removed from and placed into the same water of the state.

79.31 Sec. 14. Minnesota Statutes 2012, section 85.015, subdivision 13, is amended to read:

79.32 Subd. 13. **Arrowhead Region Trails, Cook, Lake, St. Louis, Pine, Carlton,**  
79.33 **Koochiching, and Itasca Counties.** (a)(1) The Taconite Trail shall originate at Ely in St.

80.1 Louis County and extend southwesterly to Tower in St. Louis County, thence westerly to  
80.2 McCarthy Beach State Park in St. Louis County, thence southwesterly to Grand Rapids in  
80.3 Itasca County and there terminate;

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

80.8 (3) The Grand Marais to International Falls Trail shall originate in Grand Marais  
80.9 in Cook County and extend northwesterly, outside of the Boundary Waters Canoe Area,  
80.10 to Ely in St. Louis County, thence southwesterly along the route of the Taconite Trail to  
80.11 Tower in St. Louis County, thence northwesterly through the Pelican Lake area in St.  
80.12 Louis County to International Falls in Koochiching County, and there terminate;

80.13 (4) The Matthew Lourey Trail shall originate in Duluth in St. Louis County and  
80.14 extend southerly to ~~St. Croix~~ Chengwatana State Forest in Pine County.

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

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

80.23 Sec. 15. Minnesota Statutes 2012, section 85.052, subdivision 6, is amended to read:

80.24 Subd. 6. **State park reservation system.** (a) The commissioner may, by written  
80.25 order, develop reasonable reservation policies for campsites and other lodging. These  
80.26 policies are exempt from rulemaking provisions under chapter 14 and section 14.386  
80.27 does not apply.

80.28 (b) The revenue collected from the state park reservation fee established under  
80.29 subdivision 5, including interest earned, shall be deposited in the state park account in the  
80.30 natural resources fund and is annually appropriated to the commissioner for the cost of  
80.31 the state park reservation system.

80.32 **EFFECTIVE DATE.** This section is effective retroactively from March 1, 2012.

80.33 Sec. 16. Minnesota Statutes 2012, section 85.053, subdivision 8, is amended to read:

81.1 Subd. 8. **Military personnel on leave; exemption.** (a) A one-day permit, under  
 81.2 subdivision 4, shall be issued without a fee for a motor vehicle being used by a person  
 81.3 who is serving in active military service in any branch or unit of the United States armed  
 81.4 forces and who is stationed outside Minnesota, during the period of active service and for  
 81.5 90 days immediately thereafter, if the person presents the person's current military orders  
 81.6 to the park attendant on duty or other designee of the commissioner.

81.7 (b) For purposes of this section, "active service" has the meaning given under section  
 81.8 190.05, subdivision 5c, when performed outside Minnesota.

81.9 (c) A permit is not required for a motor vehicle being used by military personnel or  
 81.10 their dependents who have in their possession the annual pass for United States military  
 81.11 and their dependents issued by the federal government for access to federal recreation sites.

81.12 Sec. 17. Minnesota Statutes 2012, section 85.054, is amended by adding a subdivision  
 81.13 to read:

81.14 Subd. 18. **La Salle Lake State Recreation Area.** A state park permit is not required  
 81.15 and a fee may not be charged for motor vehicle entry, use, or parking in La Salle Lake  
 81.16 State Recreation Area unless the occupants of the vehicle enter, use, or park in a developed  
 81.17 campground, overnight, or day-use area.

81.18 Sec. 18. Minnesota Statutes 2012, section 85.055, subdivision 1, is amended to read:

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

81.20 (1) an annual use of state parks is \$25;

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

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

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

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

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

81.26 (7) a state park permit for ~~disabled~~ persons with disabilities under section 85.053,  
 81.27 subdivision 7, clauses (1) ~~and (2)~~ to (3), is \$12.

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

81.29 Sec. 19. Minnesota Statutes 2012, section 85.055, subdivision 2, is amended to read:

81.30 Subd. 2. **Fee deposit and appropriation.** The fees collected under this section shall  
 81.31 be deposited in the natural resources fund and credited to the state parks account. Money  
 81.32 in the account, except for the electronic licensing system commission established by the  
 81.33 commissioner under section 84.027, subdivision 15, and the state park reservation system

82.1 fee established by the commissioner under section 85.052, subdivisions 5 and 6, is available  
82.2 for appropriation to the commissioner to operate and maintain the state park system.

82.3 Sec. 20. Minnesota Statutes 2012, section 85.42, is amended to read:

82.4 **85.42 USER FEE; VALIDITY.**

82.5 (a) The fee for an annual cross-country ski pass is \$19 for an individual age 16 and  
82.6 over. The fee for a three-year pass is \$54 for an individual age 16 and over. This fee  
82.7 shall be collected at the time the pass is purchased. Three-year passes are valid for three  
82.8 years beginning the previous July 1. Annual passes are valid for one year beginning  
82.9 the previous July 1.

82.10 (b) The cost for a daily cross-country skier pass is \$5 for an individual age 16 and  
82.11 over. This fee shall be collected at the time the pass is purchased. The daily pass is valid  
82.12 only for the date designated on the pass form.

82.13 (c) A pass must be signed by the skier across the front of the pass to be valid and  
82.14 becomes nontransferable on signing.

82.15 (d) The commissioner and agents shall issue a duplicate pass to a person whose pass  
82.16 is lost or destroyed, using the process established under section 97A.405, subdivision 3,  
82.17 and rules adopted thereunder. The fee for a duplicate cross-country ski pass is \$2.

82.18 Sec. 21. Minnesota Statutes 2012, section 89.0385, is amended to read:

82.19 **89.0385 FOREST MANAGEMENT INVESTMENT ACCOUNT; COST**  
82.20 **CERTIFICATION.**

82.21 (a) ~~After each fiscal year,~~ The commissioner shall certify the total costs incurred for  
82.22 forest management, forest improvement, and road improvement on state-managed lands  
82.23 during ~~that~~ each fiscal year. The commissioner shall distribute forest management receipts  
82.24 credited to various accounts according to this section.

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

82.31 Sec. 22. Minnesota Statutes 2012, section 90.01, subdivision 4, is amended to read:

82.32 Subd. 4. **Scaler.** "Scaler" means a qualified bonded person designated by the  
82.33 commissioner to measure timber and cut forest products.

83.1 Sec. 23. Minnesota Statutes 2012, section 90.01, subdivision 5, is amended to read:

83.2 Subd. 5. **State appraiser.** "State appraiser" means an employee of the department  
83.3 designated by the commissioner to appraise state lands, which includes, but is not limited  
83.4 to, timber and other forest resource products, for volume, quality, and value.

83.5 Sec. 24. Minnesota Statutes 2012, section 90.01, subdivision 6, is amended to read:

83.6 Subd. 6. **Timber.** "Timber" means trees, shrubs, or woody plants, that will produce  
83.7 forest products of value whether standing or down, and including but not limited to logs,  
83.8 sawlogs, posts, poles, bolts, pulpwood, cordwood, fuelwood, woody biomass, lumber,  
83.9 and woody decorative material.

83.10 Sec. 25. Minnesota Statutes 2012, section 90.01, subdivision 8, is amended to read:

83.11 Subd. 8. **Permit holder.** "Permit holder" means the person ~~holding~~ who is the  
83.12 signatory of a permit to cut timber on state lands.

83.13 Sec. 26. Minnesota Statutes 2012, section 90.01, subdivision 11, is amended to read:

83.14 Subd. 11. **Effective permit.** "Effective permit" means a permit for which the  
83.15 commissioner has on file full or partial ~~surety~~ security as required by section 90.161; or  
83.16 ~~90.162, 90.163, or 90.173~~ or, in the case of permits issued according to section 90.191 or  
83.17 90.195, the commissioner has received a down payment equal to the full appraised value.

83.18 Sec. 27. Minnesota Statutes 2012, section 90.031, subdivision 4, is amended to read:

83.19 Subd. 4. **Timber rules.** The Executive Council may formulate and establish, from  
83.20 time to time, rules it deems advisable for the transaction of timber business of the state,  
83.21 including approval of the sale of timber on any tract in a lot exceeding ~~6,000~~ 12,000 cords  
83.22 in volume when the sale is in the best interests of the state, and may abrogate, modify,  
83.23 or suspend rules at its pleasure.

83.24 Sec. 28. Minnesota Statutes 2012, section 90.041, subdivision 2, is amended to read:

83.25 Subd. 2. **Trespass on state lands.** The commissioner may compromise and settle,  
83.26 ~~with the approval of~~ notification to the attorney general, upon terms the commissioner  
83.27 deems just, any claim of the state for casual and involuntary trespass upon state lands or  
83.28 timber; provided that no claim shall be settled for less than the full value of all timber  
83.29 or other materials taken in casual trespass or the full amount of all actual damage or  
83.30 loss suffered by the state as a result. Upon request, the commissioner shall advise the  
83.31 Executive Council of any information acquired by the commissioner concerning any

84.1 trespass on state lands, giving all details and names of witnesses and all compromises and  
84.2 settlements made under this subdivision.

84.3 Sec. 29. Minnesota Statutes 2012, section 90.041, subdivision 5, is amended to read:

84.4 Subd. 5. **Forest improvement contracts.** The commissioner may contract as part  
84.5 of the timber sale with the purchaser of state timber at either informal or auction sale  
84.6 for ~~the following~~ forest improvement work to be done on the land included within the  
84.7 sale area: Forest improvement work may include activities relating to preparation of  
84.8 the site for seeding or planting of seedlings or trees, seeding or planting of seedlings or  
84.9 trees, and other activities relating related to forest regeneration or deemed necessary by  
84.10 the commissioner to accomplish forest management objectives, including those related  
84.11 to water quality protection, trail development, and wildlife habitat enhancement. A  
84.12 contract issued under this subdivision is not subject to the competitive bidding provisions  
84.13 of chapter 16C and is exempt from the contract approval provisions of section 16C.05,  
84.14 subdivision 2. The bid value received in the sale of the timber and the contract bid  
84.15 cost of the improvement work may be combined and the total value may be considered  
84.16 by the commissioner in awarding forest improvement contracts under this section.  
84.17 The commissioner may refuse to accept any and all bids received and cancel a forest  
84.18 improvement contract sale for good and sufficient reasons.

84.19 Sec. 30. Minnesota Statutes 2012, section 90.041, subdivision 6, is amended to read:

84.20 Subd. 6. **Sale of damaged timber.** The commissioner may sell at public auction  
84.21 timber that has been damaged by fire, windstorm, flood, insect, disease, or other natural  
84.22 cause on notice that the commissioner considers reasonable when there is a high risk that  
84.23 the salvage value of the timber would be lost.

84.24 Sec. 31. Minnesota Statutes 2012, section 90.041, subdivision 9, is amended to read:

84.25 Subd. 9. **Reoffering unsold timber.** ~~To maintain and enhance forest ecosystems on~~  
84.26 ~~state forest lands,~~ The commissioner may reoffer timber tracts remaining unsold under the  
84.27 provisions of section 90.101 below appraised value at public auction with the required  
84.28 30-day notice under section 90.101, subdivision 2.

84.29 Sec. 32. Minnesota Statutes 2012, section 90.041, is amended by adding a subdivision  
84.30 to read:

84.31 Subd. 10. **Fees.** (a) The commissioner may establish a fee schedule that covers the  
84.32 commissioner's cost of issuing, administering, and processing various permits, permit

85.1 modifications, transfers, assignments, amendments, and other transactions necessary to the  
85.2 administration of activities under this chapter.

85.3 (b) A fee established under this subdivision is not subject to the rulemaking  
85.4 provisions of chapter 14 and section 14.386 does not apply. The commissioner may  
85.5 establish fees under this subdivision notwithstanding section 16A.1283.

85.6 Sec. 33. Minnesota Statutes 2012, section 90.041, is amended by adding a subdivision  
85.7 to read:

85.8 Subd. 11. **Debarment.** The commissioner may debar a permit holder if the holder  
85.9 is convicted in Minnesota at the gross misdemeanor or felony level of criminal willful  
85.10 trespass, theft, fraud, or antitrust violation involving state, federal, county, or privately  
85.11 owned timber in Minnesota or convicted in any other state involving similar offenses and  
85.12 penalties for timber owned in that state. The commissioner shall cancel and repossess the  
85.13 permit directly involved in the prosecution of the crime. The commissioner shall cancel  
85.14 and repossess all other state timber permits held by the permit holder after taking from  
85.15 all security deposits money to which the state is entitled. The commissioner shall return  
85.16 the remainder of the security deposits, if any, to the permit holder. The debarred permit  
85.17 holder is prohibited from bidding, possessing, or being employed on any state timber  
85.18 permit during the period of debarment. The period of debarment is not less than one year  
85.19 or greater than three years. The duration of the debarment is based on the severity of the  
85.20 violation, past history of compliance with timber permits, and the amount of loss incurred  
85.21 by the state arising from violations of timber permits.

85.22 Sec. 34. Minnesota Statutes 2012, section 90.045, is amended to read:

85.23 **90.045 APPRAISAL STANDARDS.**

85.24 By July 1, 1983, the commissioner shall establish specific timber appraisal standards  
85.25 according to which all timber appraisals will be conducted under this chapter. The  
85.26 standards shall include a specification of the maximum allowable appraisal sampling error,  
85.27 ~~and~~ including the procedures for tree defect allowance, tract area estimation, product  
85.28 volume estimation, and product value determination. The timber appraisal standards shall  
85.29 be included in each edition of the timber sales manual published by the commissioner. In  
85.30 addition to the duties pursuant to section 90.061, every state appraiser shall work within  
85.31 the guidelines of the timber appraisal standards. The standards shall not be subject to  
85.32 the rulemaking provisions of chapter 14.

85.33 Sec. 35. Minnesota Statutes 2012, section 90.061, subdivision 8, is amended to read:

86.1 Subd. 8. **Appraiser authority; form of documents.** State appraisers are  
86.2 empowered, with the consent of the commissioner, to perform any scaling, and generally  
86.3 to supervise the cutting and removal of timber and forest products on or from state lands  
86.4 so far as may be reasonably necessary to insure compliance with the terms of the permits  
86.5 or other contracts governing the same and protect the state from loss.

86.6 The form of appraisal reports, records, and notes to be kept by state appraisers  
86.7 shall be as the commissioner prescribes.

86.8 Sec. 36. Minnesota Statutes 2012, section 90.101, subdivision 1, is amended to read:

86.9 Subdivision 1. **Sale requirements.** The commissioner may sell the timber on any  
86.10 tract of state land and may determine the number of sections or fractional sections of land  
86.11 to be included in the permit area covered by any one permit issued to the purchaser of  
86.12 timber on state lands, or in any one contract or other instrument relating thereto. No  
86.13 timber shall be sold, except (1) to the highest responsible bidder at public auction, or  
86.14 (2) if unsold at public auction, the commissioner may offer the timber for private sale  
86.15 for a period of no more than ~~six months~~ one year after the public auction to any ~~person~~  
86.16 responsible bidder who pays the appraised value for the timber. The minimum price shall  
86.17 be the appraised value as fixed by the report of the state appraiser. Sales may include tracts  
86.18 in more than one contiguous county or forestry administrative area and shall be held either  
86.19 in the county or forestry administrative area in which the tract is located or in an adjacent  
86.20 county or forestry administrative area that is nearest the tract offered for sale or that is  
86.21 most accessible to potential bidders. In adjoining counties or forestry administrative areas,  
86.22 sales may not be held less than two hours apart.

86.23 Sec. 37. Minnesota Statutes 2012, section 90.121, is amended to read:

86.24 **90.121 INTERMEDIATE AUCTION SALES; MAXIMUM LOTS OF 3,000**  
86.25 **CORDS.**

86.26 (a) The commissioner may sell the timber on any tract of state land in lots not  
86.27 exceeding 3,000 cords in volume, in the same manner as timber sold at public auction under  
86.28 section 90.101, and related laws, subject to the following special exceptions and limitations:

86.29 (1) the commissioner shall offer all tracts authorized for sale by this section  
86.30 separately from the sale of tracts of state timber made pursuant to section 90.101;

86.31 (2) no bidder may be awarded more than 25 percent of the total tracts offered at the  
86.32 first round of bidding unless fewer than four tracts are offered, in which case not more than  
86.33 one tract shall be awarded to one bidder. Any tract not sold at public auction may be offered

87.1 for private sale as authorized by section 90.101, subdivision 1, 30 days after the auction to  
 87.2 persons responsible bidders eligible under this section at the appraised value; and

87.3 (3) no sale may be made to a person responsible bidder having more than 30  
 87.4 employees. For the purposes of this clause, "employee" means an individual working in  
 87.5 the timber or wood products industry for salary or wages on a full-time or part-time basis.

87.6 (b) The auction sale procedure set forth in this section constitutes an additional  
 87.7 alternative timber sale procedure available to the commissioner and is not intended to  
 87.8 replace other authority possessed by the commissioner to sell timber in lots of 3,000  
 87.9 cords or less.

87.10 (c) Another bidder or the commissioner may request that the number of employees a  
 87.11 bidder has pursuant to paragraph (a), clause (3), be confirmed by signed affidavit if there is  
 87.12 evidence that the bidder may be ineligible due to exceeding the employee threshold. The  
 87.13 commissioner shall request information from the commissioners of labor and industry and  
 87.14 employment and economic development including the premiums paid by the bidder in  
 87.15 question for workers' compensation insurance coverage for all employees of the bidder.  
 87.16 The commissioner shall review the information submitted by the commissioners of labor  
 87.17 and industry and employment and economic development and make a determination based  
 87.18 on that information as to whether the bidder is eligible. A bidder is considered eligible and  
 87.19 may participate in intermediate auctions until determined ineligible under this paragraph.

87.20 Sec. 38. Minnesota Statutes 2012, section 90.145, is amended to read:

87.21 **90.145 PURCHASER QUALIFICATIONS AND, REGISTRATION, AND**  
 87.22 **REQUIREMENTS.**

87.23 Subdivision 1. **Purchaser qualifications requirements.** (a) In addition to any other  
 87.24 requirements imposed by this chapter, the purchaser of a state timber permit issued under  
 87.25 section 90.151 must meet the requirements in paragraphs (b) to ~~(d)~~ (e).

87.26 (b) The purchaser and or the purchaser's agents, employees, subcontractors, and  
 87.27 assigns conducting logging operations on the timber permit must comply with general  
 87.28 industry safety standards for logging adopted by the commissioner of labor and industry  
 87.29 under chapter 182. The commissioner of natural resources ~~shall~~ may require a purchaser  
 87.30 to provide proof of compliance with the general industry safety standards.

87.31 (c) The purchaser and or the purchaser's agents, subcontractors, and assigns  
 87.32 conducting logging operations on the timber permit must comply with the mandatory  
 87.33 insurance requirements of chapter 176. The commissioner ~~shall~~ may require a purchaser  
 87.34 to provide a copy of the proof of insurance required by section 176.130 before the start of  
 87.35 harvesting operations on any permit.

88.1 (d) Before the start of harvesting operations on any permit, the purchaser must certify  
88.2 that a foreperson or other designated employee who has a current certificate of completion,  
88.3 which includes instruction in site-level forest management guidelines or best management  
88.4 practices, from the Minnesota Logger Education Program (MLEP), the Wisconsin Forest  
88.5 Industry Safety and Training Alliance (FISTA), or any similar continuous education  
88.6 program acceptable to the commissioner, is supervising active logging operations.

88.7 (e) The purchaser and the purchaser's agents, employees, subcontractors, and assigns  
88.8 who will be involved with logging or scaling state timber must be in compliance with  
88.9 this chapter.

88.10 Subd. 2. **Purchaser ~~preregistration~~ registration.** To facilitate the sale of permits  
88.11 issued under section 90.151, the commissioner may establish a ~~purchaser preregistration~~  
88.12 registration system to verify the qualifications of a person as a responsible bidder to  
88.13 purchase a timber permit. Any system implemented by the commissioner shall be limited  
88.14 in scope to only that information that is required for the efficient administration of the  
88.15 purchaser qualification ~~provisions~~ requirements of this chapter ~~and shall conform with the~~  
88.16 ~~requirements of chapter 13.~~ The registration system established under this subdivision is  
88.17 not subject to the rulemaking provisions of chapter 14 and section 14.386 does not apply.

88.18 Sec. 39. Minnesota Statutes 2012, section 90.151, subdivision 1, is amended to read:

88.19 Subdivision 1. **Issuance; expiration.** (a) Following receipt of the down payment  
88.20 for state timber required under section 90.14 or 90.191, the commissioner shall issue a  
88.21 numbered permit to the purchaser, in a form approved by the attorney general, by the  
88.22 terms of which the purchaser shall be authorized to enter upon the land, and to cut and  
88.23 remove the timber therein described as designated for cutting in the report of the state  
88.24 appraiser, according to the provisions of this chapter. The permit shall be correctly  
88.25 dated and executed by the commissioner and signed by the purchaser. If a permit is not  
88.26 signed by the purchaser within ~~60~~ 45 days from the date of purchase, the permit cancels  
88.27 and the down payment for timber required under section 90.14 forfeits to the state. The  
88.28 commissioner may grant an additional period for the purchaser to sign the permit, not to  
88.29 exceed ~~five~~ ten business days, provided the purchaser pays a ~~\$125~~ \$200 penalty fee.

88.30 (b) The permit shall expire no later than five years after the date of sale as the  
88.31 commissioner shall specify or as specified under section 90.191, and the timber shall  
88.32 be cut and removed within the time specified therein. ~~All cut timber, equipment, and~~  
88.33 ~~buildings not removed from the land within 90 days after expiration of the permit shall~~  
88.34 ~~become the property of the state.~~ If additional time is needed, the permit holder must  
88.35 request, prior to the expiration date, and may be granted, for good and sufficient reasons,

89.1 up to 90 additional days for the completion of skidding, hauling, and removing all  
89.2 equipment and buildings. All cut timber, equipment, and buildings not removed from the  
89.3 land after expiration of the permit becomes the property of the state.

89.4 (c) The commissioner may grant an additional period of time not to exceed ~~120~~ 240  
89.5 days for the removal of cut timber, equipment, and buildings upon receipt of ~~such a written~~  
89.6 request by the permit holder for good and sufficient reasons. ~~The commissioner may grant~~  
89.7 ~~a second period of time not to exceed 120 days for the removal of cut timber, equipment,~~  
89.8 ~~and buildings upon receipt of a request by the permit holder for hardship reasons only.~~  
89.9 The permit holder may combine in the written request under this paragraph the request  
89.10 for additional time under paragraph (b).

89.11 Sec. 40. Minnesota Statutes 2012, section 90.151, subdivision 2, is amended to read:

89.12 Subd. 2. **Permit requirements.** The permit shall state the amount of timber  
89.13 estimated for cutting on the land, the estimated value thereof, and the price at which it is  
89.14 sold in units of per thousand feet, per cord, per piece, per ton, or by whatever description  
89.15 sold, and shall specify that all landings of cut products shall be legibly marked with the  
89.16 assigned permit number. The permit shall provide for the continuous identification  
89.17 and control of the cut timber from the time of cutting until delivery to the consumer.  
89.18 The permit shall provide that failure to continuously identify the timber as specified in  
89.19 the permit constitutes trespass.

89.20 Sec. 41. Minnesota Statutes 2012, section 90.151, subdivision 3, is amended to read:

89.21 Subd. 3. **Security provisions.** The permit shall contain such provisions as may be  
89.22 necessary to secure to the state the title of all timber cut thereunder wherever found until  
89.23 full payment therefor and until all provisions of the permit have been fully complied  
89.24 with. The permit shall provide that from the date ~~the same becomes effective~~ cutting  
89.25 commences until the expiration ~~thereof~~ of the permit, including all extensions, the  
89.26 purchaser and successors in interest shall be liable to the state for the full permit price of  
89.27 all timber covered thereby, notwithstanding any subsequent damage or injury thereto or  
89.28 trespass thereon or theft thereof, and without prejudice to the right of the state to pursue  
89.29 such timber and recover the value thereof anywhere prior to the payment therefor in full to  
89.30 the state. If an effective permit is forfeited prior to any cutting activity, the purchaser is  
89.31 liable to the state for a sum equal to the down payment and bid guarantee. Upon recovery  
89.32 from any person other than the permit holder, the permit holder shall be deemed released  
89.33 to the extent of the net amount, after deducting all expenses of collecting same, recovered  
89.34 by the state from such other person.

90.1 Sec. 42. Minnesota Statutes 2012, section 90.151, subdivision 4, is amended to read:

90.2 Subd. 4. **Permit terms.** Once a permit becomes effective and cutting commences,  
90.3 the permit holder is liable to the state for the permit price for all timber required to be cut,  
90.4 including timber not cut. The permit shall provide that all timber sold or designated for  
90.5 cutting shall be cut ~~without~~ in such a manner so as not to cause damage to other timber;  
90.6 that the permit holder shall remove all timber authorized and designated to be cut under  
90.7 the permit; that timber sold by ~~board~~ measure identified in the permit, but later determined  
90.8 by the commissioner not to be convertible into ~~board~~ the permit's measure, shall be paid  
90.9 for by the piece or cord or other unit of measure according to the size, species, or value, as  
90.10 may be determined by the commissioner; and that all timber products, except as specified  
90.11 by the commissioner, shall be scaled and the final settlement for the timber cut shall be  
90.12 made on this scale; ~~and that the permit holder shall pay to the state the permit price for~~  
90.13 ~~all timber authorized to be cut, including timber not cut.~~

90.14 Sec. 43. Minnesota Statutes 2012, section 90.151, subdivision 6, is amended to read:

90.15 Subd. 6. **Notice and approval required.** The permit shall provide that the permit  
90.16 holder shall not start cutting any state timber nor clear ~~building sites~~ landings nor logging  
90.17 roads until the commissioner has been notified and has given prior approval to such  
90.18 cutting operations. Approval shall not be granted until the permit holder has completed  
90.19 a presale conference with the state appraiser designated to supervise the cutting. The  
90.20 permit holder shall also give prior notice whenever permit operations are to be temporarily  
90.21 halted, whenever permit operations are to be resumed, and when permit operations are to  
90.22 be completed.

90.23 Sec. 44. Minnesota Statutes 2012, section 90.151, subdivision 7, is amended to read:

90.24 Subd. 7. **Liability for timber cut in trespass.** The permit shall provide that the  
90.25 permit holder shall pay the permit price value for any timber sold which is negligently  
90.26 destroyed or damaged by the permit holder in cutting or removing other timber sold. If the  
90.27 permit holder shall cut or remove or negligently destroy or damage any timber upon the  
90.28 land described, not sold under the permit, except such timber as it may be necessary to cut  
90.29 and remove in the construction of necessary logging roads and landings approved as to  
90.30 location and route by the commissioner, such timber shall be deemed to have been cut in  
90.31 trespass. The permit holder shall be liable for any such timber and recourse may be had  
90.32 upon the ~~bond~~ security deposit.

90.33 Sec. 45. Minnesota Statutes 2012, section 90.151, subdivision 8, is amended to read:

91.1 Subd. 8. **Suspension; cancellation.** The permit shall provide that the commissioner  
 91.2 shall have the power to order suspension of all operations under the permit when ~~in the~~  
 91.3 ~~commissioner's judgment~~ the conditions thereof have not been complied with and any  
 91.4 timber cut or removed during such suspension shall be deemed to have been cut in trespass;  
 91.5 that the commissioner may cancel the permit at any time ~~when in the commissioner's~~  
 91.6 ~~judgment the conditions thereof have not been complied with~~ due to a breach of the permit  
 91.7 conditions and such cancellation shall constitute repossession of the timber by the state;  
 91.8 that the permit holder shall remove equipment and buildings from such land within 90 days  
 91.9 after such cancellation; that, if the purchaser at any time fails to pay any obligations to the  
 91.10 state under any other permits, any or all permits may be canceled; and that any timber cut  
 91.11 or removed in violation of the terms of the permit or of any law shall constitute trespass.

91.12 Sec. 46. Minnesota Statutes 2012, section 90.151, subdivision 9, is amended to read:

91.13 Subd. 9. **Slashings disposal.** The permit shall provide that the permit holder shall  
 91.14 ~~burn or otherwise dispose of~~ or treat all slashings or other refuse resulting from cutting  
 91.15 operations, as specified in the permit, in the manner now or hereafter provided by law.

91.16 Sec. 47. Minnesota Statutes 2012, section 90.161, is amended to read:

91.17 **90.161 SURETY BONDS FOR AUCTION SECURITY DEPOSITS**  
 91.18 **REQUIRED FOR EFFECTIVE TIMBER PERMITS.**

91.19 Subdivision 1. **Bond Security deposit required.** (a) Except as otherwise provided  
 91.20 by law, the purchaser of any state timber, before any timber permit becomes effective for  
 91.21 any purpose, shall give a good and valid ~~bond~~ security in the form of cash; a certified  
 91.22 check; a cashier's check; a postal, bank, or express money order; a corporate surety bond;  
 91.23 or an irrevocable bank letter of credit to the state of Minnesota equal to the value of all  
 91.24 timber covered or to be covered by the permit, as shown by the sale price bid and the  
 91.25 appraisal report as to quantity, less the amount of any payments pursuant to ~~sections~~  
 91.26 section 90.14 and 90.163.

91.27 (b) The ~~bond~~ security deposit shall be conditioned upon the faithful performance  
 91.28 by the purchaser and successors in interest of all terms and conditions of the permit and  
 91.29 all requirements of law in respect to timber sales. The ~~bond~~ security deposit shall be  
 91.30 approved in writing by the commissioner and filed for record in the commissioner's office.

91.31 (c) ~~In the alternative to cash and bond requirements, but upon the same conditions,~~  
 91.32 A purchaser may post bond for 100 percent of the purchase price and request refund of the  
 91.33 amount of any payments pursuant to ~~sections~~ section 90.14 and 90.163. The commissioner  
 91.34 may credit the refund to any other permit held by the same permit holder if the permit is

92.1 delinquent as provided in section 90.181, subdivision 2, or may credit the refund to any  
 92.2 other permit to which the permit holder requests that it be credited.

92.3 (d) In the event of a default, the commissioner may take from the deposit the sum of  
 92.4 money to which the state is entitled. The commissioner shall return the remainder of the  
 92.5 deposit, if any, to the person making the deposit. When cash is deposited as security, it  
 92.6 shall be applied to the amount due when a statement is prepared and transmitted to the  
 92.7 permit holder according to section 90.181. Any balance due to the state shall be shown on  
 92.8 the statement and shall be paid as provided in section 90.181. Any amount of the deposit  
 92.9 in excess of the amount determined to be due according to section 90.181 shall be returned  
 92.10 to the permit holder when a final statement is transmitted under section 90.181. All or  
 92.11 part of a cash deposit may be withheld from application to an amount due on a nonfinal  
 92.12 statement if it appears that the total amount due on the permit will exceed the bid price.

92.13 (e) If an irrevocable bank letter of credit is provided as security under paragraph  
 92.14 (a), at the written request of the permittee, the commissioner shall annually allow the  
 92.15 amount of the bank letter of credit to be reduced by an amount proportionate to the value  
 92.16 of timber that has been harvested and for which the state has received payment under the  
 92.17 timber permit. The remaining amount of the bank letter of credit after a reduction under  
 92.18 this paragraph must not be less than the value of the timber remaining to be harvested  
 92.19 under the timber permit.

92.20 (f) If cash; a certified check; a cashier's check; a personal check; or a postal, bank, or  
 92.21 express money order is provided as security under paragraph (a) and no cutting of state  
 92.22 timber has taken place on the permit, the commissioner may credit the security provided,  
 92.23 less any deposit required under section 90.14, to any other permit to which the permit  
 92.24 holder requests in writing that it be credited.

92.25 **Subd. 2. Failure to ~~bond~~ provide security deposit.** ~~If bond~~ If bond the security deposit is  
 92.26 not furnished, no harvesting may occur and ~~the down payment for timber~~ 15 percent of the  
 92.27 permit's purchase price shall forfeit to the state when the permit expires.

92.28 **Subd. 3. Subrogation.** ~~In case of default~~ When security is provided by surety  
 92.29 bond and the permit holder defaults in payment by the permit holder, the surety upon the  
 92.30 bond shall make payment in full to the state of all sums of money due under such permit;  
 92.31 and thereupon such surety shall be deemed immediately subrogated to all the rights of  
 92.32 the state in the timber so paid for; and such subrogated party may pursue the timber and  
 92.33 recover therefor, or have any other appropriate relief in relation thereto which the state  
 92.34 might or could have had if such surety had not made such payment. No assignment or  
 92.35 other writing on the part of the state shall be necessary to make such subrogation effective,  
 92.36 but the certificate signed by and bearing the official seal of the commissioner, showing the

93.1 amount of such timber, the lands from which it was cut or upon which it stood, and the  
 93.2 amount paid therefor, shall be prima facie evidence of such facts.

93.3 Subd. 4. **Change of security.** Prior to any ~~harvest~~ cutting activity, or activities  
 93.4 incidental to the preparation for harvest, a purchaser having posted a ~~bond~~ security deposit  
 93.5 for 100 percent of the purchase price of a sale may request the release of the ~~bond~~ security  
 93.6 and the commissioner shall grant the release ~~upon cash payment to the commissioner of~~  
 93.7 ~~15 percent of the appraised value of the sale, plus eight percent interest on the appraised~~  
 93.8 ~~value of the sale from the date of purchase to the date of release~~ while retaining, or upon  
 93.9 repayment of, the permit's down payment and bid guarantee deposit requirement.

93.10 Subd. 5. **Return of security.** Any security required under this section shall be  
 93.11 returned to the purchaser within 60 days after the final scale.

93.12 Sec. 48. Minnesota Statutes 2012, section 90.162, is amended to read:

93.13 **90.162 ~~ALTERNATIVE TO BOND OR DEPOSIT REQUIREMENTS~~**  
 93.14 **SECURING TIMBER PERMITS WITH CUTTING BLOCKS.**

93.15 In lieu of the ~~bond or cash~~ security deposit equal to the value of all timber covered  
 93.16 by the permit required by section 90.161 ~~or 90.173~~, a purchaser of state timber may elect  
 93.17 in writing on a form prescribed by the attorney general to give good and valid surety to the  
 93.18 state of Minnesota equal to the purchase price for any designated cutting block identified  
 93.19 on the permit before the date the purchaser enters upon the land to begin harvesting the  
 93.20 timber on the designated cutting block.

93.21 Sec. 49. **[90.164] TIMBER PERMIT DEVELOPMENT OPTION.**

93.22 With the completion of the presale conference requirement under section 90.151,  
 93.23 subdivision 6, a permit holder may access the permit area in advance of the permit being  
 93.24 fully secured as required by section 90.161, for the express purpose of clearing approved  
 93.25 landings and logging roads. No cutting of state timber except that incidental to the clearing  
 93.26 of approved landings and logging roads is allowed under this section.

93.27 Sec. 50. Minnesota Statutes 2012, section 90.171, is amended to read:

93.28 **90.171 ASSIGNMENT OF AUCTION TIMBER PERMITS.**

93.29 Any permit sold at public auction may be assigned upon written approval of the  
 93.30 commissioner. The assignment of any permit shall be signed and acknowledged by the  
 93.31 permit holder. The commissioner shall not approve any assignment until the assignee has  
 93.32 been determined to meet the qualifications of a responsible bidder and has given to the state  
 93.33 a ~~bond~~ security deposit which shall be substantially in the form of, and shall be deemed

94.1 of the same effect as, the ~~bond~~ security deposit required of the original purchaser. The  
94.2 commissioner may accept the an agreement of the assignee and any corporate surety upon  
94.3 ~~such an~~ an original bond, substituting the assignee in the place of ~~such the~~ the original purchaser  
94.4 and continuing ~~such the~~ the original bond in full force and effect, as to the assignee. Thereupon  
94.5 but not otherwise the permit holder making the assignment shall be released from all  
94.6 liability arising or accruing from actions taken after the assignment became effective.

94.7 Sec. 51. Minnesota Statutes 2012, section 90.181, subdivision 2, is amended to read:

94.8 Subd. 2. **Deferred payments.** (a) If the amount of the statement is not paid within  
94.9 30 days of the date thereof, it shall bear interest at the rate determined pursuant to section  
94.10 16A.124, except that the purchaser shall not be required to pay interest that totals \$1 or  
94.11 less. If the amount is not paid within 60 days, the commissioner shall place the account in  
94.12 the hands of the commissioner of revenue according to chapter 16D, who shall proceed to  
94.13 collect the same. When deemed in the best interests of the state, the commissioner shall  
94.14 take possession of the timber for which an amount is due wherever it may be found and  
94.15 sell the same informally or at public auction after giving reasonable notice.

94.16 (b) The proceeds of the sale shall be applied, first, to the payment of the expenses  
94.17 of seizure and sale; and, second, to the payment of the amount due for the timber, with  
94.18 interest; and the surplus, if any, shall belong to the state; and, in case a sufficient amount is  
94.19 not realized to pay these amounts in full, the balance shall be collected by the attorney  
94.20 general. Neither payment of the amount, nor the recovery of judgment therefor, nor  
94.21 satisfaction of the judgment, nor the seizure and sale of timber, shall release the sureties  
94.22 on any ~~bond~~ security deposit given pursuant to this chapter, or preclude the state from  
94.23 afterwards claiming that the timber was cut or removed contrary to law and recovering  
94.24 damages for the trespass thereby committed, or from prosecuting the offender criminally.

94.25 Sec. 52. Minnesota Statutes 2012, section 90.191, subdivision 1, is amended to read:

94.26 Subdivision 1. **Sale requirements.** The commissioner may sell the timber on any  
94.27 tract of state land in lots not exceeding 500 cords in volume, without formalities but for  
94.28 not less than the full appraised value thereof, to any person. No sale shall be made under  
94.29 this section to any person holding ~~two~~ more than four permits issued hereunder which are  
94.30 still in effect; ~~except that (1) a partnership as defined in chapter 323, which may include~~  
94.31 ~~spouses but which shall provide evidence that a partnership exists, may be holding two~~  
94.32 ~~permits for each of not more than three partners who are actively engaged in the business~~  
94.33 ~~of logging or who are the spouses of persons who are actively engaged in the business of~~  
94.34 ~~logging with that partnership; and (2) a corporation, a majority of whose shares and voting~~

95.1 ~~power are owned by natural persons related to each other within the fourth degree of~~  
95.2 ~~kindred according to the rules of the civil law or their spouses or estates, may be holding~~  
95.3 ~~two permits for each of not more than three shareholders who are actively engaged in the~~  
95.4 ~~business of logging or who are the spouses of persons who are actively engaged in the~~  
95.5 ~~business of logging with that corporation.~~

95.6 Sec. 53. Minnesota Statutes 2012, section 90.193, is amended to read:

95.7 **90.193 EXTENSION OF TIMBER PERMITS.**

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

95.15 Sec. 54. Minnesota Statutes 2012, section 90.195, is amended to read:

95.16 **90.195 SPECIAL USE AND PRODUCT PERMIT.**

95.17 (a) The commissioner may issue a permit to salvage or cut not to exceed 12 cords of  
95.18 fuelwood per year for personal use from either or both of the following sources: (1) dead,  
95.19 down, and ~~diseased~~ damaged trees; (2) other trees that are of negative value under good  
95.20 forest management practices. The permits may be issued for a period not to exceed one  
95.21 year. The commissioner shall charge a fee for the permit ~~that shall cover the commissioner's~~  
95.22 cost of issuing the permit and as provided under section 90.041, subdivision 10. The fee  
95.23 shall not exceed the current market value of fuelwood of similar species, grade, and volume  
95.24 that is being sold in the area where the salvage or cutting is authorized under the permit.

95.25 (b) The commissioner may issue a special product permit under section 89.42 for  
95.26 commercial use, which may include incidental volumes of boughs, gravel, hay, biomass,  
95.27 and other products derived from forest management activities. The value of the products  
95.28 is the current market value of the products that are being sold in the area. The permit may  
95.29 be issued for a period not to exceed one year and the commissioner shall charge a fee for  
95.30 the permit as provided under section 90.041, subdivision 10.

95.31 (c) The commissioner may issue a special use permit for incidental volumes of  
95.32 timber from approved right-of-way road clearing across state land for the purpose of  
95.33 accessing a state timber permit. The permit shall include the volume and value of timber  
95.34 to be cleared and may be issued for a period not to exceed one year. A presale conference

96.1 as required under section 90.151, subdivision 6, must be completed before the start of  
96.2 any activities under the permit.

96.3 Sec. 55. Minnesota Statutes 2012, section 90.201, subdivision 2a, is amended to read:

96.4 Subd. 2a. **Prompt payment of refunds.** Any refund of cash that is due to a permit  
96.5 holder as determined on a final statement transmitted pursuant to section 90.181 or a  
96.6 refund of cash made pursuant to section 90.161, subdivision 1, ~~or 90.173, paragraph~~  
96.7 ~~(a)~~, shall be paid to the permit holder according to section 16A.124 unless the refund is  
96.8 credited on another permit as provided in this chapter.

96.9 Sec. 56. Minnesota Statutes 2012, section 90.211, is amended to read:

96.10 **90.211 PURCHASE MONEY, WHEN FORFEITED.**

96.11 If the holder of an effective permit begins to cut and then fails to ~~cut~~ complete any  
96.12 part thereof of the permit before the expiration of the permit, the permit holder shall  
96.13 nevertheless pay the price therefor; but under no circumstances shall timber be cut after  
96.14 the expiration of the permit or extension thereof.

96.15 Sec. 57. Minnesota Statutes 2012, section 90.221, is amended to read:

96.16 **90.221 TIMBER SALES RECORDS.**

96.17 The commissioner shall keep timber sales records, including the description of each  
96.18 tract of land from which any timber is sold; the date of the report of the state appraisers;  
96.19 the kind, amount, and value of the timber as shown by such report; the date of the sale;  
96.20 the price for which the timber was sold; the name of the purchaser; the number, date  
96.21 of issuance and date of expiration of each permit; the date of any assignment of the  
96.22 permit; the name of the assignee; the dates of the filing and the amounts of the respective  
96.23 ~~bonds~~ security deposits by the purchaser and assignee; the names of the sureties thereon;  
96.24 the amount of timber taken from the land; the date of the report of the scaler and state  
96.25 appraiser; the names of the scaler and the state appraiser who scaled the timber; and the  
96.26 amount paid for such timber and the date of payment.

96.27 Sec. 58. Minnesota Statutes 2012, section 90.252, subdivision 1, is amended to read:

96.28 Subdivision 1. **Consumer scaling.** The commissioner may enter into an agreement  
96.29 with either a timber sale permittee, or the purchaser of the cut products, or both, so  
96.30 that the scaling of the cut timber and the collection of the payment for the same can be  
96.31 consummated by the ~~consumer~~ state. Such an agreement shall be approved as to form and  
96.32 content by the attorney general and shall provide for a bond or cash in lieu of a bond and

97.1 such other safeguards as are necessary to protect the interests of the state. The scaling  
97.2 and payment collection procedure may be used for any state timber sale, except that no  
97.3 permittee who is also the consumer shall both cut and scale the timber sold unless such  
97.4 scaling is supervised by a state scaler.

97.5 Sec. 59. Minnesota Statutes 2012, section 90.301, subdivision 2, is amended to read:

97.6 Subd. 2. **Seizure of unlawfully cut timber.** The commissioner may take possession  
97.7 of any timber hereafter unlawfully cut upon or taken from any land owned by the state  
97.8 wherever found and may sell the same informally or at public auction after giving such  
97.9 notice as the commissioner deems reasonable and after deducting all the expenses of such  
97.10 sale the proceeds thereof shall be paid into the state treasury to the credit of the proper  
97.11 fund; and when any timber so unlawfully cut has been intermingled with any other timber  
97.12 or property so that it cannot be identified or plainly separated therefrom the commissioner  
97.13 may so seize and sell the whole quantity so intermingled and, in such case, the whole  
97.14 quantity of such timber shall be conclusively presumed to have been unlawfully taken  
97.15 from state land. When the timber unlawfully cut or removed from state land is so seized  
97.16 and sold, the seizure shall not in any manner relieve the trespasser who cut or removed, or  
97.17 caused the cutting or removal of, any such timber from the full liability imposed by this  
97.18 chapter for the trespass so committed, but the net amount realized from such sale shall  
97.19 be credited on whatever judgment is recovered against such trespasser, if the trespass  
97.20 was deemed to be casual and involuntary.

97.21 Sec. 60. Minnesota Statutes 2012, section 90.301, subdivision 4, is amended to read:

97.22 Subd. 4. **Apprehension of trespassers; reward.** The commissioner may offer a  
97.23 reward to be paid to a person giving to the proper authorities any information that leads to  
97.24 the conviction of a person violating this chapter. The reward is limited to the greater of  
97.25 \$100 or ten percent of the single stumpage value of any timber unlawfully cut or removed.  
97.26 The commissioner shall pay the reward from funds appropriated for that purpose or from  
97.27 receipts from the sale of state timber. A reward shall not be paid to salaried forest officers,  
97.28 state appraisers, scalers, conservation officers, or licensed peace officers.

97.29 Sec. 61. Minnesota Statutes 2012, section 90.41, subdivision 1, is amended to read:

97.30 Subdivision 1. **Violations and penalty.** (a) Any state scaler or state appraiser who  
97.31 shall accept any compensation or gratuity for services as such from any other source  
97.32 except the state of Minnesota, or any state scaler, or other person authorized to scale state  
97.33 timber, or state appraiser, who shall make any false report, or insert in any such report any

98.1 false statement, or shall make any such report without having examined the land embraced  
98.2 therein or without having actually been upon the land, or omit from any such report any  
98.3 statement required by law to be made therein, or who shall fail to report any known trespass  
98.4 committed upon state lands, or who shall conspire with any other person in any manner, by  
98.5 act or omission or otherwise, to defraud or unlawfully deprive the state of Minnesota of any  
98.6 land or timber, or the value thereof, shall be guilty of a felony. Any material discrepancy  
98.7 between the facts and the scale returned by any such person scaling timber for the state  
98.8 shall be considered prima facie evidence that such person is guilty of violating this statute.

98.9 (b) No such appraiser or scaler who has been once discharged for cause shall ever  
98.10 again be appointed. This provision shall not apply to resignations voluntarily made by and  
98.11 accepted from such employees.

98.12 Sec. 62. Minnesota Statutes 2012, section 93.46, is amended by adding a subdivision  
98.13 to read:

98.14 Subd. 10. **Scram mining.** "Scram mining" means a mining operation that produces  
98.15 natural iron ore, natural iron ore concentrates, or taconite ore as described in section 93.20,  
98.16 subdivisions 12 to 18, from previously developed stockpiles, tailing basins, underground  
98.17 mine workings, or open pits and that involves no more than 80 acres of land not previously  
98.18 affected by mining, or more than 80 acres of land not previously affected by mining  
98.19 if the operator can demonstrate that impacts would be substantially the same as other  
98.20 scram operations. "Land not previously affected by mining" means land upon which mine  
98.21 wastes have not been deposited and land from which materials have not been removed in  
98.22 connection with the production or extraction of metallic minerals.

98.23 Sec. 63. Minnesota Statutes 2012, section 93.481, subdivision 3, is amended to read:

98.24 Subd. 3. **Term of permit; amendment.** (a) A permit issued by the commissioner  
98.25 pursuant to this section shall be granted for the term determined necessary by the  
98.26 commissioner for the completion of the proposed mining operation, including reclamation  
98.27 or restoration. The term of a scram mining permit for iron ore or taconite shall be  
98.28 determined in the same manner as a permit to mine for an iron ore or taconite mining  
98.29 operation.

98.30 (b) A permit may be amended upon written application to the commissioner. A  
98.31 permit amendment application fee must be submitted with the written application. The  
98.32 permit amendment application fee is ten percent of the amount provided for in subdivision  
98.33 1, clause (3), for an application for the applicable permit to mine. If the commissioner  
98.34 determines that the proposed amendment constitutes a substantial change to the permit,

99.1 the person applying for the amendment shall publish notice in the same manner as for a  
99.2 new permit, and a hearing shall be held if written objections are received in the same  
99.3 manner as for a new permit. An amendment may be granted by the commissioner if the  
99.4 commissioner determines that lawful requirements have been met.

99.5 Sec. 64. **[93.61] DRILL CORE LIBRARY ACCESS.**

99.6 Consistent with section 13.03, subdivision 3, a person shall not be required to pay a  
99.7 fee to access exploration data, exploration drill core data, mineral evaluation data, and  
99.8 mining data stored in the drill core library located in Hibbing, Minnesota, and managed  
99.9 by the commissioner of natural resources. The library shall be open during regular  
99.10 business hours.

99.11 Sec. 65. Minnesota Statutes 2012, section 97A.401, subdivision 3, is amended to read:

99.12 Subd. 3. **Taking, possessing, and transporting wild animals for certain**  
99.13 **purposes.** (a) Except as provided in paragraph (b), special permits may be issued without  
99.14 a fee to take, possess, and transport wild animals as pets and for scientific, educational,  
99.15 rehabilitative, wildlife disease prevention and control, and exhibition purposes. The  
99.16 commissioner shall prescribe the conditions for taking, possessing, transporting, and  
99.17 disposing of the wild animals.

99.18 (b) A special permit may not be issued to take or possess wild or native deer for  
99.19 exhibition, propagation, or as pets.

99.20 (c) Nonresident professional wildlife rehabilitators with a federal rehabilitation  
99.21 permit may possess and transport wildlife affected by oil spills.

99.22 Sec. 66. **[103G.217] DRIFTLESS AREA WATER RESOURCES.**

99.23 (a) Groundwater discharge from natural springs and seepage areas in the driftless  
99.24 area of Minnesota, corresponding to the area of the state contained within the boundaries  
99.25 of the Department of Natural Resources Paleozoic Plateau Ecological Section, is vital to  
99.26 sustaining the coldwater aquatic ecosystems in the region, as well as the recreational,  
99.27 commercial, agricultural, environmental, aesthetic, and economic well-being of the region.

99.28 (b) Within the boundaries of the Department of Natural Resources Paleozoic Plateau  
99.29 Ecological Section, no excavation or mining of silica sand, including, but not limited to,  
99.30 digging, excavating, mining, drilling, blasting, tunneling, dredging, stripping, or shafting,  
99.31 may occur within one mile of a designated trout stream as listed in Minnesota Rules unless  
99.32 a silica sand mining trout stream setback permit has been issued by the commissioner.

99.33 (c) Before issuing a permit under this section, the commissioner shall:

100.1 (1) require a project proposer to do a hydrogeological evaluation and collect any  
100.2 other information necessary to assess potential impacts to hydrogeological features,  
100.3 including private and public drinking water supply wells; and

100.4 (2) identify appropriate setbacks from designated trout streams, springs, and other  
100.5 hydrogeologic features and any other restrictions necessary to protect trout stream water  
100.6 quantity, quality, and habitat.

100.7 (d) The commissioner may assess the project proposer fees to cover the reasonable  
100.8 costs of duties performed under this section.

100.9 **EFFECTIVE DATE.** This section is effective the day following final enactment  
100.10 and applies to new silica sand mining projects and projects for which environmental  
100.11 review documents have been noticed for public comments after April 30, 2013.

100.12 Sec. 67. Minnesota Statutes 2012, section 103G.265, subdivision 2, is amended to read:

100.13 Subd. 2. **Diversion greater than 2,000,000 gallons per day.** A water use permit  
100.14 or a plan that requires a permit or the commissioner's approval, involving a diversion of  
100.15 waters of the state of more than 2,000,000 gallons per day average in a 30-day period,  
100.16 to a place outside of this state or from the basin of origin within this state may not be  
100.17 granted or approved until:

100.18 ~~(1) a determination is made by the commissioner that the water remaining in the~~  
100.19 ~~basin of origin will be adequate to meet the basin's water resources needs during the~~  
100.20 ~~specified life of the diversion project and, for groundwater, the diversion meets the~~  
100.21 ~~applicable standards under section 103G.287, subdivision 5; and~~

100.22 ~~(2) approval of the diversion is given by the legislature.~~

100.23 Sec. 68. Minnesota Statutes 2012, section 103G.265, subdivision 3, is amended to read:

100.24 Subd. 3. **Consumptive use of more than 2,000,000 gallons per day.** ~~(a) Except~~  
100.25 ~~as provided in paragraph (b),~~ A water use permit or a plan that requires a permit or the  
100.26 commissioner's approval, involving a consumptive use of more than 2,000,000 gallons per  
100.27 day average in a 30-day period, may not be granted or approved until:

100.28 ~~(1) a determination is made by the commissioner that the water remaining in the~~  
100.29 ~~basin of origin will be adequate to meet the basin's water resources needs during the~~  
100.30 ~~specified life of the consumptive use and, for groundwater, the consumptive use meets the~~  
100.31 ~~applicable standards under section 103G.287, subdivision 5; and~~

100.32 ~~(2) approval of the consumptive use is given by the legislature.~~

100.33 ~~(b) Legislative approval under paragraph (a), clause (2), is not required for a~~  
100.34 ~~consumptive use in excess of 2,000,000 gallons per day average in a 30-day period for:~~

- 101.1       ~~(1) a domestic water supply, excluding industrial and commercial uses of a~~  
101.2 ~~municipal water supply;~~  
101.3       ~~(2) agricultural irrigation and processing of agricultural products;~~  
101.4       ~~(3) construction and mine land dewatering;~~  
101.5       ~~(4) pollution abatement or remediation; and~~  
101.6       ~~(5) fish and wildlife enhancement projects using surface water sources.~~

101.7       Sec. 69. Minnesota Statutes 2012, section 103G.271, subdivision 1, is amended to read:

101.8       Subdivision 1. **Permit required.** (a) Except as provided in paragraph (b), the state,  
101.9 a person, partnership, or association, private or public corporation, county, municipality,  
101.10 or other political subdivision of the state may not appropriate or use waters of the state  
101.11 without a water use permit from the commissioner.

101.12       (b) This section does not apply to use for a water supply by less than 25 persons  
101.13 for domestic purposes, except as required by the commissioner under section 103G.287,  
101.14 subdivision 4, paragraph (b).

101.15       (c) The commissioner may issue a state general permit for appropriation of water to a  
101.16 governmental subdivision or to the general public. The general permit may authorize more  
101.17 than one project and the appropriation or use of more than one source of water. Water use  
101.18 permit processing fees and reports required under subdivision 6 and section 103G.281,  
101.19 subdivision 3, are required for each project or water source that is included under a general  
101.20 permit, except that no fee is required for uses totaling less than 15,000,000 gallons annually.

101.21       Sec. 70. Minnesota Statutes 2012, section 103G.271, subdivision 4, is amended to read:

101.22       Subd. 4. **Minimum use exemption and local approval of low use permits.** (a)  
101.23 Except for local permits under section 103B.211, subdivision 4, a water use permit is not  
101.24 required for the appropriation and use of less than a ~~minimum amount prescribed by the~~  
101.25 ~~commissioner by rule~~ 10,000 gallons per day and totaling no more than 1,000,000 gallons  
101.26 per year, except as required by the commissioner under section 103G.287, subdivision 4,  
101.27 paragraph (b).

101.28       (b) Water use permits for more than the minimum amount but less than an  
101.29 intermediate amount prescribed by rule must be processed and approved at the municipal,  
101.30 county, or regional level based on rules adopted by the commissioner.

101.31       (c) The rules must include provisions for reporting to the commissioner the amounts  
101.32 of water appropriated under local permits.

101.33       Sec. 71. Minnesota Statutes 2012, section 103G.287, subdivision 1, is amended to read:

102.1 Subdivision 1. **Applications for groundwater appropriations; preliminary well**  
102.2 **construction approval.** (a) Groundwater use permit applications are not complete until  
102.3 the applicant has supplied:

102.4 (1) a water well record as required by section 103I.205, subdivision 9, information  
102.5 on the subsurface geologic formations penetrated by the well and the formation or aquifer  
102.6 that will serve as the water source, and geologic information from test holes drilled to  
102.7 locate the site of the production well;

102.8 (2) the maximum daily, seasonal, and annual pumpage rates and volumes being  
102.9 requested;

102.10 (3) information on groundwater quality in terms of the measures of quality  
102.11 commonly specified for the proposed water use and details on water treatment necessary  
102.12 for the proposed use;

102.13 (4) an inventory of existing wells within 1-1/2 miles of the proposed production well  
102.14 or within the area of influence, as determined by the commissioner. The inventory must  
102.15 include information on well locations, depths, geologic formations, depth of the pump or  
102.16 intake, pumping and nonpumping water levels, and details of well construction; ~~and~~

102.17 (5) the results of an aquifer test completed according to specifications approved by  
102.18 the commissioner. The test must be conducted at the maximum pumping rate requested  
102.19 in the application and for a length of time adequate to assess or predict impacts to other  
102.20 wells and surface water and groundwater resources. The permit applicant is responsible  
102.21 for all costs related to the aquifer test, including the construction of groundwater and  
102.22 surface water monitoring installations, and water level readings before, during, and after  
102.23 the aquifer test; and

102.24 (6) the results of any assessments conducted by the commissioner under paragraph (c).

102.25 (b) The commissioner may waive an application requirement in this subdivision  
102.26 if the information provided with the application is adequate to determine whether the  
102.27 proposed appropriation and use of water is sustainable and will protect ecosystems, water  
102.28 quality, and the ability of future generations to meet their own needs.

102.29 (c) The commissioner shall provide an assessment of a proposed well needing a  
102.30 groundwater appropriation permit. The commissioner shall evaluate the information  
102.31 submitted as required under section 103I.205, subdivision 1, paragraph (f), and determine  
102.32 whether the anticipated appropriation request is likely to meet the applicable requirements  
102.33 of this chapter. If the appropriation request is likely to meet applicable requirements, the  
102.34 commissioner shall provide the person submitting the information with a letter providing  
102.35 preliminary approval to construct the well.

103.1 Sec. 72. Minnesota Statutes 2012, section 103G.287, subdivision 4, is amended to read:

103.2 Subd. 4. **Groundwater management areas.** (a) The commissioner may designate  
103.3 groundwater management areas and limit total annual water appropriations and uses within  
103.4 a designated area to ensure sustainable use of groundwater that protects ecosystems, water  
103.5 quality, and the ability of future generations to meet their own needs. Water appropriations  
103.6 and uses within a designated management area must be consistent with a plan approved by  
103.7 the commissioner that addresses water conservation requirements and water allocation  
103.8 priorities established in section 103G.261.

103.9 (b) Notwithstanding section 103G.271, subdivision 1, paragraph (b), and Minnesota  
103.10 Rules, within designated groundwater management areas, the commissioner may require  
103.11 general permits as specified in section 103G.271, subdivision 1, paragraph (c), for water  
103.12 users using less than 10,000 gallons per day or 1,000,000 gallons per year and water  
103.13 suppliers serving less than 25 persons for domestic purposes. The commissioner may  
103.14 waive the requirements under section 103G.281 for general permits issued under this  
103.15 paragraph, and the fee specified in section 103G.301, subdivision 2, paragraph (c), does  
103.16 not apply to general permits issued under this paragraph.

103.17 Sec. 73. Minnesota Statutes 2012, section 103G.287, subdivision 5, is amended to read:

103.18 Subd. 5. ~~Interference with other wells~~ **Sustainability standard.** The  
103.19 commissioner may issue water use permits for appropriation from groundwater only if  
103.20 the commissioner determines that the groundwater use is sustainable to supply the needs  
103.21 of future generations and the proposed use will not harm ecosystems, degrade water, or  
103.22 reduce water levels beyond the reach of public water supply and private domestic wells  
103.23 constructed according to Minnesota Rules, chapter 4725.

103.24 Sec. 74. Minnesota Statutes 2012, section 103I.205, subdivision 1, is amended to read:

103.25 Subdivision 1. **Notification required.** (a) Except as provided in paragraphs (d)  
103.26 and (e), a person may not construct a well until a notification of the proposed well on a  
103.27 form prescribed by the commissioner is filed with the commissioner with the filing fee in  
103.28 section 103I.208, and, when applicable, the person has met the requirements of paragraph  
103.29 (f). If after filing the well notification an attempt to construct a well is unsuccessful, a  
103.30 new notification is not required unless the information relating to the successful well  
103.31 has substantially changed.

103.32 (b) The property owner, the property owner's agent, or the well contractor where a  
103.33 well is to be located must file the well notification with the commissioner.

104.1 (c) The well notification under this subdivision preempts local permits and  
104.2 notifications, and counties or home rule charter or statutory cities may not require a  
104.3 permit or notification for wells unless the commissioner has delegated the permitting or  
104.4 notification authority under section 103I.111.

104.5 (d) A person who is an individual that constructs a drive point well on property  
104.6 owned or leased by the individual for farming or agricultural purposes or as the individual's  
104.7 place of abode must notify the commissioner of the installation and location of the well.  
104.8 The person must complete the notification form prescribed by the commissioner and mail  
104.9 it to the commissioner by ten days after the well is completed. A fee may not be charged  
104.10 for the notification. A person who sells drive point wells at retail must provide buyers  
104.11 with notification forms and informational materials including requirements regarding  
104.12 wells, their location, construction, and disclosure. The commissioner must provide the  
104.13 notification forms and informational materials to the sellers.

104.14 (e) A person may not construct a monitoring well until a permit is issued by the  
104.15 commissioner for the construction. If after obtaining a permit an attempt to construct a  
104.16 well is unsuccessful, a new permit is not required as long as the initial permit is modified  
104.17 to indicate the location of the successful well.

104.18 (f) When the operation of a well will require an appropriation permit from the  
104.19 commissioner of natural resources, a person may not begin construction of the well until  
104.20 the person submits the following information to the commissioner of natural resources:

104.21 (1) the location of the well;

104.22 (2) the formation or aquifer that will serve as the water source;

104.23 (3) the maximum daily, seasonal, and annual pumpage rates and volumes that will  
104.24 be requested in the appropriation permit; and

104.25 (4) other information requested by the commissioner of natural resources that  
104.26 is necessary to conduct the preliminary assessment required under section 103G.287,  
104.27 subdivision 1, paragraph (c).

104.28 The person may begin construction after receiving preliminary approval from the  
104.29 commissioner of natural resources.

104.30 Sec. 75. Minnesota Statutes 2012, section 114D.50, subdivision 4, is amended to read:

104.31 Subd. 4. **Expenditures; accountability.** (a) A project receiving funding from the  
104.32 clean water fund must meet or exceed the constitutional requirements to protect, enhance,  
104.33 and restore water quality in lakes, rivers, and streams and to protect groundwater and  
104.34 drinking water from degradation. Priority may be given to projects that meet more than  
104.35 one of these requirements. A project receiving funding from the clean water fund shall

105.1 include measurable outcomes, as defined in section 3.303, subdivision 10, and a plan for  
105.2 measuring and evaluating the results. A project must be consistent with current science  
105.3 and incorporate state-of-the-art technology.

105.4 (b) Money from the clean water fund shall be expended to balance the benefits  
105.5 across all regions and residents of the state.

105.6 (c) A state agency or other recipient of a direct appropriation from the clean  
105.7 water fund must compile and submit all information for proposed and funded projects  
105.8 or programs, including the proposed measurable outcomes and all other items required  
105.9 under section 3.303, subdivision 10, to the Legislative Coordinating Commission as soon  
105.10 as practicable or by January 15 of the applicable fiscal year, whichever comes first. The  
105.11 Legislative Coordinating Commission must post submitted information on the Web site  
105.12 required under section 3.303, subdivision 10, as soon as it becomes available. Information  
105.13 classified as not public under section 13D.05, subdivision 3, paragraph (d), is not required  
105.14 to be placed on the Web site.

105.15 (d) Grants funded by the clean water fund must be implemented according to section  
105.16 16B.98 and must account for all expenditures. Proposals must specify a process for any  
105.17 regranting envisioned. Priority for grant proposals must be given to proposals involving  
105.18 grants that will be competitively awarded.

105.19 (e) Money from the clean water fund may only be spent on projects that benefit  
105.20 Minnesota waters.

105.21 (f) When practicable, a direct recipient of an appropriation from the clean water fund  
105.22 shall prominently display on the recipient's Web site home page the legacy logo required  
105.23 under Laws 2009, chapter 172, article 5, section 10, as amended by Laws 2010, chapter  
105.24 361, article 3, section 5, accompanied by the phrase "Click here for more information."  
105.25 When a person clicks on the legacy logo image, the Web site must direct the person to  
105.26 a Web page that includes both the contact information that a person may use to obtain  
105.27 additional information, as well as a link to the Legislative Coordinating Commission Web  
105.28 site required under section 3.303, subdivision 10.

105.29 (g) Future eligibility for money from the clean water fund is contingent upon a state  
105.30 agency or other recipient satisfying all applicable requirements in this section, as well as  
105.31 any additional requirements contained in applicable session law.

105.32 (h) Money from the clean water fund may be used to leverage federal funds through  
105.33 execution of formal project partnership agreements with federal agencies consistent with  
105.34 respective federal agency partnership agreement requirements.

105.35 Sec. 76. **[115.84] WASTEWATER LABORATORY CERTIFICATION.**

106.1 Subdivision 1. **Wastewater laboratory certification required.** (a) Laboratories  
106.2 performing wastewater or water analytical laboratory work, the results of which are  
106.3 reported to the agency to determine compliance with a national pollutant discharge  
106.4 elimination system (NPDES) or state disposal system (SDS) permit condition or other  
106.5 regulatory document, must be certified according to this section.

106.6 (b) This section does not apply to:

106.7 (1) laboratories that are private and for-profit;

106.8 (2) laboratories that perform drinking water analyses; or

106.9 (3) laboratories that perform remediation program analyses, such as Superfund or  
106.10 petroleum analytical work.

106.11 (c) Until adoption of rules under subdivision 2, laboratories required to be certified  
106.12 under this section that submit data to the agency must: (1) register with the agency by  
106.13 submitting registration information required by the agency; or (2) be certified or accredited  
106.14 by a recognized authority, such as the commissioner of health under sections 144.97 to  
106.15 144.99, for the analytical methods required by the agency.

106.16 Subd. 2. **Rules.** The agency may adopt rules to govern certification of laboratories  
106.17 according to this section. Notwithstanding section 16A.1283, the agency may adopt  
106.18 rules establishing fees.

106.19 Subd. 3. **Fees.** (a) Until the agency adopts a rule establishing fees for certification,  
106.20 the agency shall collect fees from laboratories registering with the agency, but not  
106.21 accredited by the commissioner of health under sections 144.97 to 144.99, in amounts  
106.22 necessary to cover the reasonable costs of the certification program, including reviewing  
106.23 applications, issuing certifications, and conducting audits and compliance assistance.

106.24 (b) Fees under this section must be based on the number, type, and complexity of  
106.25 analytical methods that laboratories are certified to perform.

106.26 (c) Revenue from fees charged by the agency for certification shall be credited to  
106.27 the environmental fund.

106.28 Subd. 4. **Enforcement.** (a) The commissioner may deny, suspend, or revoke  
106.29 wastewater laboratory certification for, but is not limited to, any of the following reasons:  
106.30 fraud, failure to follow applicable requirements, failure to respond to documented  
106.31 deficiencies or complete corrective actions necessary to address deficiencies, failure to pay  
106.32 certification fees, or other violations of federal or state law.

106.33 (b) This section and the rules adopted under it may be enforced by any means  
106.34 provided in section 115.071.

106.35 Sec. 77. Minnesota Statutes 2012, section 115A.1320, subdivision 1, is amended to read:

107.1 Subdivision 1. **Duties of the agency.** (a) The agency shall administer sections  
107.2 115A.1310 to 115A.1330.

107.3 (b) The agency shall establish procedures for:

107.4 (1) receipt and maintenance of the registration statements and certifications filed  
107.5 with the agency under section 115A.1312; and

107.6 (2) making the statements and certifications easily available to manufacturers,  
107.7 retailers, and members of the public.

107.8 (c) The agency shall annually review the value of the following variables that are  
107.9 part of the formula used to calculate a manufacturer's annual registration fee under section  
107.10 115A.1314, subdivision 1:

107.11 (1) the proportion of sales of video display devices sold to households that  
107.12 manufacturers are required to recycle;

107.13 (2) the estimated per-pound price of recycling covered electronic devices sold to  
107.14 households;

107.15 (3) the base registration fee; and

107.16 (4) the multiplier established for the weight of covered electronic devices collected  
107.17 in section 115A.1314, subdivision 1, paragraph (d). If the agency determines that any of  
107.18 these values must be changed in order to improve the efficiency or effectiveness of the  
107.19 activities regulated under sections 115A.1312 to 115A.1330, the agency shall submit  
107.20 recommended changes and the reasons for them to the chairs of the senate and house of  
107.21 representatives committees with jurisdiction over solid waste policy.

107.22 (d) By January 15 each year, beginning in 2008, the agency shall calculate estimated  
107.23 sales of video display devices sold to households by each manufacturer during the preceding  
107.24 program year, based on national sales data, and forward the estimates to the department.

107.25 (e) The agency shall provide a report to the governor and the legislature on the  
107.26 implementation of sections 115A.1310 to 115A.1330. For each program year, the report  
107.27 must discuss the total weight of covered electronic devices recycled and a summary  
107.28 of information in the reports submitted by manufacturers and recyclers under section  
107.29 115A.1316. The report must also discuss the various collection programs used by  
107.30 manufacturers to collect covered electronic devices; information regarding covered  
107.31 electronic devices that are being collected by persons other than registered manufacturers,  
107.32 collectors, and recyclers; and information about covered electronic devices, if any, being  
107.33 disposed of in landfills in this state. The report must include a description of enforcement  
107.34 actions under sections 115A.1310 to 115A.1330. The agency may include in its report  
107.35 other information received by the agency regarding the implementation of sections

108.1 115A.1312 to 115A.1330. The report must be done in conjunction with the report required  
108.2 under section ~~115D.10~~ 115A.121.

108.3 (f) The agency shall promote public participation in the activities regulated under  
108.4 sections 115A.1312 to 115A.1330 through public education and outreach efforts.

108.5 (g) The agency shall enforce sections 115A.1310 to 115A.1330 in the manner  
108.6 provided by sections 115.071, subdivisions 1, 3, 4, 5, and 6; and 116.072, except for those  
108.7 provisions enforced by the department, as provided in subdivision 2. The agency may  
108.8 revoke a registration of a collector or recycler found to have violated sections 115A.1310  
108.9 to 115A.1330.

108.10 (h) The agency shall facilitate communication between counties, collection and  
108.11 recycling centers, and manufacturers to ensure that manufacturers are aware of video  
108.12 display devices available for recycling.

108.13 (i) The agency shall develop a form retailers must use to report information to  
108.14 manufacturers under section 115A.1318 and post it on the agency's Web site.

108.15 (j) The agency shall post on its Web site the contact information provided by each  
108.16 manufacturer under section 115A.1318, paragraph (e).

108.17 Sec. 78. **[115A.1415] ARCHITECTURAL PAINT; PRODUCT STEWARDSHIP**  
108.18 **PROGRAM; STEWARDSHIP PLAN.**

108.19 Subdivision 1. **Definitions.** For purposes of this section, the following terms have  
108.20 the meanings given:

108.21 (1) "architectural paint" means interior and exterior architectural coatings sold in  
108.22 containers of five gallons or less. Architectural paint does not include industrial coatings,  
108.23 original equipment coatings, or specialty coatings;

108.24 (2) "brand" means a name, symbol, word, or mark that identifies architectural paint,  
108.25 rather than its components, and attributes the paint to the owner or licensee of the brand as  
108.26 the producer;

108.27 (3) "discarded paint" means architectural paint that is no longer used for its  
108.28 manufactured purpose;

108.29 (4) "producer" means a person that:

108.30 (i) has legal ownership of the brand, brand name, or cobrand of architectural paint  
108.31 sold in the state;

108.32 (ii) imports architectural paint branded by a producer that meets subclause (i) when  
108.33 the producer has no physical presence in the United States;

108.34 (iii) if subclauses (i) and (ii) do not apply, makes unbranded architectural paint  
108.35 that is sold in the state; or

109.1 (iv) sells architectural paint at wholesale or retail, does not have legal ownership of  
109.2 the brand, and elects to fulfill the responsibilities of the producer for the architectural paint  
109.3 by certifying that election in writing to the commissioner;

109.4 (5) "recycling" means the process of collecting and preparing recyclable materials and  
109.5 reusing the materials in their original form or using them in manufacturing processes that  
109.6 do not cause the destruction of recyclable materials in a manner that precludes further use;

109.7 (6) "retailer" means any person who offers architectural paint for sale at retail in  
109.8 the state;

109.9 (7) "reuse" means donating or selling collected architectural paint back into the  
109.10 market for its original intended use, when the architectural paint retains its original  
109.11 purpose and performance characteristics;

109.12 (8) "sale" or "sell" means transfer of title of architectural paint for consideration,  
109.13 including a remote sale conducted through a sales outlet, catalog, Web site, or similar  
109.14 electronic means. Sale or sell includes a lease through which architectural paint is  
109.15 provided to a consumer by a producer, wholesaler, or retailer;

109.16 (9) "stewardship assessment" means the amount added to the purchase price of  
109.17 architectural paint sold in the state that is necessary to cover the cost of collecting,  
109.18 transporting, and processing postconsumer architectural paint by the producer or  
109.19 stewardship organization pursuant to a product stewardship program;

109.20 (10) "stewardship organization" means an organization appointed by one or more  
109.21 producers to act as an agent on behalf of the producer to design, submit, and administer a  
109.22 product stewardship program under this section; and

109.23 (11) "stewardship plan" means a detailed plan describing the manner in which a  
109.24 product stewardship program under subdivision 2 will be implemented.

109.25 Subd. 2. **Product stewardship program.** For architectural paint sold in the state,  
109.26 producers must, individually or through a stewardship organization, implement and  
109.27 finance a statewide product stewardship program that manages the architectural paint by  
109.28 reducing the paint's waste generation, promoting its reuse and recycling, and providing for  
109.29 negotiation and execution of agreements to collect, transport, and process the architectural  
109.30 paint for end-of-life recycling and reuse.

109.31 Subd. 3. **Requirement for sale.** (a) On and after July 1, 2014, or three months after  
109.32 program plan approval, whichever is sooner, no producer, wholesaler, or retailer may sell  
109.33 or offer for sale in the state architectural paint unless the paint's producer participates in an  
109.34 approved stewardship plan, either individually or through a stewardship organization.

110.1 (b) Each producer must operate a product stewardship program approved by the  
110.2 agency or enter into an agreement with a stewardship organization to operate, on the  
110.3 producer's behalf, a product stewardship program approved by the agency.

110.4 Subd. 4. **Requirement to submit plan.** (a) On or before March 1, 2014, and before  
110.5 offering architectural paint for sale in the state, a producer must submit a stewardship  
110.6 plan to the agency and receive approval of the plan or must submit documentation to the  
110.7 agency that demonstrates the producer has entered into an agreement with a stewardship  
110.8 organization to be an active participant in an approved product stewardship program as  
110.9 described in subdivision 2. A stewardship plan must include all elements required under  
110.10 subdivision 5.

110.11 (b) An amendment to the plan, if determined necessary by the commissioner, must  
110.12 be submitted every five years.

110.13 (c) It is the responsibility of the entities responsible for each stewardship plan to  
110.14 notify the agency within 30 days of any significant changes or modifications to the plan or  
110.15 its implementation. Within 30 days of the notification, a written plan revision must be  
110.16 submitted to the agency for review and approval.

110.17 Subd. 5. **Stewardship plan content.** A stewardship plan must contain:

110.18 (1) certification that the product stewardship program will accept all discarded  
110.19 paint regardless of which producer produced the architectural paint and its individual  
110.20 components;

110.21 (2) contact information for the individual and the entity submitting the plan, a list of  
110.22 all producers participating in the product stewardship program, and the brands covered by  
110.23 the product stewardship program;

110.24 (3) a description of the methods by which the discarded paint will be collected in all  
110.25 areas in the state without relying on end-of-life fees, including an explanation of how the  
110.26 collection system will be convenient and adequate to serve the needs of small businesses  
110.27 and residents in both urban and rural areas on an ongoing basis and a discussion of how  
110.28 the existing household hazardous waste infrastructure will be considered when selecting  
110.29 collection sites;

110.30 (4) a description of how the adequacy of the collection program will be monitored  
110.31 and maintained;

110.32 (5) the names and locations of collectors, transporters, and recyclers that will  
110.33 manage discarded paint;

110.34 (6) a description of how the discarded paint and the paint's components will be  
110.35 safely and securely transported, tracked, and handled from collection through final  
110.36 recycling and processing;

111.1 (7) a description of the method that will be used to reuse, deconstruct, or recycle  
111.2 the discarded paint to ensure that the paint's components, to the extent feasible, are  
111.3 transformed or remanufactured into finished products for use;

111.4 (8) a description of the promotion and outreach activities that will be used to  
111.5 encourage participation in the collection and recycling programs and how the activities'  
111.6 effectiveness will be evaluated and the program modified, if necessary;

111.7 (9) the proposed stewardship assessment. The producer or stewardship organization  
111.8 shall propose a uniform stewardship assessment for any architectural paint sold in the  
111.9 state. The proposed stewardship assessment shall be reviewed by an independent auditor  
111.10 to ensure that the assessment does not exceed the costs of the product stewardship program  
111.11 and the independent auditor shall recommend an amount for the stewardship assessment.  
111.12 The agency must approve the stewardship assessment;

111.13 (10) evidence of adequate insurance and financial assurance that may be required for  
111.14 collection, handling, and disposal operations;

111.15 (11) five-year performance goals, including an estimate of the percentage of  
111.16 discarded paint that will be collected, reused, and recycled during each of the first five  
111.17 years of the stewardship plan. The performance goals must include a specific goal for the  
111.18 amount of discarded paint that will be collected and recycled and reused during each year  
111.19 of the plan. The performance goals must be based on:

111.20 (i) the most recent collection data available for the state;

111.21 (ii) the estimated amount of architectural paint disposed of annually;

111.22 (iii) the weight of the architectural paint that is expected to be available for collection  
111.23 annually; and

111.24 (iv) actual collection data from other existing stewardship programs.

111.25 The stewardship plan must state the methodology used to determine these goals; and

111.26 (12) a discussion of the status of end markets for collected architectural paint and  
111.27 what, if any, additional end markets are needed to improve the functioning of the program.

111.28 Subd. 6. **Consultation required.** Each stewardship organization or individual  
111.29 producer submitting a stewardship plan must consult with stakeholders including  
111.30 retailers, contractors, collectors, recyclers, local government, and customers during the  
111.31 development of the plan.

111.32 Subd. 7. **Agency review and approval.** (a) Within 90 days after receipt of a proposed  
111.33 stewardship plan, the agency shall determine whether the plan complies with subdivision  
111.34 4. If the agency approves a plan, the agency shall notify the applicant of the plan approval  
111.35 in writing. If the agency rejects a plan, the agency shall notify the applicant in writing of

112.1 the reasons for rejecting the plan. An applicant whose plan is rejected by the agency must  
112.2 submit a revised plan to the agency within 60 days after receiving notice of rejection.

112.3 (b) Any proposed changes to a stewardship plan must be approved by the agency  
112.4 in writing.

112.5 Subd. 8. **Plan availability.** All draft and approved stewardship plans shall be  
112.6 placed on the agency's Web site for at least 30 days and made available at the agency's  
112.7 headquarters for public review and comment.

112.8 Subd. 9. **Conduct authorized.** A producer or stewardship organization that  
112.9 organizes collection, transport, and processing of architectural paint under this section  
112.10 is immune from liability for the conduct under state laws relating to antitrust, restraint  
112.11 of trade, unfair trade practices, and other regulation of trade or commerce only to the  
112.12 extent that the conduct is necessary to plan and implement the producer's or organization's  
112.13 chosen organized collection or recycling system.

112.14 Subd. 10. **Responsibility of producers.** (a) On and after the date of implementation  
112.15 of a product stewardship program according to this section, a producer of architectural  
112.16 paint must add the stewardship assessment, as established under subdivision 5, clause (9),  
112.17 to the cost of architectural paint sold to retailers and distributors in the state by the producer.

112.18 (b) Producers of architectural paint or the stewardship organization shall provide  
112.19 consumers with educational materials regarding the stewardship assessment and product  
112.20 stewardship program. The materials must include, but are not limited to, information  
112.21 regarding available end-of-life management options for architectural paint offered through  
112.22 the product stewardship program and information that notifies consumers that a charge  
112.23 for the operation of the product stewardship program is included in the purchase price of  
112.24 architectural paint sold in the state.

112.25 Subd. 11. **Responsibility of retailers.** (a) On and after July 1, 2014, or three months  
112.26 after program plan approval, whichever is sooner, no architectural paint may be sold in the  
112.27 state unless the paint's producer is participating in an approved stewardship plan.

112.28 (b) On and after the implementation date of a product stewardship program according  
112.29 to this section, each retailer or distributor, as applicable, must ensure that the full amount  
112.30 of the stewardship assessment added to the cost of architectural paint by producers under  
112.31 subdivision 10 is included in the purchase price of all architectural paint sold in the state.

112.32 (c) Any retailer may participate, on a voluntary basis, as a designated collection  
112.33 point pursuant to a product stewardship program under this section and in accordance  
112.34 with applicable law.

113.1 (d) No retailer or distributor shall be found to be in violation of this subdivision if,  
113.2 on the date the architectural paint was ordered from the producer or its agent, the producer  
113.3 was listed as compliant on the agency's Web site according to subdivision 14.

113.4 Subd. 12. **Stewardship reports.** Beginning October 1, 2015, producers of  
113.5 architectural paint sold in the state must individually or through a stewardship organization  
113.6 submit an annual report to the agency describing the product stewardship program. At a  
113.7 minimum, the report must contain:

113.8 (1) a description of the methods used to collect, transport, and process architectural  
113.9 paint in all regions of the state;

113.10 (2) the weight of all architectural paint collected in all regions of the state and a  
113.11 comparison to the performance goals and recycling rates established in the stewardship  
113.12 plan;

113.13 (3) the amount of unwanted architectural paint collected in the state by method of  
113.14 disposition, including reuse, recycling, and other methods of processing;

113.15 (4) samples of educational materials provided to consumers and an evaluation of the  
113.16 effectiveness of the materials and the methods used to disseminate the materials; and

113.17 (5) an independent financial audit.

113.18 Subd. 13. **Data classification.** Trade secret and sales information, as defined under  
113.19 section 13.37, submitted to the agency under this section are private or nonpublic data  
113.20 under section 13.37.

113.21 Subd. 14. **Agency responsibilities.** The agency shall provide, on its Web site, a  
113.22 list of all compliant producers and brands participating in stewardship plans that the  
113.23 agency has approved and a list of all producers and brands the agency has identified as  
113.24 noncompliant with this section.

113.25 Subd. 15. **Local government responsibilities.** (a) A city, county, or other public  
113.26 agency may choose to participate voluntarily in a product stewardship program.

113.27 (b) Cities, counties, and other public agencies are encouraged to work with producers  
113.28 and stewardship organizations to assist in meeting product stewardship program reuse and  
113.29 recycling obligations, by providing education and outreach or using other strategies.

113.30 (c) A city, county, or other public agency that participates in a product stewardship  
113.31 program must report for the first year of the program to the agency using the reporting  
113.32 form provided by the agency on the cost savings as a result of participation and describe  
113.33 how the savings were used.

113.34 Subd. 16. **Administrative fee.** (a) The stewardship organization or individual  
113.35 producer submitting a stewardship plan shall pay an annual administrative fee to the  
113.36 commissioner. The agency may establish a variable fee based on relevant factors,

114.1 including, but not limited to, the portion of architectural paint sold in the state by members  
114.2 of the organization compared to the total amount of architectural paint sold in the state by  
114.3 all organizations submitting a stewardship plan.

114.4 (b) Prior to July 1, 2014, and before July 1 annually thereafter, the agency shall  
114.5 identify the costs it incurs under this section. The agency shall set the fee at an amount  
114.6 that, when paid by every stewardship organization or individual producer that submits a  
114.7 stewardship plan, is adequate to reimburse the agency's full costs of administering this  
114.8 section. The total amount of annual fees collected under this subdivision must not exceed  
114.9 the amount necessary to reimburse costs incurred by the agency to administer this section.

114.10 (c) A stewardship organization or individual producer subject to this subdivision  
114.11 must pay the agency's administrative fee under paragraph (a) on or before July 1, 2014 and  
114.12 annually thereafter. Each year after the initial payment, the annual administrative fee may  
114.13 not exceed five percent of the aggregate stewardship assessment added to the cost of all  
114.14 architectural paint sold by producers in the state for the preceding calendar year.

114.15 (d) All fees received under this section shall be deposited to the state treasury and  
114.16 credited to a product stewardship account in the special revenue fund. For fiscal years  
114.17 2014 and 2015, the amount collected under this section is annually appropriated to the  
114.18 agency to implement and enforce this section.

114.19 **Sec. 79. [115A.142] REPORT TO LEGISLATURE AND GOVERNOR.**

114.20 As part of the report required under section 115A.121, the commissioner of the  
114.21 Pollution Control Agency shall provide a report to the governor and the legislature on  
114.22 the implementation of section 115A.1415.

114.23 **Sec. 80. Minnesota Statutes 2012, section 115B.20, subdivision 6, is amended to read:**

114.24 **Subd. 6. Report to legislature.** Each year ~~By January 31~~ of each odd-numbered  
114.25 year, the commissioner of agriculture and the agency shall submit to the senate Finance  
114.26 Committee, the house of representatives Ways and Means Committee, the Environment  
114.27 and Natural Resources Committees of the senate and house of representatives, the Finance  
114.28 Division of the senate Committee on Environment and Natural Resources, and the house  
114.29 of representatives Committee on Environment and Natural Resources Finance, and the  
114.30 Environmental Quality Board a report detailing the activities for which money has been  
114.31 spent pursuant to this section during the previous fiscal year.

114.32 **EFFECTIVE DATE.** This section is effective July 1, 2013.

114.33 **Sec. 81. Minnesota Statutes 2012, section 115B.28, subdivision 1, is amended to read:**

115.1 Subdivision 1. **Duties.** In addition to performing duties specified in sections  
115.2 115B.25 to 115B.37 or in other law, and subject to the limitations on disclosure contained  
115.3 in section 115B.35, the agency shall:

115.4 (1) adopt rules, including rules governing practice and procedure before the agency,  
115.5 the form and procedure for applications for compensation, and procedures for claims  
115.6 investigations;

115.7 (2) publicize the availability of compensation and application procedures on a  
115.8 statewide basis with special emphasis on geographical areas surrounding sites identified  
115.9 by the agency as having releases from a facility where a harmful substance was placed or  
115.10 came to be located prior to July 1, 1983;

115.11 (3) collect, analyze, and make available to the public, in consultation with the  
115.12 Department of Health, the Pollution Control Agency, the University of Minnesota Medical  
115.13 and Public Health Schools, and the medical community, data regarding injuries relating to  
115.14 exposure to harmful substances; and

115.15 (4) prepare and transmit ~~by December 31 of each year to the governor and the~~  
115.16 ~~legislature an annual~~ legislative report required under section 115B.20, subdivision  
115.17 6, to include (i) a summary of agency activity under clause (3); (ii) data determined  
115.18 by the agency from actual cases, including but not limited to number of cases, actual  
115.19 compensation received by each claimant, types of cases, and types of injuries compensated,  
115.20 as they relate to types of harmful substances as well as length of exposure, but excluding  
115.21 identification of the claimants; (iii) all administrative costs associated with the business of  
115.22 the agency; and (iv) agency recommendations for legislative changes, further study, or any  
115.23 other recommendation aimed at improving the system of compensation.

115.24 Sec. 82. Minnesota Statutes 2012, section 115B.421, is amended to read:

115.25 **115B.421 CLOSED LANDFILL INVESTMENT FUND.**

115.26 The closed landfill investment fund is established in the state treasury. The fund  
115.27 consists of money credited to the fund, and interest and other earnings on money in the  
115.28 fund. ~~The commissioner of management and budget shall transfer an initial amount of~~  
115.29 ~~\$5,100,000 from the balance in the solid waste fund beginning in fiscal year 2000 and~~  
115.30 ~~shall continue to transfer \$5,100,000 for each following fiscal year, ceasing after 2003.~~

115.31 Beginning July 1, 2003, funds must be deposited as described in section 115B.445. The  
115.32 fund shall be managed to maximize long-term gain through the State Board of Investment.  
115.33 Money in the fund may be spent by the commissioner after fiscal year 2020 in accordance  
115.34 with sections 115B.39 to 115B.444.

116.1 Sec. 83. Minnesota Statutes 2012, section 115C.02, subdivision 4, is amended to read:

116.2 Subd. 4. **Corrective action.** "Corrective action" means an action taken to minimize,  
116.3 eliminate, or clean up a release to protect the public health and welfare or the environment.

116.4 Corrective action may include, environmental covenants pursuant to chapter 114E, an  
116.5 affidavit required under section 116.48, subdivision 6, or similar notice of a release  
116.6 recorded with real property records.

116.7 Sec. 84. Minnesota Statutes 2012, section 115C.08, subdivision 4, is amended to read:

116.8 Subd. 4. **Expenditures.** (a) Money in the fund may only be spent:

116.9 (1) to administer the petroleum tank release cleanup program established in this  
116.10 chapter;

116.11 (2) for agency administrative costs under sections 116.46 to 116.50, sections  
116.12 115C.03 to 115C.06, and costs of corrective action taken by the agency under section  
116.13 115C.03, including investigations;

116.14 (3) for costs of recovering expenses of corrective actions under section 115C.04;

116.15 (4) for training, certification, and rulemaking under sections 116.46 to 116.50;

116.16 (5) for agency administrative costs of enforcing rules governing the construction,  
116.17 installation, operation, and closure of aboveground and underground petroleum storage  
116.18 tanks;

116.19 (6) for reimbursement of the environmental response, compensation, and compliance  
116.20 account under subdivision 5 and section 115B.26, subdivision 4;

116.21 (7) for administrative and staff costs as set by the board to administer the petroleum  
116.22 tank release program established in this chapter;

116.23 (8) for corrective action performance audits under section 115C.093;

116.24 (9) for contamination cleanup grants, as provided in paragraph (c);

116.25 (10) to assess and remove abandoned underground storage tanks under section  
116.26 115C.094 and, if a release is discovered, to pay for the specific consultant and contractor  
116.27 services costs necessary to complete the tank removal project, including, but not limited  
116.28 to, excavation soil sampling, groundwater sampling, soil disposal, and completion of  
116.29 an excavation report; and

116.30 ~~(11) for property acquisition by the agency when the agency has determined that~~  
116.31 ~~purchasing a property where a release has occurred is the most appropriate corrective~~  
116.32 ~~action. The to acquire interests in real or personal property, including easements,~~  
116.33 ~~environmental covenants under chapter 114E, and leases, that the agency determines are~~  
116.34 ~~necessary for corrective actions or to ensure the protectiveness of corrective actions. A~~  
116.35 ~~donation of an interest in real property to the agency is not effective until the agency~~

117.1 executes a certificate of acceptance. The state is not liable under this chapter solely as a  
117.2 result of acquiring an interest in real property under this clause. Agency approval of an  
117.3 environmental covenant under chapter 114E is sufficient evidence of acceptance of an  
117.4 interest in real property when the agency is expressly identified as a holder in the covenant.  
117.5 Acquisition of all ~~properties~~ real property under this clause, except environmental  
117.6 covenants under chapter 114E, is subject to approval by the board.

117.7 (b) Except as provided in paragraph (c), money in the fund is appropriated to the  
117.8 board to make reimbursements or payments under this section.

117.9 (c) In fiscal years 2010 and 2011, \$3,700,000 is annually appropriated from the fund  
117.10 to the commissioner of employment and economic development for contamination cleanup  
117.11 grants under section 116J.554. Beginning in fiscal year 2012 and each year thereafter,  
117.12 \$6,200,000 is annually appropriated from the fund to the commissioner of employment  
117.13 and economic development for contamination cleanup grants under section 116J.554. Of  
117.14 this amount, the commissioner may spend up to \$225,000 annually for administration  
117.15 of the contamination cleanup grant program. The appropriation does not cancel and is  
117.16 available until expended. The appropriation shall not be withdrawn from the fund nor the  
117.17 fund balance reduced until the funds are requested by the commissioner of employment  
117.18 and economic development. The commissioner shall schedule requests for withdrawals  
117.19 from the fund to minimize the necessity to impose the fee authorized by subdivision 2.  
117.20 Unless otherwise provided, the appropriation in this paragraph may be used for:

117.21 (1) project costs at a qualifying site if a portion of the cleanup costs are attributable  
117.22 to petroleum contamination or new and used tar and tar-like substances, including but not  
117.23 limited to bitumen and asphalt, but excluding bituminous or asphalt pavement, that consist  
117.24 primarily of hydrocarbons and are found in natural deposits in the earth or are distillates,  
117.25 fractions, or residues from the processing of petroleum crude or petroleum products as  
117.26 defined in section 296A.01; and

117.27 (2) the costs of performing contamination investigation if there is a reasonable basis  
117.28 to suspect the contamination is attributable to petroleum or new and used tar and tar-like  
117.29 substances, including but not limited to bitumen and asphalt, but excluding bituminous or  
117.30 asphalt pavement, that consist primarily of hydrocarbons and are found in natural deposits  
117.31 in the earth or are distillates, fractions, or residues from the processing of petroleum crude  
117.32 or petroleum products as defined in section 296A.01.

117.33 Sec. 85. Minnesota Statutes 2012, section 115C.08, is amended by adding a subdivision  
117.34 to read:

118.1 Subd. 6. Disposition of property acquired for corrective action. (a) If the  
118.2 commissioner determines that real or personal property acquired by the agency for a  
118.3 corrective action is no longer needed for corrective action purposes, the commissioner may:

118.4 (1) request the commissioner of administration to dispose of the property according  
118.5 to sections 16B.281 to 16B.287, subject to conditions the commissioner of the Pollution  
118.6 Control Agency determines necessary to protect the public health and welfare and the  
118.7 environment or to comply with federal law;

118.8 (2) transfer the property to another state agency, a political subdivision, or a special  
118.9 purpose district as provided in paragraph (b); or

118.10 (3) if required by federal law, take actions and dispose of the property according  
118.11 to federal law.

118.12 (b) If the commissioner determines that real or personal property acquired by  
118.13 the agency for a corrective action must be operated, maintained, or monitored after  
118.14 completion of other phases of the corrective action, the commissioner may transfer  
118.15 ownership of the property to another state agency, a political subdivision, or a special  
118.16 purpose district that agrees to accept the property. A state agency, political subdivision,  
118.17 or special purpose district may accept and implement terms and conditions of a transfer  
118.18 under this paragraph. The commissioner may set terms and conditions for the transfer  
118.19 that the commissioner considers reasonable and necessary to ensure proper operation,  
118.20 maintenance, and monitoring of corrective actions; protect the public health and welfare  
118.21 and the environment; and comply with applicable federal and state laws and regulations.  
118.22 The state agency, political subdivision, or special purpose district to which the property is  
118.23 transferred is not liable under this chapter solely as a result of acquiring the property or  
118.24 acting in accordance with the terms and conditions of transfer.

118.25 (c) The commissioner of administration may charge the agency for actual staff and  
118.26 other costs related to disposal of the property under paragraph (a), clause (1). The net  
118.27 proceeds of a sale or other transfer of property under this subdivision by the commissioner  
118.28 or by the commissioner of administration shall be deposited in the petroleum tank fund or  
118.29 other appropriate fund. Any share of the proceeds that the agency is required by federal  
118.30 law or regulation to reimburse to the federal government is appropriated from the fund  
118.31 to the agency for the purpose. Section 16B.287, subdivision 1, does not apply to real  
118.32 property that is sold by the commissioner of administration and that was acquired under  
118.33 subdivision 4, clause (11).

118.34 Sec. 86. Minnesota Statutes 2012, section 115D.10, is amended to read:

118.35 **115D.10 TOXIC POLLUTION PREVENTION EVALUATION REPORT.**

119.1 The commissioner, in cooperation with the commission, shall report to  
119.2 the Environment and Natural Resources Committees of the senate and house of  
119.3 representatives, the Finance Division of the senate Committee on Environment and  
119.4 Natural Resources, and the house of representatives Committee on Environment and  
119.5 Natural Resources Finance on progress being made in achieving the objectives of sections  
119.6 115D.01 to 115D.12. The report must be ~~submitted by February 1 of each even-numbered~~  
119.7 year done in conjunction with the report required under section 115A.121.

119.8 Sec. 87. Minnesota Statutes 2012, section 116.48, subdivision 6, is amended to read:

119.9 Subd. 6. **Affidavit.** (a) Before transferring ownership of property that the owner  
119.10 knows contains an underground or aboveground storage tank or contained an underground  
119.11 or aboveground storage tank that had a release for which no corrective action was taken or  
119.12 if required by the agency as a condition of a corrective action under chapter 115C, the  
119.13 owner shall record with the county recorder or registrar of titles of the county in which the  
119.14 property is located an affidavit containing:

119.15 (1) a legal description of the property where the tank is located;

119.16 (2) a description of the tank, of the location of the tank, and of any known release  
119.17 from the tank of a regulated substance to the full extent known or reasonably ascertainable;

119.18 (3) a description of any restrictions currently in force on the use of the property  
119.19 resulting from any release; and

119.20 (4) the name of the owner.

119.21 (b) The county recorder shall record the affidavits in a manner that will insure  
119.22 their disclosure in the ordinary course of a title search of the subject property. Before  
119.23 transferring ownership of property that the owner knows contains an underground or  
119.24 aboveground storage tank, the owner shall deliver to the purchaser a copy of the affidavit  
119.25 and any additional information necessary to make the facts in the affidavit accurate as of  
119.26 the date of transfer of ownership.

119.27 (c) Failure to record an affidavit as provided in this subdivision does not affect or  
119.28 prevent any transfer of ownership of the property.

119.29 Sec. 88. Minnesota Statutes 2012, section 116C.03, subdivision 2, is amended to read:

119.30 Subd. 2. **Membership.** The members of the board are the ~~director of the Office of~~  
119.31 Strategic and Long-Range Planning commissioner of administration, the commissioner  
119.32 of commerce, the commissioner of the Pollution Control Agency, the commissioner  
119.33 of natural resources, the commissioner of agriculture, the commissioner of health,  
119.34 the commissioner of employment and economic development, the commissioner of

120.1 transportation, the chair of the Board of Water and Soil Resources, and a representative of  
 120.2 the governor's office designated by the governor. The governor shall appoint five members  
 120.3 from the general public to the board, subject to the advice and consent of the senate.  
 120.4 At least two of the five public members must have knowledge of and be conversant in  
 120.5 water management issues in the state. Notwithstanding the provisions of section 15.06,  
 120.6 subdivision 6, members of the board may not delegate their powers and responsibilities as  
 120.7 board members to any other person.

120.8 Sec. 89. Minnesota Statutes 2012, section 116C.03, subdivision 4, is amended to read:

120.9 Subd. 4. **Support.** Staff and consultant support for board activities shall be provided  
 120.10 by the ~~Office of Strategic and Long-Range Planning~~ Pollution Control Agency. This  
 120.11 support shall be provided based upon an annual budget and work program developed by  
 120.12 the board and certified to the commissioner by the chair of the board. The board shall  
 120.13 have the authority to request and require staff support from all other agencies of state  
 120.14 government as needed for the execution of the responsibilities of the board.

120.15 Sec. 90. Minnesota Statutes 2012, section 116C.03, subdivision 5, is amended to read:

120.16 Subd. 5. **Administration.** The board shall contract with the ~~Office of Strategic and~~  
 120.17 ~~Long-Range Planning~~ Pollution Control Agency for administrative services necessary to  
 120.18 the board's activities. The services shall include personnel, budget, payroll and contract  
 120.19 administration.

120.20 Sec. 91. **[116C.99] SILICA SAND MINING MODEL STANDARDS AND**  
 120.21 **CRITERIA.**

120.22 Subdivision 1. **Definitions.** The definitions in this subdivision apply to sections  
 120.23 116C.99 to 116C.992.

120.24 (a) "Local unit of government" means a county, statutory or home rule charter city,  
 120.25 or town.

120.26 (b) "Mining" means excavating silica sand by any process, including digging,  
 120.27 excavating, drilling, blasting, tunneling, dredging, stripping, or by shaft.

120.28 (c) "Processing" means washing, cleaning, screening, crushing, filtering, sorting,  
 120.29 processing, stockpiling, and storing silica sand, either at the mining site or at any other site.

120.30 (d) "Silica sand" means well-rounded, sand-sized grains of quartz (silicon dioxide),  
 120.31 with very little impurities in terms of other minerals. Specifically, the silica sand for the  
 120.32 purposes of this section is commercially valuable for use in the hydraulic fracturing of  
 120.33 shale to obtain oil and natural gas. Silica sand does not include common rock, stone,

121.1 aggregate, gravel, sand with a low quartz level, or silica compounds recovered as a  
121.2 by-product of metallic mining.

121.3 (e) "Silica sand project" means the excavation and mining and processing of silica  
121.4 sand; the washing, cleaning, screening, crushing, filtering, drying, sorting, stockpiling,  
121.5 and storing of silica sand, either at the mining site or at any other site; the hauling and  
121.6 transporting of silica sand; or a facility for transporting silica sand to destinations by rail,  
121.7 barge, truck, or other means of transportation.

121.8 (f) "Temporary storage" means the storage of stock piles of silica sand that have  
121.9 been transported and await further transport.

121.10 (g) "Transporting" means hauling and transporting silica sand, by any carrier:

121.11 (1) from the mining site to a processing or transfer site; or

121.12 (2) from a processing or storage site to a rail, barge, or transfer site for transporting  
121.13 to destinations.

121.14 Subd. 2. **Standards and criteria.** (a) By October 1, 2013, the Environmental  
121.15 Quality Board, in consultation with local units of government, shall develop model  
121.16 standards and criteria for mining, processing, and transporting silica sand. These standards  
121.17 and criteria may be used by local units of government in developing local ordinances. The  
121.18 standards and criteria shall be different for different geographic areas of the state. The  
121.19 unique karst conditions and landforms of southeastern Minnesota shall be considered  
121.20 unique when compared with the flat scoured river terraces and uniform hydrology of the  
121.21 Minnesota Valley. The standards and criteria developed shall reflect those differences in  
121.22 varying regions of the state. The standards and criteria must include:

121.23 (1) recommendations for setbacks or buffers for mining operation and processing,  
121.24 including:

121.25 (i) any residence or residential zoning district boundary;

121.26 (ii) any property line or right-of-way line of any existing or proposed street or  
121.27 highway;

121.28 (iii) ordinary high water levels of public waters;

121.29 (iv) bluffs;

121.30 (v) designated trout streams, Class 2A water as designated in the rules of the  
121.31 Pollution Control Agency, or any perennially flowing tributary of a designated trout  
121.32 stream or Class 2A water;

121.33 (vi) calcareous fens;

121.34 (vii) wellhead protection areas as defined in section 1031.005;

121.35 (viii) critical natural habitat acquired by the commissioner of natural resources  
121.36 under section 84.944; and

- 122.1 (ix) a natural resource easement paid wholly or in part by public funds;  
 122.2 (2) standards for hours of operation;  
 122.3 (3) groundwater and surface water quality and quantity monitoring and mitigation  
 122.4 plan requirements, including:  
 122.5 (i) applicable groundwater and surface water appropriation permit requirements;  
 122.6 (ii) well sealing requirements;  
 122.7 (iii) annual submission of monitoring well data; and  
 122.8 (iv) storm water runoff rate limits not to exceed two-, ten-, and 100-year storm events;  
 122.9 (4) air monitoring and data submission requirements;  
 122.10 (5) dust control requirements;  
 122.11 (6) noise testing and mitigation plan requirements;  
 122.12 (7) blast monitoring plan requirements;  
 122.13 (8) lighting requirements;  
 122.14 (9) inspection requirements;  
 122.15 (10) containment requirements for silica sand in temporary storage to protect air  
 122.16 and water quality;  
 122.17 (11) containment requirements for chemicals used in processing;  
 122.18 (12) financial assurance requirements;  
 122.19 (13) road and bridge impacts and requirements; and  
 122.20 (14) reclamation plan requirements as required under the rules adopted by the  
 122.21 commissioner of natural resources.

122.22 Subd. 3. **Silica sand technical assistance team.** By October 1, 2013, the  
 122.23 Environmental Quality Board shall assemble a silica sand technical assistance team  
 122.24 to provide local units of government, at their request, with assistance with ordinance  
 122.25 development, zoning, environmental review and permitting, monitoring, or other issues  
 122.26 arising from silica sand mining and processing operations. The technical assistance team  
 122.27 may be chosen from representatives of the following entities: the Department of Natural  
 122.28 Resources, the Pollution Control Agency, the Board of Water and Soil Resources, the  
 122.29 Department of Health, the Department of Transportation, the University of Minnesota,  
 122.30 the Minnesota State Colleges and Universities, and federal agencies. A majority of the  
 122.31 members must be from a state agency and all members must have expertise in one or more  
 122.32 of the following areas: silica sand mining, hydrology, air quality, water quality, land use,  
 122.33 or other areas related to silica sand mining.

122.34 Subd. 4. **Consideration of technical assistance team recommendations.** (a) When  
 122.35 the technical assistance team, at the request of the local unit of government, assembles  
 122.36 findings or makes a recommendation related to a proposed silica sand project for the

123.1 protection of human health and the environment, a local government unit must consider  
123.2 the findings or recommendations of the technical assistance team in its approval or denial  
123.3 of a silica sand project. If the local government unit does not agree with the technical  
123.4 assistance team's findings and recommendations, the detailed reasons for the disagreement  
123.5 must be part of the local government unit's record of decision.

123.6 (b) Silica sand project proposers must cooperate in providing local government unit  
123.7 staff, and members of the technical assistance team with information regarding the project.

123.8 (c) When a local unit of government requests assistance from the silica sand  
123.9 technical assistance team for environmental review or permitting of a silica sand project  
123.10 the local unit of government may assess the project proposer for reasonable costs of the  
123.11 assistance and use the funds received to reimburse the entity providing that assistance.

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

123.13 Sec. 92. **[116C.991] ENVIRONMENTAL REVIEW; SILICA SAND PROJECTS.**

123.14 (a) Until two years after the effective date of this section, an environmental  
123.15 assessment worksheet must be prepared for any silica sand project that meets or exceeds  
123.16 the following thresholds, unless the project meets or exceeds the thresholds for an  
123.17 environmental impact statement under rules of the Environmental Quality Board and an  
123.18 environmental impact statement must be prepared:

123.19 (1) excavates 20 or more acres of land to a mean depth of ten feet or more during its  
123.20 existence. The local government is the responsible governmental unit; or

123.21 (2) is designed to store or is capable of storing more than 7,500 tons of silica sand or  
123.22 has an annual throughput of more than 200,000 tons of silica sand and is not required to  
123.23 receive a permit from the Pollution Control Agency. The Pollution Control Agency is the  
123.24 responsible governmental unit.

123.25 (b) In addition to the contents required under statute and rule, an environmental  
123.26 assessment worksheet completed according to this section must include:

123.27 (1) a hydrogeologic investigation assessing potential groundwater and surface water  
123.28 effects and geologic conditions that could create an increased risk of potentially significant  
123.29 effects on groundwater and surface water;

123.30 (2) for a project with the potential to require a groundwater appropriation permit  
123.31 from the commissioner of natural resources, an assessment of the water resources  
123.32 available for appropriation;

123.33 (3) an air quality impact assessment that includes an assessment of the potential  
123.34 effects from airborne particulates and dust;

124.1 (4) a traffic impact analysis, including documentation of existing transportation  
124.2 systems, analysis of the potential effects of the project on transportation, and mitigation  
124.3 measures to eliminate or minimize adverse impacts;

124.4 (5) an assessment of compatibility of the project with other existing uses; and

124.5 (6) mitigation measures that could eliminate or minimize any adverse environmental  
124.6 effects for the project.

124.7 **EFFECTIVE DATE.** This section is effective July 1, 2013, and no permit for  
124.8 a silica sand project subject to this section may be approved after that date unless the  
124.9 required environmental review has been completed.

124.10 Sec. 93. **[116C.992] TECHNICAL ASSISTANCE, ORDINANCE, AND PERMIT**  
124.11 **LIBRARY.**

124.12 By October 1, 2013, the Environmental Quality Board, in consultation with local  
124.13 units of government, shall create and maintain a library on local government ordinances  
124.14 and local government permits that have been approved for regulation of silica sand  
124.15 projects for reference by local governments.

124.16 Sec. 94. Minnesota Statutes 2012, section 116D.04, is amended by adding a  
124.17 subdivision to read:

124.18 **Subd. 16. Groundwater; environmental assessment worksheets.** When an  
124.19 environmental assessment worksheet is required for a proposed action that has the  
124.20 potential to require a groundwater appropriation permit from the commissioner of natural  
124.21 resources, the board shall require that the environmental assessment worksheet include an  
124.22 assessment of the water resources available for appropriation.

124.23 Sec. 95. Minnesota Statutes 2012, section 282.04, subdivision 1, is amended to read:

124.24 Subdivision 1. **Timber sales; land leases and uses.** (a) The county auditor, with  
124.25 terms and conditions set by the county board, may sell timber upon any tract that may be  
124.26 approved by the natural resources commissioner. The sale of timber shall be made for  
124.27 cash at not less than the appraised value determined by the county board to the highest  
124.28 bidder after not less than one week's published notice in an official paper within the  
124.29 county. Any timber offered at the public sale and not sold may thereafter be sold at private  
124.30 sale by the county auditor at not less than the appraised value thereof, until the time as  
124.31 the county board may withdraw the timber from sale. The appraised value of the timber  
124.32 and the forestry practices to be followed in the cutting of said timber shall be approved  
124.33 by the commissioner of natural resources.

125.1 (b) Payment of the full sale price of all timber sold on tax-forfeited lands shall be  
125.2 made in cash at the time of the timber sale, except in the case of oral or sealed bid auction  
125.3 sales, the down payment shall be no less than 15 percent of the appraised value, and the  
125.4 balance shall be paid prior to entry. In the case of auction sales that are partitioned and  
125.5 sold as a single sale with predetermined cutting blocks, the down payment shall be no less  
125.6 than 15 percent of the appraised price of the entire timber sale which may be held until the  
125.7 satisfactory completion of the sale or applied in whole or in part to the final cutting block.  
125.8 The value of each separate block must be paid in full before any cutting may begin in that  
125.9 block. With the permission of the county contract administrator the purchaser may enter  
125.10 unpaid blocks and cut necessary timber incidental to developing logging roads as may  
125.11 be needed to log other blocks provided that no timber may be removed from an unpaid  
125.12 block until separately scaled and paid for. If payment is provided as specified in this  
125.13 paragraph as security under paragraph (a) and no cutting has taken place on the contract,  
125.14 the county auditor may credit the security provided, less any down payment required for  
125.15 an auction sale under this paragraph, to any other contract issued to the contract holder  
125.16 by the county under this chapter to which the contract holder requests in writing that it  
125.17 be credited, provided the request and transfer is made within the same calendar year as  
125.18 the security was received.

125.19 (c) The county board may sell any timber, including biomass, as appraised or scaled.  
125.20 Any parcels of land from which timber is to be sold by scale of cut products shall be so  
125.21 designated in the published notice of sale under paragraph (a), in which case the notice  
125.22 shall contain a description of the parcels, a statement of the estimated quantity of each  
125.23 species of timber, and the appraised price of each species of timber for 1,000 feet, per cord  
125.24 or per piece, as the case may be. In those cases any bids offered over and above the  
125.25 appraised prices shall be by percentage, the percent bid to be added to the appraised price  
125.26 of each of the different species of timber advertised on the land. The purchaser of timber  
125.27 from the parcels shall pay in cash at the time of sale at the rate bid for all of the timber  
125.28 shown in the notice of sale as estimated to be standing on the land, and in addition shall  
125.29 pay at the same rate for any additional amounts which the final scale shows to have been  
125.30 cut or was available for cutting on the land at the time of sale under the terms of the sale.  
125.31 Where the final scale of cut products shows that less timber was cut or was available  
125.32 for cutting under terms of the sale than was originally paid for, the excess payment  
125.33 shall be refunded from the forfeited tax sale fund upon the claim of the purchaser, to be  
125.34 audited and allowed by the county board as in case of other claims against the county. No  
125.35 timber, except hardwood pulpwood, may be removed from the parcels of land or other  
125.36 designated landings until scaled by a person or persons designated by the county board

126.1 and approved by the commissioner of natural resources. Landings other than the parcel  
126.2 of land from which timber is cut may be designated for scaling by the county board by  
126.3 written agreement with the purchaser of the timber. The county board may, by written  
126.4 agreement with the purchaser and with a consumer designated by the purchaser when the  
126.5 timber is sold by the county auditor, and with the approval of the commissioner of natural  
126.6 resources, accept the consumer's scale of cut products delivered at the consumer's landing.  
126.7 No timber shall be removed until fully paid for in cash. Small amounts of timber not  
126.8 exceeding \$3,000 in appraised valuation may be sold for not less than the full appraised  
126.9 value at private sale to individual persons without first publishing notice of sale or calling  
126.10 for bids, provided that in case of a sale involving a total appraised value of more than \$200  
126.11 the sale shall be made subject to final settlement on the basis of a scale of cut products in  
126.12 the manner above provided and not more than two of the sales, directly or indirectly to any  
126.13 individual shall be in effect at one time.

126.14 (d) As directed by the county board, the county auditor may lease tax-forfeited land  
126.15 to individuals, corporations or organized subdivisions of the state at public or private sale,  
126.16 and at the prices and under the terms as the county board may prescribe, for use as cottage  
126.17 and camp sites and for agricultural purposes and for the purpose of taking and removing of  
126.18 hay, stumpage, sand, gravel, clay, rock, marl, and black dirt from the land, and for garden  
126.19 sites and other temporary uses provided that no leases shall be for a period to exceed ten  
126.20 years; provided, further that any leases involving a consideration of more than \$12,000 per  
126.21 year, except to an organized subdivision of the state shall first be offered at public sale in  
126.22 the manner provided herein for sale of timber. Upon the sale of any leased land, it shall  
126.23 remain subject to the lease for not to exceed one year from the beginning of the term of the  
126.24 lease. Any rent paid by the lessee for the portion of the term cut off by the cancellation  
126.25 shall be refunded from the forfeited tax sale fund upon the claim of the lessee, to be  
126.26 audited and allowed by the county board as in case of other claims against the county.

126.27 (e) As directed by the county board, the county auditor may lease tax-forfeited land  
126.28 to individuals, corporations, or organized subdivisions of the state at public or private sale,  
126.29 at the prices and under the terms as the county board may prescribe, for the purpose  
126.30 of taking and removing for use for road construction and other purposes tax-forfeited  
126.31 stockpiled iron-bearing material. The county auditor must determine that the material is  
126.32 needed and suitable for use in the construction or maintenance of a road, tailings basin,  
126.33 settling basin, dike, dam, bank fill, or other works on public or private property, and  
126.34 that the use would be in the best interests of the public. No lease shall exceed ten years.  
126.35 The use of a stockpile for these purposes must first be approved by the commissioner of  
126.36 natural resources. The request shall be deemed approved unless the requesting county

127.1 is notified to the contrary by the commissioner of natural resources within six months  
127.2 after receipt of a request for approval for use of a stockpile. Once use of a stockpile has  
127.3 been approved, the county may continue to lease it for these purposes until approval is  
127.4 withdrawn by the commissioner of natural resources.

127.5 (f) The county auditor, with the approval of the county board is authorized to grant  
127.6 permits, licenses, and leases to tax-forfeited lands for the depositing of stripping, lean ores,  
127.7 tailings, or waste products from mines or ore milling plants, or to use for facilities needed  
127.8 to recover iron-bearing oxides from tailings basins or stockpiles, or for a buffer area  
127.9 needed for a mining operation, upon the conditions and for the consideration and for the  
127.10 period of time, not exceeding 25 years, as the county board may determine. The permits,  
127.11 licenses, or leases are subject to approval by the commissioner of natural resources.

127.12 (g) Any person who removes any timber from tax-forfeited land before said timber  
127.13 has been scaled and fully paid for as provided in this subdivision is guilty of a misdemeanor.

127.14 (h) The county auditor may, with the approval of the county board, and without first  
127.15 offering at public sale, grant leases, for a term not exceeding 25 years, for the removal of  
127.16 peat and for the production or removal of farm-grown closed-loop biomass as defined in  
127.17 section 216B.2424, subdivision 1, or short-rotation woody crops from tax-forfeited lands  
127.18 upon the terms and conditions as the county board may prescribe. Any lease for the removal  
127.19 of peat, farm-grown closed-loop biomass, or short-rotation woody crops from tax-forfeited  
127.20 lands must first be reviewed and approved by the commissioner of natural resources if the  
127.21 lease covers 320 or more acres. No lease for the removal of peat, farm-grown closed-loop  
127.22 biomass, or short-rotation woody crops shall be made by the county auditor pursuant to this  
127.23 section without first holding a public hearing on the auditor's intention to lease. One printed  
127.24 notice in a legal newspaper in the county at least ten days before the hearing, and posted  
127.25 notice in the courthouse at least 20 days before the hearing shall be given of the hearing.

127.26 (i) Notwithstanding any provision of paragraph (c) to the contrary, the St. Louis  
127.27 County auditor may, at the discretion of the county board, sell timber to the party who  
127.28 bids the highest price for all the several kinds of timber, as provided for sales by the  
127.29 commissioner of natural resources under section 90.14. Bids offered over and above the  
127.30 appraised price need not be applied proportionately to the appraised price of each of  
127.31 the different species of timber.

127.32 (j) In lieu of any payment or deposit required in paragraph (b), as directed by the  
127.33 county board and under terms set by the county board, the county auditor may accept an  
127.34 irrevocable bank letter of credit in the amount equal to the amount otherwise determined in  
127.35 paragraph (b). If an irrevocable bank letter of credit is provided under this paragraph, at the  
127.36 written request of the purchaser, the county may periodically allow the bank letter of credit

128.1 to be reduced by an amount proportionate to the value of timber that has been harvested  
128.2 and for which the county has received payment. The remaining amount of the bank letter  
128.3 of credit after a reduction under this paragraph must not be less than 20 percent of the value  
128.4 of the timber purchased. If an irrevocable bank letter of credit or cash deposit is provided  
128.5 for the down payment required in paragraph (b), and no cutting of timber has taken place  
128.6 on the contract for which a letter of credit has been provided, the county may allow the  
128.7 transfer of the letter of credit to any other contract issued to the contract holder by the  
128.8 county under this chapter to which the contract holder requests in writing that it be credited.

128.9       Sec. 96. **[383B.761] DISCONTINUANCE OF HENNEPIN COUNTY SOIL AND**  
128.10 **WATER CONSERVATION DISTRICT; TRANSFER OF DUTIES.**

128.11       Subdivision 1. **Petition.** Notwithstanding section 103C.225, the Hennepin County  
128.12 Board of Commissioners may petition the Minnesota Board of Water and Soil Resources  
128.13 to discontinue the Hennepin Soil and Water Conservation District and transfer the duties  
128.14 and authorities of the district to the Hennepin County Board of Commissioners. The  
128.15 Minnesota Board of Water and Soil Resources has 60 days from the receipt of the petition  
128.16 to conduct its review. The Minnesota Board of Water and Soil Resources shall make  
128.17 its determination regarding the petition no later than its first regular meeting following  
128.18 the 60-day review period.

128.19       Subd. 2. **Discontinuance.** The Minnesota Board of Water and Soil Resources shall  
128.20 review the petition submitted under subdivision 1 to determine whether progress toward  
128.21 the goals identified in section 103C.005 can be achieved by discontinuing the Hennepin  
128.22 Soil and Water Conservation District and transferring the duties and authorities of the  
128.23 district to the Hennepin County Board of Commissioners. If the Board of Water and Soil  
128.24 Resources determines that progress toward the goals identified in section 103C.005 can  
128.25 be achieved by the discontinuance of the district and the transfer of district duties and  
128.26 authorities to the Hennepin County Board of Commissioners, the Board of Water and Soil  
128.27 Resources shall order the discontinuance of the Hennepin Soil and Water Conservation  
128.28 District. The order shall become effective within 60 days from the date of the order. The  
128.29 Minnesota Board of Water and Soil Resources may discontinue the Hennepin Soil and  
128.30 Water Conservation District without a referendum.

128.31       Subd. 3. **Transfer of duties and authorities.** Upon discontinuance of the  
128.32 Hennepin Soil and Water Conservation District by the Minnesota Board of Water and Soil  
128.33 Resources, the Hennepin County Board of Commissioners has the duties and authorities  
128.34 of a soil and water conservation district. The Hennepin County Board of Commissioners  
128.35 may assign these duties and responsibilities to the Hennepin County Department of

129.1 Environmental Services or other county departments as deemed appropriate by the county  
 129.2 board. All contracts in effect on the date of the discontinuance of the district, to which  
 129.3 the Hennepin Soil and Water Conservation District is a party, remain in force and effect  
 129.4 for the period provided in the contracts. Hennepin County shall be substituted for the  
 129.5 Hennepin Soil and Water Conservation District as party to the contracts and succeed  
 129.6 to the district's rights and duties.

129.7 Subd. 4. **Transfer of assets.** The Hennepin Conservation District Board of  
 129.8 Supervisors shall transfer the assets of the district to the Hennepin County Board of  
 129.9 Commissioners no later than 60 days from the date of the order. The Hennepin County  
 129.10 Board of Commissioners shall use the transferred assets for purposes of implementing the  
 129.11 transferred duties and authorities.

129.12 Subd. 5. **Grants.** Upon discontinuance of the Hennepin Soil and Water  
 129.13 Conservation District by the Minnesota Board of Water and Soil Resources, Hennepin  
 129.14 County has the eligibility of a soil and water conservation district for state grant funds.

129.15 Subd. 6. **Reestablishment.** The Hennepin County Board of Commissioners may  
 129.16 petition the Minnesota Board of Water and Soil Resources to reestablish the Hennepin  
 129.17 Soil and Water Conservation District. Alternatively, the Minnesota Board of Water  
 129.18 and Soil Resources under its authority in section 103C.201, and after giving notice  
 129.19 of corrective actions and time to implement the corrective actions, may reestablish the  
 129.20 Hennepin Soil and Water Conservation District if it determines the goals identified in  
 129.21 section 103C.005 are not being achieved. The Minnesota Board of Water and Soil  
 129.22 Resources may reestablish the Hennepin Soil and Water Conservation District under this  
 129.23 subdivision without a referendum.

129.24 **EFFECTIVE DATE; LOCAL APPROVAL.** This section is effective the day after  
 129.25 the governing body of Hennepin County and its chief clerical officer timely complete their  
 129.26 compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

129.27 Sec. 97. Minnesota Statutes 2012, section 473.846, is amended to read:

129.28 **473.846 REPORTS REPORT TO LEGISLATURE.**

129.29 The agency shall submit to the senate and house of representatives committees  
 129.30 having jurisdiction over environment and natural resources ~~separate reports~~ a report  
 129.31 describing the activities for which money for landfill abatement has been spent under  
 129.32 ~~sections~~ section 473.844 and 473.845. The report for section 473.844 expenditures shall be  
 129.33 included in the report required by section 115A.411, and shall include recommendations  
 129.34 on the future management and use of the metropolitan landfill abatement account. ~~By~~

130.1 ~~December 31 of each year, the commissioner shall submit the report for section 473.845~~  
130.2 ~~on contingency action trust fund activities.~~

130.3 Sec. 98. Laws 2010, chapter 361, article 3, section 7, is amended to read:

130.4 Sec. 7. **PARKS.**

130.5 The Minneapolis Park and Recreation Board may acquire all or part of the entire  
130.6 property known as the Scherer Brothers Lumber Yard for a metropolitan area regional  
130.7 park and may allocate any future appropriations to the board from the parks and trails  
130.8 fund to acquire the property. Notwithstanding Minnesota Rules, part 6115.0190, subpart  
130.9 3 or 5, item E, or 6115.0191, subpart 8, item A, the Minneapolis Park and Recreation  
130.10 Board is authorized to recreate and restore Hall's Island or such similar island located at  
130.11 approximately river mile 855 on the Mississippi River, just north of the Plymouth Avenue  
130.12 bridge, at a project site in Section 15, Township 29 North, Range 24 West, Hennepin  
130.13 County, Minnesota, on or adjacent to the property known as the Scherer Brothers Lumber  
130.14 Yard. The commissioner of natural resources shall grant any authorizations, permits, or  
130.15 permissions necessary to effectuate the project, provided that the project is consistent with  
130.16 all other standards and guidelines in Minnesota Rules, chapter 6115. If the project is  
130.17 not constructed within six years of the effective date of this act, the authority provided  
130.18 in this section to reconstruct Hall's Island expires. The recreation and restoration shall  
130.19 be coordinated with future efforts to restore habitat along the Mississippi River. Once  
130.20 recreated and restored, Hall's Island shall remain in public ownership in perpetuity and  
130.21 shall be maintained as a natural habitat island for birds and other wildlife. Public access  
130.22 and recreational activities shall be limited to a walking trail to protect the island's wildlife  
130.23 and habitat.

130.24 **EFFECTIVE DATE.** This section is effective the day after the Minneapolis Park  
130.25 and Recreation Board timely completes compliance with Minnesota Statutes, section  
130.26 645.021, subdivisions 2 and 3.

130.27 Sec. 99. **NORTH MISSISSIPPI REGIONAL PARK.**

130.28 (a) The boundaries of the North Mississippi Regional Park are extended to include  
130.29 the approximately 20.82 acres of land adjacent to the existing park known as Webber Park  
130.30 and that part of Shingle Creek that flows through Webber Park and continues through  
130.31 North Mississippi Regional Park into the Mississippi River.

130.32 (b) Funds appropriated for North Mississippi Regional Park may be expended to  
130.33 provide for visitor amenities, including construction of a natural filtration swimming  
130.34 pool and a building for park users.

131.1 **EFFECTIVE DATE.** This section is effective the day after the governing body of  
131.2 the Minneapolis Park and Recreation Board and its chief clerical officer timely complete  
131.3 their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

131.4 Sec. 100. **WASTEWATER TREATMENT SYSTEMS; BENEFICIAL USE.**

131.5 The Pollution Control Agency shall apply the following criteria to wastewater  
131.6 treatment system projects: at least 30 points shall be assigned if a project will result  
131.7 in an agency-approved beneficial use of treated wastewater that results in reducing or  
131.8 replacing the use of groundwater, surface water, or potable water, provided that the project  
131.9 component resulting in the beneficial use of wastewater accounts for at least 20 percent of  
131.10 the total eligible cost of the project. Projects receiving points for land discharge beneficial  
131.11 use shall not receive an additional 30 points.

131.12 **EFFECTIVE DATE.** This section is effective August 1, 2013.

131.13 Sec. 101. **PERMIT CANCELLATION.**

131.14 Upon written request submitted by a permit holder to the commissioner of natural  
131.15 resources on or before June 1, 2015, the commissioner shall cancel any provision in a  
131.16 timber sale permit sold prior to September 1, 2012, that requires the security payment for  
131.17 or removal of all or part of the balsam fir when the permit contains at least 50 cords of  
131.18 balsam fir. The remaining provisions of the permit remain in effect. The permit holder  
131.19 may be required to fell or pile the balsam fir to meet management objectives.

131.20 Sec. 102. **GROUNDWATER SUSTAINABILITY RECOMMENDATIONS.**

131.21 The commissioner of natural resources shall develop recommendations on  
131.22 additional tools needed to fully implement the groundwater sustainability requirements  
131.23 of Minnesota Statutes, section 103G.287, subdivisions 3 and 5. The recommendations  
131.24 shall be submitted to the chairs of the environment and natural resources policy and  
131.25 finance committees by January 15, 2014, and shall include draft legislative language to  
131.26 implement the recommendations.

131.27 Sec. 103. **RULEMAKING; POSSESSION AND TRANSPORTATION OF**  
131.28 **WILDLIFE.**

131.29 The commissioner of natural resources may use the good cause exemption under  
131.30 Minnesota Statutes, section 14.388, subdivision 1, clause (3), to adopt rules to conform  
131.31 with the changes to Minnesota Statutes 2012, section 97A.401, subdivision 3, contained in

132.1 this article, and Minnesota Statutes, section 14.386, does not apply except as provided  
132.2 under Minnesota Statutes, section 14.388.

132.3 Sec. 104. **RULEMAKING; DISPLAY OF PADDLE BOARD LICENSE**  
132.4 **NUMBERS.**

132.5 (a) The commissioner of natural resources shall amend Minnesota Rules, parts  
132.6 6110.0200, 6110.0300, and 6110.0400, to exempt paddle boards from the requirement to  
132.7 display license certificates and license numbers, in the same manner as other nonmotorized  
132.8 watercraft such as canoes and kayaks.

132.9 (b) The commissioner may use the good cause exemption under Minnesota Statutes,  
132.10 section 14.388, subdivision 1, clause (3), to adopt rules under this section, and Minnesota  
132.11 Statutes, section 14.386, does not apply except as provided under Minnesota Statutes,  
132.12 section 14.388.

132.13 Sec. 105. **RULES; SILICA SAND.**

132.14 (a) The commissioner of the Pollution Control Agency shall adopt rules pertaining  
132.15 to the control of particulate emissions from silica sand projects. The rulemaking is exempt  
132.16 from Minnesota Statutes, section 14.125.

132.17 (b) The commissioner of natural resources shall adopt rules pertaining to the  
132.18 reclamation of silica sand mines. The rulemaking is exempt from Minnesota Statutes,  
132.19 section 14.125.

132.20 (c) By January 1, 2014, the Department of Health shall adopt an air quality  
132.21 health-based value for silica sand.

132.22 (d) The Environmental Quality Board shall amend its rules for environmental  
132.23 review, adopted under Minnesota Statutes, chapter 116D, for silica sand mining and  
132.24 processing to take into account the increased activity in the state and concerns over the  
132.25 size of specific operations. The Environmental Quality Board shall consider whether  
132.26 the requirements of Minnesota Statutes, section 116C.991, should remain part of the  
132.27 environmental review requirements for silica sand and whether the requirements should  
132.28 be different for different geographic areas of the state. The rulemaking is exempt from  
132.29 Minnesota Statutes, section 14.125.

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

132.31 Sec. 106. **INTERIM ORDINANCE EXTENSION OR RENEWAL.**

132.32 Notwithstanding Minnesota Statutes, sections 394.34 and 462.355, subdivision  
132.33 4, until March 1, 2015, a local unit of government may extend for one year an interim

133.1 ordinance or renew an expired ordinance prohibiting new or expanded silica sand projects,  
133.2 as defined in Minnesota Statutes, section 116C.99, and extend the ordinance an additional  
133.3 year by resolution of the local unit of government.

133.4 **EFFECTIVE DATE.** This section is effective retroactively from March 1, 2013.

133.5 Sec. 107. **RULEMAKING; FUGITIVE EMISSIONS.**

133.6 (a) The commissioner of the Pollution Control Agency shall amend Minnesota  
133.7 Rules, part 7005.0100, subpart 35a, to read:

133.8 ""Potential emissions" or "potential to emit" means the maximum capacity while  
133.9 operating at the maximum hours of operation of an emissions unit, emission facility, or  
133.10 stationary source to emit a pollutant under its physical and operational design. Any physical  
133.11 or operational limitation on the capacity of the stationary source to emit a pollutant,  
133.12 including air pollution control equipment and restriction on hours of operation or on the  
133.13 type or amount of material combusted, stored, or processed, must be treated as part of its  
133.14 design if the limitation or the effect it would have on emissions is federally enforceable.

133.15 Secondary emissions must not be counted in determining the potential to emit of  
133.16 an emissions unit, emission facility, or stationary source. Fugitive emissions shall not be  
133.17 counted when determining potential to emit, unless required under Minnesota Rules, part  
133.18 7007.0200, subpart 2, item B, or applicable federal regulation."

133.19 (b) The commissioner may use the good cause exemption under Minnesota Statutes,  
133.20 section 14.388, subdivision 1, clause (3), to adopt rules under this section, and Minnesota  
133.21 Statutes, section 14.386, does not apply, except as provided under Minnesota Statutes,  
133.22 section 14.388.

133.23 Sec. 108. **REPEALER.**

133.24 (a) Minnesota Statutes 2012, sections 90.163; 90.173; 90.41, subdivision 2; and  
133.25 103G.265, subdivision 2a, and Minnesota Rules, parts 7021.0010, subparts 1, 2, 4, and  
133.26 5; 7021.0020; 7021.0030; 7021.0040; 7021.0050, subpart 5; 9210.0300; 9210.0310;  
133.27 9210.0320; 9210.0330; 9210.0340; 9210.0350; 9210.0360; 9210.0370; 9210.0380; and  
133.28 9220.0530, subpart 6, are repealed.

133.29 (b) Laws 2011, First Special Session chapter 2, article 4, section 30, is repealed.

134.1 **ARTICLE 5**134.2 **SANITARY DISTRICTS**

134.3 Section 1. Minnesota Statutes 2012, section 275.066, is amended to read:

134.4 **275.066 SPECIAL TAXING DISTRICTS; DEFINITION.**

134.5 For the purposes of property taxation and property tax state aids, the term "special  
134.6 taxing districts" includes the following entities:

- 134.7 (1) watershed districts under chapter 103D;
- 134.8 (2) sanitary districts under sections ~~115.18 to 115.37~~ 442A.01 to 442A.29;
- 134.9 (3) regional sanitary sewer districts under sections 115.61 to 115.67;
- 134.10 (4) regional public library districts under section 134.201;
- 134.11 (5) park districts under chapter 398;
- 134.12 (6) regional railroad authorities under chapter 398A;
- 134.13 (7) hospital districts under sections 447.31 to 447.38;
- 134.14 (8) St. Cloud Metropolitan Transit Commission under sections 458A.01 to 458A.15;
- 134.15 (9) Duluth Transit Authority under sections 458A.21 to 458A.37;
- 134.16 (10) regional development commissions under sections 462.381 to 462.398;
- 134.17 (11) housing and redevelopment authorities under sections 469.001 to 469.047;
- 134.18 (12) port authorities under sections 469.048 to 469.068;
- 134.19 (13) economic development authorities under sections 469.090 to 469.1081;
- 134.20 (14) Metropolitan Council under sections 473.123 to 473.549;
- 134.21 (15) Metropolitan Airports Commission under sections 473.601 to 473.680;
- 134.22 (16) Metropolitan Mosquito Control Commission under sections 473.701 to 473.716;
- 134.23 (17) Morrison County Rural Development Financing Authority under Laws 1982,  
134.24 chapter 437, section 1;
- 134.25 (18) Croft Historical Park District under Laws 1984, chapter 502, article 13, section 6;
- 134.26 (19) East Lake County Medical Clinic District under Laws 1989, chapter 211,  
134.27 sections 1 to 6;
- 134.28 (20) Floodwood Area Ambulance District under Laws 1993, chapter 375, article  
134.29 5, section 39;
- 134.30 (21) Middle Mississippi River Watershed Management Organization under sections  
134.31 103B.211 and 103B.241;
- 134.32 (22) emergency medical services special taxing districts under section 144F.01;
- 134.33 (23) a county levying under the authority of section 103B.241, 103B.245, or  
134.34 103B.251;

135.1 (24) Southern St. Louis County Special Taxing District; Chris Jensen Nursing Home  
135.2 under Laws 2003, First Special Session chapter 21, article 4, section 12;

135.3 (25) an airport authority created under section 360.0426; and

135.4 (26) any other political subdivision of the state of Minnesota, excluding counties,  
135.5 school districts, cities, and towns, that has the power to adopt and certify a property tax  
135.6 levy to the county auditor, as determined by the commissioner of revenue.

135.7 Sec. 2. **[442A.01] DEFINITIONS.**

135.8 Subdivision 1. **Applicability.** For the purposes of this chapter, the terms defined  
135.9 in this section have the meanings given.

135.10 Subd. 2. **Chief administrative law judge.** "Chief administrative law judge" means  
135.11 the chief administrative law judge of the Office of Administrative Hearings or the delegate  
135.12 of the chief administrative law judge under section 14.48.

135.13 Subd. 3. **District.** "District" means a sanitary district created under this chapter or  
135.14 under Minnesota Statutes 2012, sections 115.18 to 115.37.

135.15 Subd. 4. **Municipality.** "Municipality" means a city, however organized.

135.16 Subd. 5. **Property owner.** "Property owner" means the fee owner of land, or the  
135.17 beneficial owner of land whose interest is primarily one of possession and enjoyment.  
135.18 Property owner includes, but is not limited to, vendees under a contract for deed and  
135.19 mortgagors. Any reference to a percentage of property owners means in number.

135.20 Subd. 6. **Related governing body.** "Related governing body" means the governing  
135.21 body of a related governmental subdivision and, in the case of an organized town, means  
135.22 the town board.

135.23 Subd. 7. **Related governmental subdivision.** "Related governmental subdivision"  
135.24 means a municipality or organized town wherein there is a territorial unit of a district or, in  
135.25 the case of an unorganized area, the county.

135.26 Subd. 8. **Territorial unit.** "Territorial unit" means all that part of a district situated  
135.27 within a single municipality, within a single organized town outside of a municipality, or,  
135.28 in the case of an unorganized area, within a single county.

135.29 Sec. 3. **[442A.015] APPLICABILITY.**

135.30 All new sanitary district formations proposed and all sanitary districts previously  
135.31 formed under Minnesota Statutes 2012, sections 115.18 to 115.37, must comply with this  
135.32 chapter, including annexations to, detachments from, and dissolutions of sanitary districts  
135.33 previously formed under Minnesota Statutes 2012, sections 115.18 to 115.37.

136.1 Sec. 4. **[442A.02] SANITARY DISTRICTS; PROCEDURES AND AUTHORITY.**

136.2 **Subdivision 1. Duty of chief administrative law judge.** The chief administrative  
136.3 law judge shall conduct proceedings, make determinations, and issue orders for the  
136.4 creation of a sanitary district formed under this chapter or the annexation, detachment,  
136.5 or dissolution of a sanitary district previously formed under Minnesota Statutes 2012,  
136.6 sections 115.18 to 115.37.

136.7 **Subd. 2. Consolidation of proceedings.** The chief administrative law judge may  
136.8 order the consolidation of separate proceedings in the interest of economy and expedience.

136.9 **Subd. 3. Contracts, consultants.** The chief administrative law judge may contract  
136.10 with regional, state, county, or local planning commissions and hire expert consultants to  
136.11 provide specialized information and assistance.

136.12 **Subd. 4. Powers of conductor of proceedings.** Any person conducting a  
136.13 proceeding under this chapter may administer oaths and affirmations; receive testimony  
136.14 of witnesses, and the production of papers, books, and documents; examine witnesses;  
136.15 and receive and report evidence. Upon the written request of a presiding administrative  
136.16 law judge or a party, the chief administrative law judge may issue a subpoena for the  
136.17 attendance of a witness or the production of books, papers, records, or other documents  
136.18 material to any proceeding under this chapter. The subpoena is enforceable through the  
136.19 district court in the district in which the subpoena is issued.

136.20 **Subd. 5. Rulemaking authority.** The chief administrative law judge may adopt  
136.21 rules that are reasonably necessary to carry out the duties and powers imposed upon the  
136.22 chief administrative law judge under this chapter. The chief administrative law judge may  
136.23 initially adopt rules according to section 14.386. Notwithstanding section 16A.1283, the  
136.24 chief administrative law judge may adopt rules establishing fees.

136.25 **Subd. 6. Schedule of filing fees.** The chief administrative law judge may prescribe  
136.26 by rule a schedule of filing fees for any petitions filed under this chapter.

136.27 **Subd. 7. Request for hearing transcripts; costs.** Any party may request the chief  
136.28 administrative law judge to cause a transcript of the hearing to be made. Any party  
136.29 requesting a copy of the transcript is responsible for its costs.

136.30 **Subd. 8. Compelled meetings; report.** (a) In any proceeding under this chapter,  
136.31 the chief administrative law judge or conductor of the proceeding may at any time in the  
136.32 process require representatives from any petitioner, property owner, or involved city, town,  
136.33 county, political subdivision, or other governmental entity to meet together to discuss  
136.34 resolution of issues raised by the petition or order that confers jurisdiction on the chief  
136.35 administrative law judge and other issues of mutual concern. The chief administrative  
136.36 law judge or conductor of the proceeding may determine which entities are required

137.1 to participate in these discussions. The chief administrative law judge or conductor of  
137.2 the proceeding may require that the parties meet at least three times during a 60-day  
137.3 period. The parties shall designate a person to report to the chief administrative law  
137.4 judge or conductor of the proceeding on the results of the meetings immediately after the  
137.5 last meeting. The parties may be granted additional time at the discretion of the chief  
137.6 administrative law judge or conductor of the proceedings.

137.7 (b) Any proposed resolution or settlement of contested issues that results in a  
137.8 sanitary district formation, annexation, detachment, or dissolution; places conditions on  
137.9 any future sanitary district formation, annexation, detachment, or dissolution; or results in  
137.10 the withdrawal of an objection to a pending proceeding or the withdrawal of a pending  
137.11 proceeding must be filed with the chief administrative law judge and is subject to the  
137.12 applicable procedures and statutory criteria of this chapter.

137.13 Subd. 9. **Permanent official record.** The chief administrative law judge shall  
137.14 provide information about sanitary district creations, annexations, detachments, and  
137.15 dissolutions to the Minnesota Pollution Control Agency. The Minnesota Pollution Control  
137.16 Agency is responsible for maintaining the official record, including all documentation  
137.17 related to the processes.

137.18 Subd. 10. **Shared program costs and fee revenue.** The chief administrative  
137.19 law judge and the Minnesota Pollution Control Agency shall agree on an amount to be  
137.20 transferred from the Minnesota Pollution Control Agency to the chief administrative law  
137.21 judge to pay for administration of this chapter, including publication and notification costs.  
137.22 Sanitary district fees collected by the chief administrative law judge shall be deposited in  
137.23 the environmental fund.

137.24 **EFFECTIVE DATE.** Subdivision 5 is effective the day following final enactment.

137.25 Sec. 5. **[442A.03] FILING OF MAPS IN SANITARY DISTRICT PROCEEDINGS.**

137.26 Any party initiating a sanitary district proceeding that includes platted land shall file  
137.27 with the chief administrative law judge maps which are necessary to support and identify  
137.28 the land description. The maps shall include copies of plats.

137.29 Sec. 6. **[442A.04] SANITARY DISTRICT CREATION.**

137.30 Subdivision 1. **Sanitary district creation.** (a) A sanitary district may be created  
137.31 under this chapter for any territory embracing an area or a group of two or more adjacent  
137.32 areas, whether contiguous or separate, but not situated entirely within the limits of a  
137.33 single municipality. The proposed sanitary district must promote the public health and  
137.34 welfare by providing an adequate and efficient system and means of collecting, conveying,

138.1 pumping, treating, and disposing of domestic sewage and garbage and industrial wastes  
138.2 within the district. When the chief administrative law judge or the Minnesota Pollution  
138.3 Control Agency finds that there is need throughout the territory for the accomplishment  
138.4 of these purposes; that these purposes can be effectively accomplished on an equitable  
138.5 basis by a district if created; and that the creation and maintenance of a district will be  
138.6 administratively feasible and in furtherance of the public health, safety, and welfare, the  
138.7 chief administrative law judge shall make an order creating the sanitary district. A sanitary  
138.8 district is administratively feasible under this section if the district has the financial and  
138.9 managerial resources needed to deliver adequate and efficient sanitary sewer services  
138.10 within the proposed district.

138.11 (b) Notwithstanding paragraph (a), no district shall be created within 25 miles of the  
138.12 boundary of any city of the first class without the approval of the governing body thereof  
138.13 and the approval of the governing body of each and every municipality in the proposed  
138.14 district by resolution filed with the chief administrative law judge.

138.15 (c) If the chief administrative law judge and the Minnesota Pollution Control Agency  
138.16 disagree on the need to create a sanitary district, they must determine whether not allowing  
138.17 the sanitary district formation will have a detrimental effect on the environment. If it is  
138.18 determined that the sanitary district formation will prevent environmental harm, the sanitary  
138.19 district creation or connection to an existing wastewater treatment system must occur.

138.20 Subd. 2. **Proceeding to create sanitary district.** (a) A proceeding for the creation  
138.21 of a district may be initiated by a petition to the chief administrative law judge containing  
138.22 the following:

138.23 (1) a request for creation of the proposed district;

138.24 (2) the name proposed for the district, to include the words "sanitary district";

138.25 (3) a legal description of the territory of the proposed district, including justification  
138.26 for inclusion or exclusion for all parcels;

138.27 (4) addresses of every property owner within the proposed district boundaries as  
138.28 provided by the county auditor, with certification from the county auditor; two sets of  
138.29 address labels for said owners; and a list of e-mail addresses for said owners, if available;

138.30 (5) a statement showing the existence in the territory of the conditions requisite for  
138.31 creation of a district as prescribed in subdivision 1;

138.32 (6) a statement of the territorial units represented by and the qualifications of the  
138.33 respective signers; and

138.34 (7) the post office address of each signer, given under the signer's signature.

139.1 A petition may consist of separate writings of like effect, each signed by one or more  
139.2 qualified persons, and all such writings, when filed, shall be considered together as a  
139.3 single petition.

139.4 (b) Petitioners must conduct and pay for a public meeting to inform citizens of the  
139.5 proposed creation of the district. At the meeting, information must be provided, including  
139.6 a description of the district's proposed structure, bylaws, territory, ordinances, budget, and  
139.7 charges and a description of the territory of the proposed district, including justification  
139.8 for inclusion or exclusion for all parcels. Notice of the meeting must be published for two  
139.9 successive weeks in a qualified newspaper, as defined under chapter 331A, published  
139.10 within the territory of the proposed district or, if there is no qualified newspaper published  
139.11 within the territory, in a qualified newspaper of general circulation in the territory, and  
139.12 must be posted for two weeks in each territorial unit of the proposed district and on the  
139.13 Web site of the proposed district, if one exists. Notice of the meeting must be mailed or  
139.14 e-mailed at least three weeks prior to the meeting to all property tax billing addresses for  
139.15 all parcels included in the proposed district. The following must be submitted to the chief  
139.16 administrative law judge with the petition:

139.17 (1) a record of the meeting, including copies of all information provided at the  
139.18 meeting;

139.19 (2) a copy of the mailing list provided by the county auditor and used to notify  
139.20 property owners of the meeting;

139.21 (3) a copy of the e-mail list used to notify property owners of the meeting;

139.22 (4) the printer's affidavit of publication of public meeting notice;

139.23 (5) an affidavit of posting the public meeting notice with information on dates and  
139.24 locations of posting; and

139.25 (6) the minutes or other record of the public meeting documenting that the following  
139.26 topics were discussed: printer's affidavit of publication of each resolution, with a copy  
139.27 of the resolution from the newspaper attached; and the affidavit of resolution posting  
139.28 on the town or proposed district Web site.

139.29 (c) Every petition must be signed as follows:

139.30 (1) for each municipality wherein there is a territorial unit of the proposed district,  
139.31 by an authorized officer pursuant to a resolution of the municipal governing body;

139.32 (2) for each organized town wherein there is a territorial unit of the proposed district,  
139.33 by an authorized officer pursuant to a resolution of the town board;

139.34 (3) for each county wherein there is a territorial unit of the proposed district consisting  
139.35 of an unorganized area, by an authorized officer pursuant to a resolution of the county  
139.36 board or by at least 20 percent of the voters residing and owning land within the unit.

140.1 (d) Each resolution must be published in the official newspaper of the governing  
140.2 body adopting it and becomes effective 40 days after publication, unless within said  
140.3 period there shall be filed with the governing body a petition signed by qualified electors  
140.4 of a territorial unit of the proposed district, equal in number to five percent of the number  
140.5 of electors voting at the last preceding election of the governing body, requesting a  
140.6 referendum on the resolution, in which case the resolution may not become effective until  
140.7 approved by a majority of the qualified electors voting at a regular election or special  
140.8 election that the governing body may call. The notice of an election and the ballot to be  
140.9 used must contain the text of the resolution followed by the question: "Shall the above  
140.10 resolution be approved?"

140.11 (e) If any signer is alleged to be a landowner in a territorial unit, a statement as to  
140.12 the signer's landowner status as shown by the county auditor's tax assessment records,  
140.13 certified by the auditor, shall be attached to or endorsed upon the petition.

140.14 (f) At any time before publication of the public notice required in subdivision 3,  
140.15 additional signatures may be added to the petition or amendments of the petition may  
140.16 be made to correct or remedy any error or defect in signature or otherwise except a  
140.17 material error or defect in the description of the territory of the proposed district. If the  
140.18 qualifications of any signer of a petition are challenged, the chief administrative law judge  
140.19 shall determine the challenge forthwith on the allegations of the petition, the county  
140.20 auditor's certificate of land ownership, and such other evidence as may be received.

140.21 Subd. 3. **Notice of intent to create sanitary district.** (a) Upon receipt of a petition  
140.22 and the record of the public meeting required under subdivision 2, the chief administrative  
140.23 law judge shall publish a notice of intent to create the proposed sanitary district in the State  
140.24 Register and mail or e-mail information of that publication to each property owner in the  
140.25 affected territory at the owner's address as given by the county auditor. The information  
140.26 must state the date that the notice will appear in the State Register and give the Web site  
140.27 location for the State Register. The notice must:

140.28 (1) describe the petition for creation of the district;

140.29 (2) describe the territory affected by the petition;

140.30 (3) allow 30 days for submission of written comments on the petition;

140.31 (4) state that a person who objects to the petition may submit a written request for  
140.32 hearing to the chief administrative law judge within 30 days of the publication of the  
140.33 notice in the State Register; and

140.34 (5) state that if a timely request for hearing is not received, the chief administrative  
140.35 law judge may make a decision on the petition.

141.1 (b) If 50 or more individual timely requests for hearing are received, the chief  
141.2 administrative law judge must hold a hearing on the petition according to the contested  
141.3 case provisions of chapter 14. The sanitary district proposers are responsible for paying all  
141.4 costs involved in publicizing and holding a hearing on the petition.

141.5 Subd. 4. **Hearing time, place.** If a hearing is required pursuant to subdivision 3, the  
141.6 chief administrative law judge shall designate a time and place for a hearing according  
141.7 to section 442A.13.

141.8 Subd. 5. **Relevant factors.** (a) In arriving at a decision, the chief administrative law  
141.9 judge shall consider the following factors:

141.10 (1) administrative feasibility under subdivision 1, paragraph (a);

141.11 (2) public health, safety, and welfare impacts;

141.12 (3) alternatives for managing the public health impacts;

141.13 (4) equities of the petition proposal;

141.14 (5) contours of the petition proposal; and

141.15 (6) public notification of and interaction on the petition proposal.

141.16 (b) Based on the factors in paragraph (a), the chief administrative law judge may  
141.17 order the sanitary district creation on finding that:

141.18 (1) the proposed district is administratively feasible;

141.19 (2) the proposed district provides a long-term, equitable solution to pollution  
141.20 problems affecting public health, safety, and welfare;

141.21 (3) property owners within the proposed district were provided notice of the  
141.22 proposed district and opportunity to comment on the petition proposal; and

141.23 (4) the petition complied with the requirements of all applicable statutes and rules  
141.24 pertaining to sanitary district creation.

141.25 (c) The chief administrative law judge may alter the boundaries of the proposed  
141.26 sanitary district by increasing or decreasing the area to be included or may exclude  
141.27 property that may be better served by another unit of government. The chief administrative  
141.28 law judge may also alter the boundaries of the proposed district so as to follow visible,  
141.29 clearly recognizable physical features for municipal boundaries.

141.30 (d) The chief administrative law judge may deny sanitary district creation if the area,  
141.31 or a part thereof, would be better served by an alternative method.

141.32 (e) In all cases, the chief administrative law judge shall set forth the factors that are  
141.33 the basis for the decision.

141.34 Subd. 6. **Findings; order.** After the public notice period or the public hearing, if  
141.35 required under subdivision 3, and based on the petition, any public comments received,  
141.36 and, if a hearing was held, the hearing record, the chief administrative law judge shall

142.1 make findings of fact and conclusions determining whether the conditions requisite for the  
142.2 creation of a district exist in the territory described in the petition. If the chief administrative  
142.3 law judge finds that the conditions exist, the judge may make an order creating a district  
142.4 for the territory described in that petition under the name proposed in the petition or such  
142.5 other name, including the words "sanitary district," as the judge deems appropriate.

142.6 Subd. 7. **Denial of petition.** If the chief administrative law judge, after conclusion  
142.7 of the public notice period or holding a hearing, if required, determines that the creation of  
142.8 a district in the territory described in the petition is not warranted, the judge shall make  
142.9 an order denying the petition. The chief administrative law judge shall give notice of the  
142.10 denial by mail or e-mail to each signer of the petition. No petition for the creation of a  
142.11 district consisting of the same territory shall be entertained within a year after the date of  
142.12 an order under this subdivision. Nothing in this subdivision precludes action on a petition  
142.13 for the creation of a district embracing part of the territory with or without other territory.

142.14 Subd. 8. **Notice of order creating sanitary district.** The chief administrative law  
142.15 judge shall publish a notice in the State Register of the final order creating a sanitary  
142.16 district, referring to the date of the order and describing the territory of the district, and  
142.17 shall mail or e-mail information of the publication to each property owner in the affected  
142.18 territory at the owner's address as given by the county auditor. The information must state  
142.19 the date that the notice will appear in the State Register and give the Web site location  
142.20 for the State Register. The notice must:

142.21 (1) describe the petition for creation of the district;  
142.22 (2) describe the territory affected by the petition; and  
142.23 (3) state that a certified copy of the order shall be delivered to the secretary of state  
142.24 for filing ten days after public notice of the order in the State Register.

142.25 Subd. 9. **Filing.** Ten days after public notice of the order in the State Register, the  
142.26 chief administrative law judge shall deliver a certified copy of the order to the secretary  
142.27 of state for filing. Thereupon, the creation of the district is deemed complete, and it  
142.28 shall be conclusively presumed that all requirements of law relating thereto have been  
142.29 complied with. The chief administrative law judge shall also transmit a certified copy of  
142.30 the order for filing to the county auditor of each county and the clerk or recorder of each  
142.31 municipality and organized town wherein any part of the territory of the district is situated  
142.32 and to the secretary of the district board when elected.

142.33 Sec. 7. **[442A.05] SANITARY DISTRICT ANNEXATION.**

143.1 Subdivision 1. **Annexation.** (a) A sanitary district annexation may occur under  
143.2 this chapter for any area adjacent to an existing district upon a petition to the chief  
143.3 administrative law judge stating the grounds therefor as provided in this section.

143.4 (b) The proposed annexation area must embrace an area or a group of two or more  
143.5 adjacent areas, whether contiguous or separate, but not situated entirely within the limits  
143.6 of a single municipality. The proposed annexation must promote public health and  
143.7 welfare by providing an adequate and efficient system and means of collecting, conveying,  
143.8 pumping, treating, and disposing of domestic sewage and garbage and industrial wastes  
143.9 within the district. When the chief administrative law judge or the Minnesota Pollution  
143.10 Control Agency finds that there is need throughout the territory for the accomplishment of  
143.11 these purposes, that these purposes can be effectively accomplished on an equitable basis  
143.12 by annexation to a district, and that the creation and maintenance of such annexation will  
143.13 be administratively feasible and in furtherance of the public health, safety, and welfare,  
143.14 the chief administrative law judge shall make an order for sanitary district annexation. An  
143.15 annexation is administratively feasible under this section if the district has the financial  
143.16 and managerial resources needed to deliver adequate and efficient sanitary sewer services  
143.17 within the proposed annexation.

143.18 (c) Notwithstanding paragraph (b), no annexation to a district shall be approved  
143.19 within 25 miles of the boundary of any city of the first class without the approval  
143.20 of the governing body thereof and the approval of the governing body of each and  
143.21 every municipality in the proposed annexation area by resolution filed with the chief  
143.22 administrative law judge.

143.23 (d) If the chief administrative law judge and the Minnesota Pollution Control Agency  
143.24 disagree on the need for a sanitary district annexation, they must determine whether not  
143.25 allowing the sanitary district annexation will have a detrimental effect on the environment.  
143.26 If it is determined that the sanitary district annexation will prevent environmental harm,  
143.27 the sanitary district annexation or connection to an existing wastewater treatment system  
143.28 must occur.

143.29 Subd. 2. **Proceeding for annexation.** (a) A proceeding for sanitary district  
143.30 annexation may be initiated by a petition to the chief administrative law judge containing  
143.31 the following:

143.32 (1) a request for proposed annexation to a sanitary district;

143.33 (2) a legal description of the territory of the proposed annexation, including  
143.34 justification for inclusion or exclusion for all parcels;

143.35 (3) addresses of every property owner within the existing sanitary district and  
143.36 proposed annexation area boundaries as provided by the county auditor, with certification

144.1 from the county auditor; two sets of address labels for said owners; and a list of e-mail  
144.2 addresses for said owners, if available;

144.3 (4) a statement showing the existence in such territory of the conditions requisite  
144.4 for annexation to a district as prescribed in subdivision 1;

144.5 (5) a statement of the territorial units represented by and qualifications of the  
144.6 respective signers; and

144.7 (6) the post office address of each signer, given under the signer's signature.

144.8 A petition may consist of separate writings of like effect, each signed by one or more  
144.9 qualified persons, and all such writings, when filed, shall be considered together as a  
144.10 single petition.

144.11 (b) Petitioners must conduct and pay for a public meeting to inform citizens of the  
144.12 proposed annexation to a sanitary district. At the meeting, information must be provided,  
144.13 including a description of the existing sanitary district's structure, bylaws, territory,  
144.14 ordinances, budget, and charges; a description of the existing sanitary district's territory;  
144.15 and a description of the territory of the proposed annexation area, including justification  
144.16 for inclusion or exclusion for all parcels for the annexation area. Notice of the meeting  
144.17 must be published for two successive weeks in a qualified newspaper, as defined under  
144.18 chapter 331A, published within the territories of the existing sanitary district and proposed  
144.19 annexation area or, if there is no qualified newspaper published within those territories, in  
144.20 a qualified newspaper of general circulation in the territories, and must be posted for two  
144.21 weeks in each territorial unit of the existing sanitary district and proposed annexation area  
144.22 and on the Web site of the existing sanitary district, if one exists. Notice of the meeting  
144.23 must be mailed or e-mailed at least three weeks prior to the meeting to all property tax  
144.24 billing addresses for all parcels included in the existing sanitary district and proposed  
144.25 annexation area. The following must be submitted to the chief administrative law judge  
144.26 with the petition:

144.27 (1) a record of the meeting, including copies of all information provided at the  
144.28 meeting;

144.29 (2) a copy of the mailing list provided by the county auditor and used to notify  
144.30 property owners of the meeting;

144.31 (3) a copy of the e-mail list used to notify property owners of the meeting;

144.32 (4) the printer's affidavit of publication of the public meeting notice;

144.33 (5) an affidavit of posting the public meeting notice with information on dates and  
144.34 locations of posting; and

144.35 (6) the minutes or other record of the public meeting documenting that the following  
144.36 topics were discussed: printer's affidavit of publication of each resolution, with copy

145.1 of resolution from newspaper attached; and affidavit of resolution posting on town or  
145.2 existing sanitary district Web site.

145.3 (c) Every petition must be signed as follows:

145.4 (1) by an authorized officer of the existing sanitary district pursuant to a resolution  
145.5 of the board;

145.6 (2) for each municipality wherein there is a territorial unit of the proposed annexation  
145.7 area, by an authorized officer pursuant to a resolution of the municipal governing body;

145.8 (3) for each organized town wherein there is a territorial unit of the proposed  
145.9 annexation area, by an authorized officer pursuant to a resolution of the town board; and

145.10 (4) for each county wherein there is a territorial unit of the proposed annexation area  
145.11 consisting of an unorganized area, by an authorized officer pursuant to a resolution of the  
145.12 county board or by at least 20 percent of the voters residing and owning land within the unit.

145.13 (d) Each resolution must be published in the official newspaper of the governing  
145.14 body adopting it and becomes effective 40 days after publication, unless within said  
145.15 period there shall be filed with the governing body a petition signed by qualified electors  
145.16 of a territorial unit of the proposed annexation area, equal in number to five percent of the  
145.17 number of electors voting at the last preceding election of the governing body, requesting  
145.18 a referendum on the resolution, in which case the resolution may not become effective  
145.19 until approved by a majority of the qualified electors voting at a regular election or special  
145.20 election that the governing body may call. The notice of an election and the ballot to be  
145.21 used must contain the text of the resolution followed by the question: "Shall the above  
145.22 resolution be approved?"

145.23 (e) If any signer is alleged to be a landowner in a territorial unit, a statement as to  
145.24 the signer's landowner status as shown by the county auditor's tax assessment records,  
145.25 certified by the auditor, shall be attached to or endorsed upon the petition.

145.26 (f) At any time before publication of the public notice required in subdivision 4,  
145.27 additional signatures may be added to the petition or amendments of the petition may be  
145.28 made to correct or remedy any error or defect in signature or otherwise except a material  
145.29 error or defect in the description of the territory of the proposed annexation area. If the  
145.30 qualifications of any signer of a petition are challenged, the chief administrative law judge  
145.31 shall determine the challenge forthwith on the allegations of the petition, the county  
145.32 auditor's certificate of land ownership, and such other evidence as may be received.

145.33 Subd. 3. **Joint petition.** Different areas may be annexed to a district in a single  
145.34 proceeding upon a joint petition therefor and upon compliance with the provisions of  
145.35 subdivisions 1 and 2 with respect to the area affected so far as applicable.

146.1 Subd. 4. **Notice of intent for sanitary district annexation.** (a) Upon receipt  
146.2 of a petition and the record of public meeting required under subdivision 2, the chief  
146.3 administrative law judge shall publish a notice of intent for sanitary district annexation  
146.4 in the State Register and mail or e-mail information of the publication to each property  
146.5 owner in the affected territory at the owner's address as given by the county auditor. The  
146.6 information must state the date that the notice will appear in the State Register and give  
146.7 the Web site location for the State Register. The notice must:

146.8 (1) describe the petition for sanitary district annexation;

146.9 (2) describe the territory affected by the petition;

146.10 (3) allow 30 days for submission of written comments on the petition;

146.11 (4) state that a person who objects to the petition may submit a written request for  
146.12 hearing to the chief administrative law judge within 30 days of the publication of the  
146.13 notice in the State Register; and

146.14 (5) state that if a timely request for hearing is not received, the chief administrative  
146.15 law judge may make a decision on the petition.

146.16 (b) If 50 or more individual timely requests for hearing are received, the chief  
146.17 administrative law judge must hold a hearing on the petition according to the contested case  
146.18 provisions of chapter 14. The sanitary district or annexation area proposers are responsible  
146.19 for paying all costs involved in publicizing and holding a hearing on the petition.

146.20 Subd. 5. **Hearing time, place.** If a hearing is required under subdivision 4, the  
146.21 chief administrative law judge shall designate a time and place for a hearing according  
146.22 to section 442A.13.

146.23 Subd. 6. **Relevant factors.** (a) In arriving at a decision, the chief administrative law  
146.24 judge shall consider the following factors:

146.25 (1) administrative feasibility under subdivision 1, paragraph (b);

146.26 (2) public health, safety, and welfare impacts;

146.27 (3) alternatives for managing the public health impacts;

146.28 (4) equities of the petition proposal;

146.29 (5) contours of the petition proposal; and

146.30 (6) public notification of and interaction on the petition proposal.

146.31 (b) Based upon these factors, the chief administrative law judge may order the  
146.32 annexation to the sanitary district on finding that:

146.33 (1) the sanitary district is knowledgeable and experienced in delivering sanitary sewer  
146.34 services to ratepayers and has provided quality service in a fair and cost-effective manner;

146.35 (2) the proposed annexation provides a long-term, equitable solution to pollution  
146.36 problems affecting public health, safety, and welfare;

147.1 (3) property owners within the existing sanitary district and proposed annexation  
147.2 area were provided notice of the proposed district and opportunity to comment on the  
147.3 petition proposal; and

147.4 (4) the petition complied with the requirements of all applicable statutes and rules  
147.5 pertaining to sanitary district annexation.

147.6 (c) The chief administrative law judge may alter the boundaries of the proposed  
147.7 annexation area by increasing or decreasing the area to be included or may exclude  
147.8 property that may be better served by another unit of government. The chief administrative  
147.9 law judge may also alter the boundaries of the proposed annexation area so as to follow  
147.10 visible, clearly recognizable physical features for municipal boundaries.

147.11 (d) The chief administrative law judge may deny sanitary district annexation if the  
147.12 area, or a part thereof, would be better served by an alternative method.

147.13 (e) In all cases, the chief administrative law judge shall set forth the factors that are  
147.14 the basis for the decision.

147.15 Subd. 7. **Findings; order.** (a) After the public notice period or the public hearing, if  
147.16 required under subdivision 4, and based on the petition, any public comments received,  
147.17 and, if a hearing was held, the hearing record, the chief administrative law judge shall  
147.18 make findings of fact and conclusions determining whether the conditions requisite for  
147.19 the sanitary district annexation exist in the territory described in the petition. If the chief  
147.20 administrative law judge finds that conditions exist, the judge may make an order for  
147.21 sanitary district annexation for the territory described in the petition.

147.22 (b) All taxable property within the annexed area shall be subject to taxation for  
147.23 any existing bonded indebtedness or other indebtedness of the district for the cost of  
147.24 acquisition, construction, or improvement of any disposal system or other works or  
147.25 facilities beneficial to the annexed area to such extent as the chief administrative law judge  
147.26 may determine to be just and equitable, to be specified in the order for annexation. The  
147.27 proper officers shall levy further taxes on such property accordingly.

147.28 Subd. 8. **Denial of petition.** If the chief administrative law judge, after conclusion  
147.29 of the public notice period or holding a hearing, if required, determines that the sanitary  
147.30 district annexation in the territory described in the petition is not warranted, the judge shall  
147.31 make an order denying the petition. The chief administrative law judge shall give notice  
147.32 of the denial by mail or e-mail to each signer of the petition. No petition for a sanitary  
147.33 district annexation consisting of the same territory shall be entertained within a year  
147.34 after the date of an order under this subdivision. Nothing in this subdivision precludes  
147.35 action on a petition for a sanitary district annexation embracing part of the territory with  
147.36 or without other territory.

148.1 Subd. 9. **Notice of order for sanitary district annexation.** The chief administrative  
148.2 law judge shall publish in the State Register a notice of the final order for sanitary district  
148.3 annexation, referring to the date of the order and describing the territory of the annexation  
148.4 area, and shall mail or e-mail information of the publication to each property owner in the  
148.5 affected territory at the owner's address as given by the county auditor. The information  
148.6 must state the date that the notice will appear in the State Register and give the Web site  
148.7 location for the State Register. The notice must:

148.8 (1) describe the petition for annexation to the district;

148.9 (2) describe the territory affected by the petition; and

148.10 (3) state that a certified copy of the order shall be delivered to the secretary of state  
148.11 for filing ten days after public notice of the order in the State Register.

148.12 Subd. 10. **Filing.** Ten days after public notice of the order in the State Register, the  
148.13 chief administrative law judge shall deliver a certified copy of the order to the secretary  
148.14 of state for filing. Thereupon, the sanitary district annexation is deemed complete, and it  
148.15 shall be conclusively presumed that all requirements of law relating thereto have been  
148.16 complied with. The chief administrative law judge shall also transmit a certified copy of  
148.17 the order for filing to the county auditor of each county and the clerk or recorder of each  
148.18 municipality and organized town wherein any part of the territory of the district, including  
148.19 the newly annexed area, is situated and to the secretary of the district board.

148.20 Sec. 8. **[442A.06] SANITARY DISTRICT DETACHMENT.**

148.21 Subdivision 1. **Detachment.** (a) A sanitary district detachment may occur under this  
148.22 chapter for any area within an existing district upon a petition to the chief administrative  
148.23 law judge stating the grounds therefor as provided in this section.

148.24 (b) The proposed detachment must not have any negative environmental impact  
148.25 on the proposed detachment area.

148.26 (c) If the chief administrative law judge and the Minnesota Pollution Control  
148.27 Agency disagree on the need for a sanitary district detachment, they must determine  
148.28 whether not allowing the sanitary district detachment will have a detrimental effect on  
148.29 the environment. If it is determined that the sanitary district detachment will cause  
148.30 environmental harm, the sanitary district detachment is not allowed unless the detached  
148.31 area is immediately connected to an existing wastewater treatment system.

148.32 Subd. 2. **Proceeding for detachment.** (a) A proceeding for sanitary district  
148.33 detachment may be initiated by a petition to the chief administrative law judge containing  
148.34 the following:

148.35 (1) a request for proposed detachment from a sanitary district;

149.1 (2) a statement that the requisite conditions for inclusion in a district no longer exist  
149.2 in the proposed detachment area;

149.3 (3) a legal description of the territory of the proposed detachment, including  
149.4 justification for inclusion or exclusion for all parcels;

149.5 (4) addresses of every property owner within the sanitary district and proposed  
149.6 detachment area boundaries as provided by the county auditor, with certification from the  
149.7 county auditor; two sets of address labels for said owners; and a list of e-mail addresses  
149.8 for said owners, if available;

149.9 (5) a statement of the territorial units represented by and qualifications of the  
149.10 respective signers; and

149.11 (6) the post office address of each signer, given under the signer's signature.

149.12 A petition may consist of separate writings of like effect, each signed by one or more  
149.13 qualified persons, and all such writings, when filed, shall be considered together as a  
149.14 single petition.

149.15 (b) Petitioners must conduct and pay for a public meeting to inform citizens of  
149.16 the proposed detachment from a sanitary district. At the meeting, information must be  
149.17 provided, including a description of the existing district's territory and a description of the  
149.18 territory of the proposed detachment area, including justification for inclusion or exclusion  
149.19 for all parcels for the detachment area. Notice of the meeting must be published for two  
149.20 successive weeks in a qualified newspaper, as defined under chapter 331A, published  
149.21 within the territories of the existing sanitary district and proposed detachment area or, if  
149.22 there is no qualified newspaper published within those territories, in a qualified newspaper  
149.23 of general circulation in the territories, and must be posted for two weeks in each territorial  
149.24 unit of the existing sanitary district and proposed detachment area and on the Web site  
149.25 of the existing sanitary district, if one exists. Notice of the meeting must be mailed or  
149.26 e-mailed at least three weeks prior to the meeting to all property tax billing addresses for  
149.27 all parcels included in the sanitary district. The following must be submitted to the chief  
149.28 administrative law judge with the petition:

149.29 (1) a record of the meeting, including copies of all information provided at the  
149.30 meeting;

149.31 (2) a copy of the mailing list provided by the county auditor and used to notify  
149.32 property owners of the meeting;

149.33 (3) a copy of the e-mail list used to notify property owners of the meeting;

149.34 (4) the printer's affidavit of publication of public meeting notice;

149.35 (5) an affidavit of posting the public meeting notice with information on dates and  
149.36 locations of posting; and

150.1 (6) minutes or other record of the public meeting documenting that the following  
150.2 topics were discussed: printer's affidavit of publication of each resolution, with copy  
150.3 of resolution from newspaper attached; and affidavit of resolution posting on town or  
150.4 existing sanitary district Web site.

150.5 (c) Every petition must be signed as follows:

150.6 (1) by an authorized officer of the existing sanitary district pursuant to a resolution  
150.7 of the board;

150.8 (2) for each municipality wherein there is a territorial unit of the proposed detachment  
150.9 area, by an authorized officer pursuant to a resolution of the municipal governing body;

150.10 (3) for each organized town wherein there is a territorial unit of the proposed  
150.11 detachment area, by an authorized officer pursuant to a resolution of the town board; and

150.12 (4) for each county wherein there is a territorial unit of the proposed detachment area  
150.13 consisting of an unorganized area, by an authorized officer pursuant to a resolution of the  
150.14 county board or by at least 20 percent of the voters residing and owning land within the unit.

150.15 (d) Each resolution must be published in the official newspaper of the governing  
150.16 body adopting it and becomes effective 40 days after publication, unless within said period  
150.17 there shall be filed with the governing body a petition signed by qualified electors of a  
150.18 territorial unit of the proposed detachment area, equal in number to five percent of the  
150.19 number of electors voting at the last preceding election of the governing body, requesting  
150.20 a referendum on the resolution, in which case the resolution may not become effective  
150.21 until approved by a majority of the qualified electors voting at a regular election or special  
150.22 election that the governing body may call. The notice of an election and the ballot to be  
150.23 used must contain the text of the resolution followed by the question: "Shall the above  
150.24 resolution be approved?"

150.25 (e) If any signer is alleged to be a landowner in a territorial unit, a statement as to  
150.26 the signer's landowner status as shown by the county auditor's tax assessment records,  
150.27 certified by the auditor, shall be attached to or endorsed upon the petition.

150.28 (f) At any time before publication of the public notice required in subdivision 4,  
150.29 additional signatures may be added to the petition or amendments of the petition may be  
150.30 made to correct or remedy any error or defect in signature or otherwise except a material  
150.31 error or defect in the description of the territory of the proposed detachment area. If the  
150.32 qualifications of any signer of a petition are challenged, the chief administrative law judge  
150.33 shall determine the challenge forthwith on the allegations of the petition, the county  
150.34 auditor's certificate of land ownership, and such other evidence as may be received.

151.1 Subd. 3. **Joint petition.** Different areas may be detached from a district in a single  
151.2 proceeding upon a joint petition therefor and upon compliance with the provisions of  
151.3 subdivisions 1 and 2 with respect to the area affected so far as applicable.

151.4 Subd. 4. **Notice of intent for sanitary district detachment.** (a) Upon receipt  
151.5 of a petition and record of public meeting required under subdivision 2, the chief  
151.6 administrative law judge shall publish a notice of intent for sanitary district detachment  
151.7 in the State Register and mail or e-mail information of the publication to each property  
151.8 owner in the affected territory at the owner's address as given by the county auditor. The  
151.9 information must state the date that the notice will appear in the State Register and give  
151.10 the Web site location for the State Register. The notice must:

151.11 (1) describe the petition for sanitary district detachment;

151.12 (2) describe the territory affected by the petition;

151.13 (3) allow 30 days for submission of written comments on the petition;

151.14 (4) state that a person who objects to the petition may submit a written request for  
151.15 hearing to the chief administrative law judge within 30 days of the publication of the  
151.16 notice in the State Register; and

151.17 (5) state that if a timely request for hearing is not received, the chief administrative  
151.18 law judge may make a decision on the petition.

151.19 (b) If 50 or more individual timely requests for hearing are received, the chief  
151.20 administrative law judge must hold a hearing on the petition according to the contested case  
151.21 provisions of chapter 14. The sanitary district or detachment area proposers are responsible  
151.22 for paying all costs involved in publicizing and holding a hearing on the petition.

151.23 Subd. 5. **Hearing time, place.** If a hearing is required under subdivision 4, the  
151.24 chief administrative law judge shall designate a time and place for a hearing according  
151.25 to section 442A.13.

151.26 Subd. 6. **Relevant factors.** (a) In arriving at a decision, the chief administrative law  
151.27 judge shall consider the following factors:

151.28 (1) public health, safety, and welfare impacts for the proposed detachment area;

151.29 (2) alternatives for managing the public health impacts for the proposed detachment  
151.30 area;

151.31 (3) equities of the petition proposal;

151.32 (4) contours of the petition proposal; and

151.33 (5) public notification of and interaction on the petition proposal.

151.34 (b) Based upon these factors, the chief administrative law judge may order the  
151.35 detachment from the sanitary district on finding that:

152.1 (1) the proposed detachment area has adequate alternatives for managing public  
152.2 health impacts due to the detachment;

152.3 (2) the proposed detachment area is not necessary for the district to provide a  
152.4 long-term, equitable solution to pollution problems affecting public health, safety, and  
152.5 welfare;

152.6 (3) property owners within the existing sanitary district and proposed detachment  
152.7 area were provided notice of the proposed detachment and opportunity to comment on  
152.8 the petition proposal; and

152.9 (4) the petition complied with the requirements of all applicable statutes and rules  
152.10 pertaining to sanitary district detachment.

152.11 (c) The chief administrative law judge may alter the boundaries of the proposed  
152.12 detachment area by increasing or decreasing the area to be included or may exclude  
152.13 property that may be better served by another unit of government. The chief administrative  
152.14 law judge may also alter the boundaries of the proposed detachment area so as to follow  
152.15 visible, clearly recognizable physical features for municipal boundaries.

152.16 (d) The chief administrative law judge may deny sanitary district detachment if the  
152.17 area, or a part thereof, would be better served by an alternative method.

152.18 (e) In all cases, the chief administrative law judge shall set forth the factors that are  
152.19 the basis for the decision.

152.20 Subd. 7. **Findings; order.** (a) After the public notice period or the public hearing, if  
152.21 required under subdivision 4, and based on the petition, any public comments received,  
152.22 and, if a hearing was held, the hearing record, the chief administrative law judge shall  
152.23 make findings of fact and conclusions determining whether the conditions requisite for  
152.24 the sanitary district detachment exist in the territory described in the petition. If the chief  
152.25 administrative law judge finds that conditions exist, the judge may make an order for  
152.26 sanitary district detachment for the territory described in the petition.

152.27 (b) All taxable property within the detached area shall remain subject to taxation  
152.28 for any existing bonded indebtedness of the district to such extent as it would have been  
152.29 subject thereto if not detached and shall also remain subject to taxation for any other  
152.30 existing indebtedness of the district incurred for any purpose beneficial to such area to  
152.31 such extent as the chief administrative law judge may determine to be just and equitable,  
152.32 to be specified in the order for detachment. The proper officers shall levy further taxes on  
152.33 such property accordingly.

152.34 Subd. 8. **Denial of petition.** If the chief administrative law judge, after conclusion  
152.35 of the public notice period or holding a hearing, if required, determines that the sanitary  
152.36 district detachment in the territory described in the petition is not warranted, the judge

153.1 shall make an order denying the petition. The chief administrative law judge shall give  
153.2 notice of the denial by mail or e-mail to each signer of the petition. No petition for a  
153.3 detachment from a district consisting of the same territory shall be entertained within a  
153.4 year after the date of an order under this subdivision. Nothing in this subdivision precludes  
153.5 action on a petition for a detachment from a district embracing part of the territory with  
153.6 or without other territory.

153.7 Subd. 9. **Notice of order for sanitary district detachment.** The chief  
153.8 administrative law judge shall publish in the State Register a notice of the final order  
153.9 for sanitary district detachment, referring to the date of the order and describing the  
153.10 territory of the detached area and shall mail or e-mail information of the publication  
153.11 to each property owner in the affected territory at the owner's address as given by the  
153.12 county auditor. The information must state the date that the notice will appear in the State  
153.13 Register and give the Web site location for the State Register. The notice must:

153.14 (1) describe the petition for detachment from the district;

153.15 (2) describe the territory affected by the petition; and

153.16 (3) state that a certified copy of the order shall be delivered to the secretary of state  
153.17 for filing ten days after public notice of the order in the State Register.

153.18 Subd. 10. **Filing.** Ten days after public notice of the order in the State Register, the  
153.19 chief administrative law judge shall deliver a certified copy of the order to the secretary of  
153.20 state for filing. Thereupon, the sanitary district detachment is deemed complete, and it  
153.21 shall be conclusively presumed that all requirements of law relating thereto have been  
153.22 complied with. The chief administrative law judge shall also transmit a certified copy of  
153.23 the order for filing to the county auditor of each county and the clerk or recorder of each  
153.24 municipality and organized town wherein any part of the territory of the district, including  
153.25 the newly detached area, is situated and to the secretary of the district board.

153.26 Sec. 9. **[442A.07] SANITARY DISTRICT DISSOLUTION.**

153.27 Subdivision 1. **Dissolution.** (a) An existing sanitary district may be dissolved under  
153.28 this chapter upon a petition to the chief administrative law judge stating the grounds  
153.29 therefor as provided in this section.

153.30 (b) The proposed dissolution must not have any negative environmental impact on  
153.31 the existing sanitary district area.

153.32 (c) If the chief administrative law judge and the Minnesota Pollution Control  
153.33 Agency disagree on the need to dissolve a sanitary district, they must determine whether  
153.34 not dissolving the sanitary district will have a detrimental effect on the environment. If  
153.35 it is determined that the sanitary district dissolution will cause environmental harm, the

154.1 sanitary district dissolution is not allowed unless the existing sanitary district area is  
154.2 immediately connected to an existing wastewater treatment system.

154.3 Subd. 2. Proceeding for dissolution. (a) A proceeding for sanitary district  
154.4 dissolution may be initiated by a petition to the chief administrative law judge containing  
154.5 the following:

154.6 (1) a request for proposed sanitary district dissolution;

154.7 (2) a statement that the requisite conditions for a sanitary district no longer exist  
154.8 in the district area;

154.9 (3) a proposal for distribution of the remaining funds of the district, if any, among  
154.10 the related governmental subdivisions;

154.11 (4) a legal description of the territory of the proposed dissolution;

154.12 (5) addresses of every property owner within the sanitary district boundaries as  
154.13 provided by the county auditor, with certification from the county auditor; two sets of  
154.14 address labels for said owners; and a list of e-mail addresses for said owners, if available;

154.15 (6) a statement of the territorial units represented by and the qualifications of the  
154.16 respective signers; and

154.17 (7) the post office address of each signer, given under the signer's signature.

154.18 A petition may consist of separate writings of like effect, each signed by one or more  
154.19 qualified persons, and all such writings, when filed, shall be considered together as a  
154.20 single petition.

154.21 (b) Petitioners must conduct and pay for a public meeting to inform citizens of the  
154.22 proposed dissolution of a sanitary district. At the meeting, information must be provided,  
154.23 including a description of the existing district's territory. Notice of the meeting must be  
154.24 published for two successive weeks in a qualified newspaper, as defined under chapter  
154.25 331A, published within the territory of the sanitary district or, if there is no qualified  
154.26 newspaper published within that territory, in a qualified newspaper of general circulation  
154.27 in the territory and must be posted for two weeks in each territorial unit of the sanitary  
154.28 district and on the Web site of the existing sanitary district, if one exists. Notice of the  
154.29 meeting must be mailed or e-mailed at least three weeks prior to the meeting to all property  
154.30 tax billing addresses for all parcels included in the sanitary district. The following must be  
154.31 submitted to the chief administrative law judge with the petition:

154.32 (1) a record of the meeting, including copies of all information provided at the  
154.33 meeting;

154.34 (2) a copy of the mailing list provided by the county auditor and used to notify  
154.35 property owners of the meeting;

154.36 (3) a copy of the e-mail list used to notify property owners of the meeting;

155.1 (4) the printer's affidavit of publication of public meeting notice;

155.2 (5) an affidavit of posting the public meeting notice with information on dates and  
155.3 locations of posting; and

155.4 (6) minutes or other record of the public meeting documenting that the following  
155.5 topics were discussed: printer's affidavit of publication of each resolution, with copy  
155.6 of resolution from newspaper attached; and affidavit of resolution posting on town or  
155.7 existing sanitary district Web site.

155.8 (c) Every petition must be signed as follows:

155.9 (1) by an authorized officer of the existing sanitary district pursuant to a resolution  
155.10 of the board;

155.11 (2) for each municipality wherein there is a territorial unit of the existing sanitary  
155.12 district, by an authorized officer pursuant to a resolution of the municipal governing body;

155.13 (3) for each organized town wherein there is a territorial unit of the existing sanitary  
155.14 district, by an authorized officer pursuant to a resolution of the town board; and

155.15 (4) for each county wherein there is a territorial unit of the existing sanitary district  
155.16 consisting of an unorganized area, by an authorized officer pursuant to a resolution of the  
155.17 county board or by at least 20 percent of the voters residing and owning land within the unit.

155.18 (d) Each resolution must be published in the official newspaper of the governing body  
155.19 adopting it and becomes effective 40 days after publication, unless within said period there  
155.20 shall be filed with the governing body a petition signed by qualified electors of a territorial  
155.21 unit of the district, equal in number to five percent of the number of electors voting at the  
155.22 last preceding election of the governing body, requesting a referendum on the resolution,  
155.23 in which case the resolution may not become effective until approved by a majority of the  
155.24 qualified electors voting at a regular election or special election that the governing body  
155.25 may call. The notice of an election and the ballot to be used must contain the text of the  
155.26 resolution followed by the question: "Shall the above resolution be approved?"

155.27 (e) If any signer is alleged to be a landowner in a territorial unit, a statement as to  
155.28 the signer's landowner status as shown by the county auditor's tax assessment records,  
155.29 certified by the auditor, shall be attached to or endorsed upon the petition.

155.30 (f) At any time before publication of the public notice required in subdivision 3,  
155.31 additional signatures may be added to the petition or amendments of the petition may be  
155.32 made to correct or remedy any error or defect in signature or otherwise except a material  
155.33 error or defect in the description of the territory of the proposed dissolution area. If the  
155.34 qualifications of any signer of a petition are challenged, the chief administrative law judge  
155.35 shall determine the challenge forthwith on the allegations of the petition, the county  
155.36 auditor's certificate of land ownership, and such other evidence as may be received.

156.1 Subd. 3. **Notice of intent for sanitary district dissolution.** (a) Upon receipt  
156.2 of a petition and record of the public meeting required under subdivision 2, the chief  
156.3 administrative law judge shall publish a notice of intent of sanitary district dissolution  
156.4 in the State Register and mail or e-mail information of the publication to each property  
156.5 owner in the affected territory at the owner's address as given by the county auditor. The  
156.6 information must state the date that the notice will appear in the State Register and give  
156.7 the Web site location for the State Register. The notice must:

156.8 (1) describe the petition for sanitary district dissolution;

156.9 (2) describe the territory affected by the petition;

156.10 (3) allow 30 days for submission of written comments on the petition;

156.11 (4) state that a person who objects to the petition may submit a written request for  
156.12 hearing to the chief administrative law judge within 30 days of the publication of the  
156.13 notice in the State Register; and

156.14 (5) state that if a timely request for hearing is not received, the chief administrative  
156.15 law judge may make a decision on the petition.

156.16 (b) If 50 or more individual timely requests for hearing are received, the chief  
156.17 administrative law judge must hold a hearing on the petition according to the contested  
156.18 case provisions of chapter 14. The sanitary district dissolution proposers are responsible  
156.19 for paying all costs involved in publicizing and holding a hearing on the petition.

156.20 Subd. 4. **Hearing time, place.** If a hearing is required under subdivision 3, the  
156.21 chief administrative law judge shall designate a time and place for a hearing according  
156.22 to section 442A.13.

156.23 Subd. 5. **Relevant factors.** (a) In arriving at a decision, the chief administrative law  
156.24 judge shall consider the following factors:

156.25 (1) public health, safety, and welfare impacts for the proposed dissolution;

156.26 (2) alternatives for managing the public health impacts for the proposed dissolution;

156.27 (3) equities of the petition proposal;

156.28 (4) contours of the petition proposal; and

156.29 (5) public notification of and interaction on the petition proposal.

156.30 (b) Based upon these factors, the chief administrative law judge may order the  
156.31 dissolution of the sanitary district on finding that:

156.32 (1) the proposed dissolution area has adequate alternatives for managing public  
156.33 health impacts due to the dissolution;

156.34 (2) the sanitary district is not necessary to provide a long-term, equitable solution to  
156.35 pollution problems affecting public health, safety, and welfare;

157.1 (3) property owners within the sanitary district were provided notice of the proposed  
157.2 dissolution and opportunity to comment on the petition proposal; and

157.3 (4) the petition complied with the requirements of all applicable statutes and rules  
157.4 pertaining to sanitary district dissolution.

157.5 (c) The chief administrative law judge may alter the boundaries of the proposed  
157.6 dissolution area by increasing or decreasing the area to be included or may exclude  
157.7 property that may be better served by another unit of government. The chief administrative  
157.8 law judge may also alter the boundaries of the proposed dissolution area so as to follow  
157.9 visible, clearly recognizable physical features for municipal boundaries.

157.10 (d) The chief administrative law judge may deny sanitary district dissolution if the  
157.11 area, or a part thereof, would be better served by an alternative method.

157.12 (e) In all cases, the chief administrative law judge shall set forth the factors that are  
157.13 the basis for the decision.

157.14 Subd. 6. **Findings; order.** (a) After the public notice period or the public hearing, if  
157.15 required under subdivision 3, and based on the petition, any public comments received,  
157.16 and, if a hearing was held, the hearing record, the chief administrative law judge shall  
157.17 make findings of fact and conclusions determining whether the conditions requisite for  
157.18 the sanitary district dissolution exist in the territory described in the petition. If the chief  
157.19 administrative law judge finds that conditions exist, the judge may make an order for  
157.20 sanitary district dissolution for the territory described in the petition.

157.21 (b) If the chief administrative law judge determines that the conditions requisite for  
157.22 the creation of the district no longer exist therein, that all indebtedness of the district has  
157.23 been paid, and that all property of the district except funds has been disposed of, the judge  
157.24 may make an order dissolving the district and directing the distribution of its remaining  
157.25 funds, if any, among the related governmental subdivisions on such basis as the chief  
157.26 administrative law judge determines to be just and equitable, to be specified in the order.

157.27 Subd. 7. **Denial of petition.** If the chief administrative law judge, after conclusion  
157.28 of the public notice period or holding a hearing, if required, determines that the sanitary  
157.29 district dissolution in the territory described in the petition is not warranted, the judge  
157.30 shall make an order denying the petition. The chief administrative law judge shall give  
157.31 notice of the denial by mail or e-mail to each signer of the petition. No petition for the  
157.32 dissolution of a district consisting of the same territory shall be entertained within a year  
157.33 after the date of an order under this subdivision.

157.34 Subd. 8. **Notice of order for sanitary district dissolution.** The chief administrative  
157.35 law judge shall publish in the State Register a notice of the final order for sanitary  
157.36 district dissolution, referring to the date of the order and describing the territory of the

158.1 dissolved district and shall mail or e-mail information of the publication to each property  
158.2 owner in the affected territory at the owner's address as given by the county auditor. The  
158.3 information must state the date that the notice will appear in the State Register and give  
158.4 the Web site location of the State Register. The notice must:

158.5 (1) describe the petition for dissolution of the district;

158.6 (2) describe the territory affected by the petition; and

158.7 (3) state that a certified copy of the order shall be delivered to the secretary of state  
158.8 for filing ten days after public notice of the order in the State Register.

158.9 Subd. 9. **Filing.** (a) Ten days after public notice of the order in the State Register,  
158.10 the chief administrative law judge shall deliver a certified copy of the order to the secretary  
158.11 of state for filing. Thereupon, the sanitary district dissolution is deemed complete, and it  
158.12 shall be conclusively presumed that all requirements of law relating thereto have been  
158.13 complied with. The chief administrative law judge shall also transmit a certified copy of  
158.14 the order for filing to the county auditor of each county and the clerk or recorder of each  
158.15 municipality and organized town wherein any part of the territory of the dissolved district  
158.16 is situated and to the secretary of the district board.

158.17 (b) The chief administrative law judge shall also transmit a certified copy of the order  
158.18 to the treasurer of the district, who must thereupon distribute the remaining funds of the  
158.19 district as directed by the order and who is responsible for the funds until so distributed.

158.20 Sec. 10. **[442A.08] JOINT PUBLIC INFORMATIONAL MEETING.**

158.21 There must be a joint public informational meeting of the local governments of any  
158.22 proposed sanitary district creation, annexation, detachment, or dissolution. The joint public  
158.23 informational meeting must be held after the final mediation meeting or the final meeting  
158.24 held according to section 442A.02, subdivision 8, if any, and before the hearing on the  
158.25 matter is held. If no mediation meetings are held, the joint public informational meeting  
158.26 must be held after the initiating documents have been filed and before the hearing on the  
158.27 matter. The time, date, and place of the public informational meeting must be determined  
158.28 jointly by the local governments in the proposed creation, annexation, detachment, or  
158.29 dissolution areas and by the sanitary district, if one exists. The chair of the sanitary district,  
158.30 if one exists, and the responsible official for one of the local governments represented at  
158.31 the meeting must serve as the co-chairs for the informational meeting. Notice of the time,  
158.32 date, place, and purpose of the informational meeting must be posted by the sanitary  
158.33 district, if one exists, and local governments in designated places for posting notices. The  
158.34 sanitary district, if one exists, and represented local governments must also publish, at their  
158.35 own expense, notice in their respective official newspapers. If the same official newspaper

159.1 is used by multiple local government representatives or the sanitary district, a joint notice  
159.2 may be published and the costs evenly divided. All notice required by this section must  
159.3 be provided at least ten days before the date for the public informational meeting. At the  
159.4 public informational meeting, all persons appearing must have an opportunity to be heard,  
159.5 but the co-chairs may, by mutual agreement, establish the amount of time allowed for each  
159.6 speaker. The sanitary district board, the local government representatives, and any resident  
159.7 or affected property owner may be represented by counsel and may place into the record of  
159.8 the informational meeting documents, expert opinions, or other materials supporting their  
159.9 positions on issues raised by the proposed proceeding. The secretary of the sanitary district,  
159.10 if one exists, or a person appointed by the chair must record minutes of the proceedings of  
159.11 the informational meeting and must make an audio recording of the informational meeting.  
159.12 The sanitary district, if one exists, or a person appointed by the chair must provide the  
159.13 chief administrative law judge and the represented local governments with a copy of the  
159.14 printed minutes and must provide the chief administrative law judge and the represented  
159.15 local governments with a copy of the audio recording. The record of the informational  
159.16 meeting for a proceeding under section 442A.04, 442A.05, 442A.06, or 442A.07 is  
159.17 admissible in any proceeding under this chapter and shall be taken into consideration by  
159.18 the chief administrative law judge or the chief administrative law judge's designee.

159.19 Sec. 11. **[442A.09] ANNEXATION BY ORDER OF POLLUTION CONTROL**  
159.20 **AGENCY.**

159.21 Subdivision 1. **Annexation by ordinance alternative.** If a determination or order  
159.22 by the Minnesota Pollution Control Agency under section 115.49 or other similar statute is  
159.23 made that cooperation by contract is necessary and feasible between a sanitary district and  
159.24 an unincorporated area located outside the existing corporate limits of the sanitary district,  
159.25 the sanitary district required to provide or extend through a contract a governmental  
159.26 service to an unincorporated area, during the statutory 90-day period provided in section  
159.27 115.49 to formulate a contract, may in the alternative to formulating a service contract to  
159.28 provide or extend the service, declare the unincorporated area described in the Minnesota  
159.29 Pollution Control Agency's determination letter or order annexed to the sanitary district by  
159.30 adopting an ordinance and submitting it to the chief administrative law judge.

159.31 Subd. 2. **Chief administrative law judge's role.** The chief administrative law  
159.32 judge may review and comment on the ordinance but shall approve the ordinance within  
159.33 30 days of receipt. The ordinance is final and the annexation is effective on the date the  
159.34 chief administrative law judge approves the ordinance.

160.1 Sec. 12. **[442A.10] PETITIONERS TO PAY EXPENSES.**

160.2 Expenses of the preparation and submission of petitions in the proceedings under  
160.3 sections 442A.04 to 442A.09 shall be paid by the petitioners. Notwithstanding section  
160.4 16A.1283, the Office of Administrative Hearings may adopt rules according to section  
160.5 14.386 to establish fees necessary to support the preparation and submission of petitions  
160.6 in proceedings under sections 442A.04 to 442A.09. The fees collected by the Office of  
160.7 Administrative Hearings shall be deposited in the environmental fund.

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

160.9 Sec. 13. **[442A.11] TIME LIMITS FOR ORDERS; APPEALS.**

160.10 Subdivision 1. **Orders; time limit.** All orders in proceedings under this chapter  
160.11 shall be issued within one year from the date of the first hearing thereon, provided that  
160.12 the time may be extended for a fixed additional period upon consent of all parties of  
160.13 record. Failure to so order shall be deemed to be an order denying the matter. An appeal  
160.14 may be taken from such failure to so order in the same manner as an appeal from an  
160.15 order as provided in subdivision 2.

160.16 Subd. 2. **Grounds for appeal.** (a) Any person aggrieved by an order issued under  
160.17 this chapter may appeal to the district court upon the following grounds:

160.18 (1) the order was issued without jurisdiction to act;

160.19 (2) the order exceeded the jurisdiction of the presiding administrative law judge;

160.20 (3) the order was arbitrary, fraudulent, capricious, or oppressive or in unreasonable  
160.21 disregard of the best interests of the territory affected; or

160.22 (4) the order was based upon an erroneous theory of law.

160.23 (b) The appeal must be taken in the district court in the county in which the majority  
160.24 of the area affected is located. The appeal does not stay the effect of the order. All notices  
160.25 and other documents must be served on both the chief administrative law judge and the  
160.26 attorney general's assistant assigned to the chief administrative law judge for purposes  
160.27 of this chapter.

160.28 (c) If the court determines that the action involved is unlawful or unreasonable or is  
160.29 not warranted by the evidence in case an issue of fact is involved, the court may vacate or  
160.30 suspend the action involved, in whole or in part, as the case requires. The matter shall then  
160.31 be remanded for further action in conformity with the decision of the court.

160.32 (d) To render a review of an order effectual, the aggrieved person shall file with the  
160.33 court administrator of the district court of the county in which the majority of the area is  
160.34 located, within 30 days of the order, an application for review together with the grounds  
160.35 upon which the review is sought.

161.1 (e) An appeal lies from the district court as in other civil cases.

161.2 Sec. 14. **[442A.12] CHIEF ADMINISTRATIVE LAW JUDGE MAY APPEAL**  
161.3 **FROM DISTRICT COURT.**

161.4 An appeal may be taken under the Rules of Civil Appellate Procedure by the chief  
161.5 administrative law judge from a final order or judgment made or rendered by the district  
161.6 court when the chief administrative law judge determines that the final order or judgment  
161.7 adversely affects the public interest.

161.8 Sec. 15. **[442A.13] UNIFORM PROCEDURES.**

161.9 Subdivision 1. **Hearings.** (a) Proceedings initiated by the submission of an initiating  
161.10 document or by the chief administrative law judge shall come on for hearing within 30 to  
161.11 60 days from receipt of the document by the chief administrative law judge or from the  
161.12 date of the chief administrative law judge's action and the person conducting the hearing  
161.13 must submit an order no later than one year from the date of the first hearing.

161.14 (b) The place of the hearing shall be in the county where a majority of the affected  
161.15 territory is situated, and shall be established for the convenience of the parties.

161.16 (c) The chief administrative law judge shall mail notice of the hearing to the  
161.17 following parties: the sanitary district; any township or municipality presently governing  
161.18 the affected territory; any township or municipality abutting the affected territory;  
161.19 the county where the affected territory is situated; and each planning agency that has  
161.20 jurisdiction over the affected area.

161.21 (d) The chief administrative law judge shall see that notice of the hearing is published  
161.22 for two successive weeks in a legal newspaper of general circulation in the affected area.

161.23 (e) When the chief administrative law judge exercises authority to change the  
161.24 boundaries of the affected area so as to increase the quantity of land, the hearing shall  
161.25 be recessed and reconvened upon two weeks' published notice in a legal newspaper of  
161.26 general circulation in the affected area.

161.27 Subd. 2. **Transmittal of order.** The chief administrative law judge shall see that  
161.28 copies of the order are mailed to all parties entitled to mailed notice of hearing under  
161.29 subdivision 1, individual property owners if initiated in that manner, and any other party  
161.30 of record.

161.31 Sec. 16. **[442A.14] DISTRICT BOARD OF MANAGERS.**

161.32 Subdivision 1. **Composition.** The governing body of each district shall be a board  
161.33 of managers of five members, who shall be voters residing in the district and who may

162.1 but need not be officers, members of governing bodies, or employees of the related  
162.2 governmental subdivisions, except that when there are more than five territorial units in  
162.3 a district, there must be one board member for each unit.

162.4 Subd. 2. **Terms.** The terms of the first board members elected after creation of a  
162.5 district shall be so arranged and determined by the electing body as to expire on the first  
162.6 business day in January as follows:

162.7 (1) the terms of two members in the second calendar year after the year in which  
162.8 they were elected;

162.9 (2) the terms of two other members in the third calendar year after the year in which  
162.10 they were elected; and

162.11 (3) the term of the remaining member in the fourth calendar year after the year in  
162.12 which the member was elected. In case a board has more than five members, the additional  
162.13 members shall be assigned to the groups under clauses (1) to (3) to equalize the groups as  
162.14 far as practicable. Thereafter, board members shall be elected successively for regular  
162.15 terms beginning upon expiration of the preceding terms and expiring on the first business  
162.16 day in January of the third calendar year thereafter. Each board member serves until  
162.17 a successor is elected and has qualified.

162.18 Subd. 3. **Election of board.** In a district having only one territorial unit, all the  
162.19 members of the board shall be elected by the related governing body. In a district having  
162.20 more than one territorial unit, the members of the board shall be elected by the members  
162.21 of the related governing bodies in joint session except as otherwise provided. The electing  
162.22 bodies concerned shall meet and elect the first board members of a new district as soon  
162.23 as practicable after creation of the district and shall meet and elect board members for  
162.24 succeeding regular terms as soon as practicable after November 1 next preceding the  
162.25 beginning of the terms to be filled, respectively.

162.26 Subd. 4. **Central related governing body.** Upon the creation of a district  
162.27 having more than one territorial unit, the chief administrative law judge, on the basis of  
162.28 convenience for joint meeting purposes, shall designate one of the related governing  
162.29 bodies as the central related governing body in the order creating the district or in a  
162.30 subsequent special order, of which the chief administrative law judge shall notify the  
162.31 clerks or recorders of all the related governing bodies. Upon receipt of the notification,  
162.32 the clerk or recorder of the central related governing body shall immediately transmit the  
162.33 notification to the presiding officer of the body. The officer shall thereupon call a joint  
162.34 meeting of the members of all the related governing bodies to elect board members, to  
162.35 be held at such time as the officer shall fix at the regular meeting place of the officer's  
162.36 governing body or at such other place in the district as the officer shall determine. The

163.1 clerk or recorder of the body must give at least ten days' notice of the meeting by mail to  
163.2 the clerks or recorders of all the other related governing bodies, who shall immediately  
163.3 transmit the notice to all the members of the related governing bodies, respectively.  
163.4 Subsequent joint meetings to elect board members for regular terms must be called and  
163.5 held in like manner. The presiding officer and the clerk or recorder of the central related  
163.6 governing body shall act respectively as chair and secretary of the joint electing body at  
163.7 any meeting thereof, but in case of the absence or disability of either of them, the body  
163.8 may elect a temporary substitute. A majority of the members of each related governing  
163.9 body is required for a quorum at any meeting of the joint electing body.

163.10 Subd. 5. **Nominations.** Nominations for board members may be made by petitions,  
163.11 each signed by ten or more voters residing and owning land in the district, filed with the  
163.12 clerk, recorder, or secretary of the electing body before the election meeting. No person  
163.13 shall sign more than one petition. The electing body shall give due consideration to all  
163.14 nominations but is not limited thereto.

163.15 Subd. 6. **Election; single governing body.** In the case of an electing body  
163.16 consisting of a single related governing body, a majority vote of all members is required  
163.17 for an election. In the case of a joint electing body, a majority vote of members present is  
163.18 required for an election. In case of lack of a quorum or failure to elect, a meeting of an  
163.19 electing body may be adjourned to a stated time and place without further notice.

163.20 Subd. 7. **Election; multiple governing bodies.** In any district having more than  
163.21 one territorial unit, the related governing bodies, instead of meeting in joint session, may  
163.22 elect a board member by resolutions adopted by all of them separately, concurring in the  
163.23 election of the same person. A majority vote of all members of each related governing  
163.24 body is required for the adoption of any such resolution. The clerks or recorders of the  
163.25 other related governing bodies shall transmit certified copies of the resolutions to the clerk  
163.26 or recorder of the central related governing body. Upon receipt of concurring resolutions  
163.27 from all the related governing bodies, the presiding officer and clerk or recorder of the  
163.28 central related governing body shall certify the results and furnish certificates of election  
163.29 as provided for a joint meeting.

163.30 Subd. 8. **Vacancies.** Any vacancy in the membership of a board must be filled for  
163.31 the unexpired term in like manner as provided for the regular election of board members.

163.32 Subd. 9. **Certification of election; temporary chair.** The presiding and recording  
163.33 officers of the electing body shall certify the results of each election to the county auditor  
163.34 of each county wherein any part of the district is situated and to the clerk or recorder of  
163.35 each related governing body and shall make and transmit to each board member elected  
163.36 a certificate of the board member's election. Upon electing the first board members of a

164.1 district, the presiding officer of the electing body shall designate a member to serve as  
164.2 temporary chair for purposes of initial organization of the board, and the recording  
164.3 officer of the body shall include written notice thereof to all the board members with  
164.4 their certificates of election.

164.5 Sec. 17. **[442A.15] BOARD ORGANIZATION AND PROCEDURES.**

164.6 Subdivision 1. **Initial, annual meetings.** As soon as practicable after the election  
164.7 of the first board members of a district, the board shall meet at the call of the temporary  
164.8 chair to elect officers and take other appropriate action for organization and administration  
164.9 of the district. Each board shall hold a regular annual meeting at the call of the chair or  
164.10 otherwise as the board prescribes on or as soon as practicable after the first business day in  
164.11 January of each year and such other regular and special meetings as the board prescribes.

164.12 Subd. 2. **Officers.** The officers of each district shall be a chair and a vice-chair,  
164.13 who shall be members of the board, and a secretary and a treasurer, who may but need  
164.14 not be members of the board. The board of a new district at its initial meeting or as soon  
164.15 thereafter as practicable shall elect the officers to serve until the first business day in  
164.16 January next following. Thereafter, the board shall elect the officers at each regular annual  
164.17 meeting for terms expiring on the first business day in January next following. Each  
164.18 officer serves until a successor is elected and has qualified.

164.19 Subd. 3. **Meeting place; offices.** The board at its initial meeting or as soon  
164.20 thereafter as practicable shall provide for suitable places for board meetings and for offices  
164.21 of the district officers and may change the same thereafter as the board deems advisable.  
164.22 The meeting place and offices may be the same as those of any related governing body,  
164.23 with the approval of the body. The secretary of the board shall notify the secretary of state,  
164.24 the county auditor of each county wherein any part of the district is situated, and the clerk  
164.25 or recorder of each related governing body of the locations and post office addresses of the  
164.26 meeting place and offices and any changes therein.

164.27 Subd. 4. **Budget.** At any time before the proceeds of the first tax levy in a district  
164.28 become available, the district board may prepare a budget comprising an estimate of the  
164.29 expenses of organizing and administering the district until the proceeds are available, with  
164.30 a proposal for apportionment of the estimated amount among the related governmental  
164.31 subdivisions, and may request the governing bodies thereof to advance funds according to  
164.32 the proposal. The governing bodies may authorize advancement of the requested amounts,  
164.33 or such part thereof as they respectively deem proper, from any funds available in their  
164.34 respective treasuries. The board shall include in its first tax levy after receipt of any such

165.1 advancements a sufficient sum to cover the same and shall cause the same to be repaid,  
165.2 without interest, from the proceeds of taxes as soon as received.

165.3 Sec. 18. **[442A.16] DISTRICT STATUS AND POWERS.**

165.4 Subdivision 1. **Status.** Every district shall be a public corporation and a governmental  
165.5 subdivision of the state and shall be deemed to be a municipality or municipal corporation  
165.6 for the purpose of obtaining federal or state grants or loans or otherwise complying with  
165.7 any provision of federal or state law or for any other purpose relating to the powers and  
165.8 purposes of the district for which such status is now or hereafter required by law.

165.9 Subd. 2. **Powers and purpose.** Every district shall have the powers and purposes  
165.10 prescribed by this chapter and such others as may now or hereafter be prescribed by law.  
165.11 No express grant of power or enumeration of powers herein shall be deemed to limit the  
165.12 generality or scope of any grant of power.

165.13 Subd. 3. **Scope of powers and duties.** Except as otherwise provided, a power or  
165.14 duty vested in or imposed upon a district or any of its officers, agents, or employees shall  
165.15 not be deemed exclusive and shall not supersede or abridge any power or duty vested in or  
165.16 imposed upon any other agency of the state or any governmental subdivision thereof, but  
165.17 shall be supplementary thereto.

165.18 Subd. 4. **Exercise of power.** All the powers of a district shall be exercised by its  
165.19 board of managers except so far as approval of any action by popular vote or by any other  
165.20 authority may be expressly required by law.

165.21 Subd. 5. **Lawsuits; contracts.** A district may sue and be sued and may enter into  
165.22 any contract necessary or proper for the exercise of its powers or the accomplishment  
165.23 of its purposes.

165.24 Subd. 6. **Property acquisition.** A district may acquire by purchase, gift, or  
165.25 condemnation or may lease or rent any real or personal property within or without the  
165.26 district that may be necessary for the exercise of district powers or the accomplishment of  
165.27 district purposes, may hold the property for such purposes, and may lease, rent out, sell, or  
165.28 otherwise dispose of any property not needed for such purposes.

165.29 Subd. 7. **Acceptance of money or property.** A district may accept gifts, grants,  
165.30 or loans of money or other property from the United States, the state, or any person,  
165.31 corporation, or other entity for district purposes; may enter into any agreement required in  
165.32 connection therewith; and may hold, use, and dispose of the money or property according  
165.33 to the terms of the gift, grant, loan, or agreement relating thereto.

165.34 Sec. 19. **[442A.17] SPECIFIC PURPOSES AND POWERS.**

166.1 Subdivision 1. **Pollution prevention.** A district may construct, install, improve,  
166.2 maintain, and operate any system, works, or facilities within or without the district  
166.3 required to control and prevent pollution of any waters of the state within its territory.

166.4 Subd. 2. **Sewage disposal.** A district may construct, install, improve, maintain,  
166.5 and operate any system, works, or facilities within or without the district required to  
166.6 provide for, regulate, and control the disposal of sewage, industrial waste, and other waste  
166.7 originating within its territory. The district may require any person upon whose premises  
166.8 there is any source of sewage, industrial waste, or other waste within the district to  
166.9 connect the premises with the disposal system, works, or facilities of the district whenever  
166.10 reasonable opportunity therefor is provided.

166.11 Subd. 3. **Garbage, refuse disposal.** A district may construct, install, improve,  
166.12 maintain, and operate any system, works, or facilities within or without the district required  
166.13 to provide for, regulate, and control the disposal of garbage or refuse originating within the  
166.14 district. The district may require any person upon whose premises any garbage or refuse is  
166.15 produced or accumulated to dispose of the garbage or refuse through the system, works, or  
166.16 facilities of the district whenever reasonable opportunity therefor is provided.

166.17 Subd. 4. **Water supply.** A district may procure supplies of water necessary for any  
166.18 purpose under subdivisions 1 to 3 and may construct, install, improve, maintain, and  
166.19 operate any system, works, or facilities required therefor within or without the district.

166.20 Subd. 5. **Roads.** (a) To maintain the integrity of and facilitate access to district  
166.21 systems, works, or facilities, the district may maintain and repair a road by agreement with  
166.22 the entity that was responsible for the performance of maintenance and repair immediately  
166.23 prior to the agreement. Maintenance and repair includes but is not limited to providing  
166.24 lighting, snow removal, and grass mowing.

166.25 (b) A district shall establish a taxing subdistrict of benefited property and shall levy  
166.26 special taxes, pursuant to section 442A.24, subdivision 2, for the purposes of paying the  
166.27 cost of improvement or maintenance of a road under paragraph (a).

166.28 (c) For purposes of this subdivision, a district shall not be construed as a road  
166.29 authority under chapter 160.

166.30 (d) The district and its officers and employees are exempt from liability for any tort  
166.31 claim for injury to person or property arising from travel on a road maintained by the  
166.32 district and related to the road's maintenance or condition.

166.33 **Sec. 20. [442A.18] DISTRICT PROJECTS AND FACILITIES.**

166.34 Subdivision 1. **Public property.** For the purpose of constructing, improving,  
166.35 maintaining, or operating any system, works, or facilities designed or used for any purpose

167.1 under section 442A.17, a district, its officers, agents, employees, and contractors may enter,  
167.2 occupy, excavate, and otherwise operate in, upon, under, through, or along any public  
167.3 highway, including a state trunk highway, or any street, park, or other public grounds so  
167.4 far as necessary for such work, with the approval of the governing body or other authority  
167.5 in charge of the public property affected and on such terms as may be agreed upon with the  
167.6 governing body or authority respecting interference with public use, restoration of previous  
167.7 conditions, compensation for damages, and other pertinent matters. If an agreement cannot  
167.8 be reached after reasonable opportunity therefor, the district may acquire the necessary  
167.9 rights, easements, or other interests in the public property by condemnation, subject to all  
167.10 applicable provisions of law as in case of taking private property, upon condition that the  
167.11 court shall determine that there is paramount public necessity for the acquisition.

167.12 Subd. 2. **Use of other systems.** A district may, upon such terms as may be  
167.13 agreed upon with the respective governing bodies or authorities concerned, provide for  
167.14 connecting with or using; lease; or acquire and take over any system, works, or facilities  
167.15 for any purpose under section 442A.17 belonging to any other governmental subdivision  
167.16 or other public agency.

167.17 Subd. 3. **Use by other governmental bodies.** A district may, upon such terms  
167.18 as may be agreed upon with the respective governing bodies or authorities concerned,  
167.19 authorize the use by any other governmental subdivision or other public agency of any  
167.20 system, works, or facilities of the district constructed for any purpose under section  
167.21 442A.17 so far as the capacity thereof is sufficient beyond the needs of the district. A  
167.22 district may extend any such system, works, or facilities and permit the use thereof by  
167.23 persons outside the district, so far as the capacity thereof is sufficient beyond the needs of  
167.24 the district, upon such terms as the board may prescribe.

167.25 Subd. 4. **Joint projects.** A district may be a party to a joint cooperative project,  
167.26 undertaking, or enterprise with one or more other governmental subdivisions or other  
167.27 public agencies for any purpose under section 442A.17 upon such terms as may be  
167.28 agreed upon between the governing bodies or authorities concerned. Without limiting the  
167.29 effect of the foregoing provision or any other provision of this chapter, a district, with  
167.30 respect to any of said purposes, may act under and be subject to section 471.59, or any  
167.31 other appropriate law providing for joint or cooperative action between governmental  
167.32 subdivisions or other public agencies.

167.33 **Sec. 21. [442A.19] CONTROL OF SANITARY FACILITIES.**

167.34 A district may regulate and control the construction, maintenance, and use of privies,  
167.35 cesspools, septic tanks, toilets, and other facilities and devices for the reception or disposal

168.1 of human or animal excreta or other domestic wastes within its territory so far as necessary  
168.2 to prevent nuisances or pollution or to protect the public health, safety, and welfare  
168.3 and may prohibit the use of any such facilities or devices not connected with a district  
168.4 disposal system, works, or facilities whenever reasonable opportunity for such connection  
168.5 is provided; provided, that the authority of a district under this section does not extend  
168.6 or apply to the construction, maintenance, operation, or use by any person other than the  
168.7 district of any disposal system or part thereof within the district under and in accordance  
168.8 with a valid and existing permit issued by the Minnesota Pollution Control Agency.

168.9 Sec. 22. **[442A.20] DISTRICT PROGRAMS, SURVEYS, AND STUDIES.**

168.10 A district may develop general programs and particular projects within the scope of  
168.11 its powers and purposes and may make all surveys, studies, and investigations necessary  
168.12 for the programs and projects.

168.13 Sec. 23. **[442A.21] GENERAL AND MUNICIPALITY POWERS.**

168.14 A district may do and perform all other acts and things necessary or proper for the  
168.15 effectuation of its powers and the accomplishment of its purposes. Without limiting the  
168.16 effect of the foregoing provision or any other provision of this chapter, a district, with  
168.17 respect to each and all of said powers and purposes, shall have like powers as are vested  
168.18 in municipalities with respect to any similar purposes. The exercise of such powers by a  
168.19 district and all matters pertaining thereto are governed by the law relating to the exercise  
168.20 of similar powers by municipalities and matters pertaining thereto, so far as applicable,  
168.21 with like force and effect, except as otherwise provided.

168.22 Sec. 24. **[442A.22] ADVISORY COMMITTEE.**

168.23 A district board of managers may appoint an advisory committee with membership  
168.24 and duties as the board prescribes.

168.25 Sec. 25. **[442A.23] BOARD POWERS.**

168.26 Subdivision 1. **Generally.** The board of managers of every district shall have charge  
168.27 and control of all the funds, property, and affairs of the district. With respect thereto, the  
168.28 board has the same powers and duties as are provided by law for a municipality with respect  
168.29 to similar municipal matters, except as otherwise provided. Except as otherwise provided,  
168.30 the chair, vice-chair, secretary, and treasurer of the district have the same powers and duties,  
168.31 respectively, as the mayor, acting mayor, clerk, and treasurer of a municipality. Except as  
168.32 otherwise provided, the exercise of the powers and the performance of the duties of the

169.1 board and officers of the district and all other activities, transactions, and procedures of the  
169.2 district or any of its officers, agents, or employees, respectively, are governed by the law  
169.3 relating to similar matters in a municipality, so far as applicable, with like force and effect.

169.4 Subd. 2. **Regulation of district.** The board may enact ordinances, prescribe  
169.5 regulations, adopt resolutions, and take other appropriate action relating to any matter  
169.6 within the powers and purposes of the district and may do and perform all other acts and  
169.7 things necessary or proper for the effectuation of said powers and the accomplishment  
169.8 of said purposes. The board may provide that violation of a district ordinance is a penal  
169.9 offense and may prescribe penalties for violations, not exceeding those prescribed by  
169.10 law for violation of municipal ordinances.

169.11 Subd. 3. **Arrest; prosecution.** (a) Violations of district ordinances may be  
169.12 prosecuted before any court having jurisdiction of misdemeanors. Any peace officer may  
169.13 make arrests for violations committed anywhere within the district in the same manner as  
169.14 for violations of city ordinances or for statutory misdemeanors.

169.15 (b) All fines collected shall be deposited in the treasury of the district.

169.16 Sec. 26. **[442A.24] TAX LEVIES, ASSESSMENTS, AND SERVICE CHARGES.**

169.17 Subdivision 1. **Tax levies.** The board may levy taxes for any district purpose on all  
169.18 property taxable within the district.

169.19 Subd. 2. **Particular area.** In the case where a particular area within the district,  
169.20 but not the entire district, is benefited by a system, works, or facilities of the district,  
169.21 the board, after holding a public hearing as provided by law for levying assessments on  
169.22 benefited property, shall by ordinance establish such area as a taxing subdistrict, to be  
169.23 designated by number, and shall levy special taxes on all the taxable property therein, to be  
169.24 accounted for separately and used only for the purpose of paying the cost of construction,  
169.25 improvement, acquisition, maintenance, or operation of such system, works, or facilities,  
169.26 or paying the principal and interest on bonds issued to provide funds therefor and expenses  
169.27 incident thereto. The hearing may be held jointly with a hearing for the purpose of levying  
169.28 assessments on benefited property within the proposed taxing subdistrict.

169.29 Subd. 3. **Benefited property.** The board shall levy assessments on benefited property  
169.30 to provide funds for payment of the cost of construction, improvement, or acquisition of  
169.31 any system, works, or facilities designed or used for any district purpose or for payment of  
169.32 the principal of and interest on any bonds issued therefor and expenses incident thereto.

169.33 Subd. 4. **Service charges.** The board shall prescribe service, use, or rental charges  
169.34 for persons or premises connecting with or making use of any system, works, or facilities  
169.35 of the district; prescribe the method of payment and collection of the charges; and provide

170.1 for the collection thereof for the district by any related governmental subdivision or  
170.2 other public agency on such terms as may be agreed upon with the governing body or  
170.3 other authority thereof.

170.4 Sec. 27. **[442A.25] BORROWING POWERS; BONDS.**

170.5 Subdivision 1. **Borrowing power.** The board may authorize the borrowing of  
170.6 money for any district purpose and provide for the repayment thereof, subject to chapter  
170.7 475. The taxes initially levied by any district according to section 475.61 for the payment  
170.8 of district bonds, upon property within each municipality included in the district, shall be  
170.9 included in computing the levy of the municipality.

170.10 Subd. 2. **Bond issuance.** The board may authorize the issuance of bonds or  
170.11 obligations of the district to provide funds for the construction, improvement, or  
170.12 acquisition of any system, works, or facilities for any district purpose or for refunding  
170.13 any prior bonds or obligations issued for any such purpose and may pledge the full faith  
170.14 and credit of the district; the proceeds of tax levies or assessments; service, use, or  
170.15 rental charges; or any combination thereof to the payment of such bonds or obligations  
170.16 and interest thereon or expenses incident thereto. An election or vote of the people of  
170.17 the district is required to authorize the issuance of any bonds or obligations. Except as  
170.18 otherwise provided in this chapter, the forms and procedures for issuing and selling bonds  
170.19 and provisions for payment thereof must comply with chapter 475.

170.20 Sec. 28. **[442A.26] FUNDS; DISTRICT TREASURY.**

170.21 The proceeds of all tax levies, assessments, service, use, or rental charges, and  
170.22 other income of the district must be deposited in the district treasury and must be held  
170.23 and disposed of as the board may direct for district purposes, subject to any pledges or  
170.24 dedications made by the board for the use of particular funds for the payment of bonds,  
170.25 interest thereon, or expenses incident thereto or for other specific purposes.

170.26 Sec. 29. **[442A.27] EFFECT OF DISTRICT ORDINANCES AND FACILITIES.**

170.27 In any case where an ordinance is enacted or a regulation adopted by a district  
170.28 board relating to the same subject matter and applicable in the same area as an existing  
170.29 ordinance or regulation of a related governmental subdivision for the district, the district  
170.30 ordinance or regulation, to the extent of its application, supersedes the ordinance or  
170.31 regulation of the related governmental subdivision. In any case where an area within a  
170.32 district is served for any district purpose by a system, works, or facilities of the district,  
170.33 no system, works, or facilities shall be constructed, maintained, or operated for the same

171.1 purpose in the same area by any related governmental subdivision or other public agency  
171.2 except as approved by the district board.

171.3 Sec. 30. **[442A.28] APPLICATION.**

171.4 This chapter does not abridge or supersede any authority of the Minnesota Pollution  
171.5 Control Agency or the commissioner of health, but is subject and supplementary thereto.  
171.6 Districts and members of district boards are subject to the authority of the Minnesota  
171.7 Pollution Control Agency and have no power or authority to abate or control pollution that  
171.8 is permitted by and in accord with any classification of waters, standards of water quality,  
171.9 or permit established, fixed, or issued by the Minnesota Pollution Control Agency.

171.10 Sec. 31. **[442A.29] CHIEF ADMINISTRATIVE LAW JUDGE'S POWERS.**

171.11 Subdivision 1. **Alternative dispute resolution.** (a) Notwithstanding sections  
171.12 442A.01 to 442A.28, before assigning a matter to an administrative law judge for hearing,  
171.13 the chief administrative law judge, upon consultation with affected parties and considering  
171.14 the procedures and principles established in sections 442A.01 to 442A.28, may require  
171.15 that disputes over proposed sanitary district creations, attachments, detachments, or  
171.16 dissolutions be addressed in whole or in part by means of alternative dispute resolution  
171.17 processes in place of, or in connection with, hearings that would otherwise be required  
171.18 under sections 442A.01 to 442A.28, including those provided in chapter 14.

171.19 (b) In all proceedings, the chief administrative law judge has the authority and  
171.20 responsibility to conduct hearings and issue final orders related to the hearings under  
171.21 sections 442A.01 to 442A.28.

171.22 Subd. 2. **Cost of proceedings.** (a) The parties to any matter directed to alternative  
171.23 dispute resolution under subdivision 1 must pay the costs of the alternative dispute  
171.24 resolution process or hearing in the proportions that the parties agree to.

171.25 (b) Notwithstanding section 14.53 or other law, the Office of Administrative  
171.26 Hearings is not liable for the costs.

171.27 (c) If the parties do not agree to a division of the costs before the commencement of  
171.28 mediation, arbitration, or hearing, the costs must be allocated on an equitable basis by  
171.29 the mediator, arbitrator, or chief administrative law judge.

171.30 (d) The chief administrative law judge may contract with the parties to a matter for  
171.31 the purpose of providing administrative law judges and reporters for an administrative  
171.32 proceeding or alternative dispute resolution.

171.33 (e) The chief administrative law judge shall assess the cost of services rendered by  
171.34 the Office of Administrative Hearings as provided by section 14.53.

172.1 Subd. 3. **Parties.** In this section, "party" means:

172.2 (1) a property owner, group of property owners, sanitary district, municipality, or  
172.3 township that files an initiating document or timely objection under this chapter;

172.4 (2) the sanitary district, municipality, or township within which the subject area  
172.5 is located;

172.6 (3) a municipality abutting the subject area; and

172.7 (4) any other person, group of persons, or governmental agency residing in, owning  
172.8 property in, or exercising jurisdiction over the subject area that submits a timely request  
172.9 and is determined by the presiding administrative law judge to have a direct legal interest  
172.10 that will be affected by the outcome of the proceeding.

172.11 Subd. 4. **Effectuation of agreements.** Matters resolved or agreed to by the parties  
172.12 as a result of an alternative dispute resolution process, or otherwise, may be incorporated  
172.13 into one or more stipulations for purposes of further proceedings according to the  
172.14 applicable procedures and statutory criteria of this chapter.

172.15 Subd. 5. **Limitations on authority.** Nothing in this section shall be construed to  
172.16 permit a sanitary district, municipality, town, or other political subdivision to take, or  
172.17 agree to take, an action that is not otherwise authorized by this chapter.

172.18 Sec. 32. **REPEALER.**

172.19 Minnesota Statutes 2012, sections 115.18, subdivisions 1, 3, 4, 5, 6, 7, 8, 9, and 10;  
172.20 115.19; 115.20; 115.21; 115.22; 115.23; 115.24; 115.25; 115.26; 115.27; 115.28; 115.29;  
172.21 115.30; 115.31; 115.32; 115.33; 115.34; 115.35; 115.36; and 115.37, are repealed.

172.22 Sec. 33. **EFFECTIVE DATE.**

172.23 Unless otherwise provided in this article, sections 1 to 32 are effective August 1, 2013.

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Article locations in H0976-4

ARTICLE 1	AGRICULTURE APPROPRIATIONS .....	Page.Ln 2.26
ARTICLE 2	AGRICULTURE POLICY .....	Page.Ln 13.9
	ENVIRONMENT AND NATURAL RESOURCES	
ARTICLE 3	AGRICULTURE APPROPRIATIONS .....	Page.Ln 45.3
	ENVIRONMENT AND NATURAL RESOURCES STATUTORY	
ARTICLE 4	CHANGES .....	Page.Ln 71.17
ARTICLE 5	SANITARY DISTRICTS .....	Page.Ln 134.1

**18.91 ADVISORY COMMITTEE; MEMBERSHIP.**

Subd. 3. **Additional duties.** The committee shall conduct evaluations of terrestrial plant species to recommend if they need to be designated as noxious weeds and into which noxious weed classification they should be designated, advise the commissioner on the implementation of the Minnesota Noxious Weed Law, and assist the commissioner in the development of management criteria for each noxious weed category.

Subd. 5. **Expiration.** Notwithstanding section 15.059, subdivision 5, the committee expires June 30, 2013.

**18B.07 PESTICIDE USE, APPLICATION, AND EQUIPMENT CLEANING.**

Subd. 6. **Use of public waters for filling equipment.** (a) A person may not fill pesticide application equipment directly from public or other waters of the state, as defined in section 103G.005, subdivision 15, unless the equipment contains proper and functioning anti-backsiphoning mechanisms. The person may not introduce pesticides into the application equipment until after filling the equipment from the public waters.

(b) This subdivision does not apply to permitted applications of aquatic pesticides to public waters.

**90.163 PERFORMANCE DEPOSIT OPTION.**

In lieu of the bond or cash deposit equal to the value of all timber covered by the permit as required by section 90.161 or 90.173, a purchaser of any state timber may pay to the commissioner a performance deposit of ten percent of the appraised value of the permit for the express purpose of entering on the land to clear building sites or logging roads in advance of cutting state timber. No cutting of state timber, except that incidental to the clearing of building sites or logging roads, is allowed until the purchaser has met all of the requirements of section 90.161 or 90.173.

**90.173 PURCHASER'S OR ASSIGNEE'S CASH DEPOSIT IN LIEU OF BOND.**

(a) In lieu of filing the bond required by section 90.161 or 90.171, as security for the issuance or assignment of a timber permit, the person required to file the bond may deposit with the commissioner cash; a certified check; a cashier's check; a personal check; a postal, bank, or express money order; or an irrevocable bank letter of credit in the same amount as would be required for a bond. All of the conditions of the timber sale bond shall equally apply to the alternatives in lieu of bond. In the event of a default the state may take from the deposit the sum of money to which it is entitled; the remainder, if any, shall be returned to the person making the deposit. When cash is deposited for a bond, it shall be applied to the amount due when a statement is prepared and transmitted to the permit holder pursuant to section 90.181. Any balance due to the state shall be shown on the statement and shall be paid as provided in section 90.181. Any amount of the deposit in excess of the amount determined to be due pursuant to section 90.181 shall be returned to the permit holder when a final statement is transmitted pursuant to that section. All or part of a cash bond may be withheld from application to an amount due on a nonfinal statement if it appears that the total amount due on the permit will exceed the bid price.

(b) If an irrevocable bank letter of credit is provided as security under paragraph (a), at the written request of the permittee the state shall annually allow the amount of the bank letter of credit to be reduced by an amount proportionate to the value of timber that has been harvested and for which the state has received payment under the timber permit. The remaining amount of the bank letter of credit after a reduction under this paragraph must not be less than the value of the timber remaining to be harvested under the timber permit.

(c) If cash; a certified check; a cashier's check; a personal check; or a postal, bank, or express money order is provided as security under paragraph (a) and no cutting of state timber has taken place on the permit, the commissioner may credit the security provided, less any deposit required by sections 90.14 and 90.163, to any other permit to which the permit holder requests in writing that it be credited.

**90.41 STATE APPRAISER AND SCALER; VIOLATIONS, PENALTIES.**

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Subd. 2. **Penalty.** Every person who shall cut timber on state lands and fail to mark the same, as provided by law, and the permit under which the same was cut, shall be guilty of a gross misdemeanor.

**103G.265 WATER SUPPLY MANAGEMENT.**

Subd. 2a. **Legislative approval for diversion.** Legislative approval required in subdivision 2, clause (2), shall be based on the following considerations:

- (1) the requested diversion of waters of the state is reasonable;
- (2) the diversion is not contrary to the conservation and use of waters of the state; and
- (3) the diversion is not otherwise detrimental to the public welfare.

**115.18 SANITARY DISTRICTS; DEFINITIONS.**

Subdivision 1. **Applicability.** As used in sections 115.18 to 115.37, the terms defined in this section have the meanings given them except as otherwise provided or indicated by the context.

Subd. 3. **Additional terms.** The terms defined in section 115.01, as now in force or hereafter amended, have the meanings given them therein.

Subd. 4. **Agency.** "Agency" means the Minnesota Pollution Control Agency.

Subd. 5. **Board.** "Board" means the board of managers of a sanitary district.

Subd. 6. **District.** "District" means a sanitary district created under the provisions of sections 115.18 to 115.37.

Subd. 7. **Municipality.** "Municipality" means a city, however organized.

Subd. 8. **Related governmental subdivision or body.** "Related governmental subdivision" means a municipality or organized town wherein there is a territorial unit of a district, or, in the case of an unorganized area, the county. "Related governing body" means the governing body of a related governmental subdivision, and, in the case of an organized town, means the town board.

Subd. 9. **Statutory city.** "Statutory city" means a city organized as provided by chapter 412, under the plan other than optional.

Subd. 10. **Territorial unit.** "Territorial unit" means all that part of the territory of a district situated within a single municipality, a single organized town outside of any municipality, or, in the case of an unorganized area, within a single county.

**115.19 CREATION; PURPOSE; EXCEPTIONS.**

A sanitary district may be created under the provisions of sections 115.18 to 115.37 for any territory embracing an area or a group of two or more adjacent areas, whether contiguous or separate, but not situated entirely within the limits of a single municipality, for the purpose of promoting the public health and welfare by providing an adequate and efficient system and means of collecting, conveying, pumping, treating and disposing of domestic sewage and garbage and industrial wastes within the district, in any case where the agency finds that there is need throughout the territory for the accomplishment of these purposes, that these purposes can be effectively accomplished on an equitable basis by a district if created, and that the creation and maintenance of such a district will be administratively feasible and in furtherance of the public health, safety, and welfare; but subject to the following exceptions:

No district shall be created within 25 miles of the boundary of any city of the first class without the approval of the governing body thereof and the approval of the governing body of each and every municipality in the proposed district by resolution filed with the agency.

**115.20 PROCEEDING TO CREATE DISTRICT.**

Subdivision 1. **Petition required.** (a) A proceeding for the creation of a district may be initiated by a petition to the agency, filed with its secretary, containing the following:

- (1) a request for creation of the proposed district;
- (2) the name proposed for the district, to include the words "sanitary district";
- (3) a description of the territory of the proposed district;
- (4) a statement showing the existence in such territory of the conditions requisite for creation of a district as prescribed in section 115.19;
- (5) a statement of the territorial units represented by and the qualifications of the respective signers;
- (6) the post office address of each signer, given under the signer's signature. A petition may consist of separate writings of like effect, each signed by one or more qualified persons, and all such writings, when filed, shall be considered together as a single petition.

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(b) A public meeting must be held to inform citizens of the proposed creation of the district. At the meeting, information must be provided, including a description of the district's proposed structure, bylaws, territory, ordinances, budget, and charges. Notice of the meeting must be published for two successive weeks in a qualified newspaper published within the territory of the proposed district or, if there is no qualified newspaper published within the territory, in a qualified newspaper of general circulation in the territory, and by posting for two weeks in each territorial unit of the proposed district. A record of the meeting must be submitted to the agency with the petition.

Subd. 2. **Signatures; publication.** Every petition shall be signed as follows:

(1) for each municipality wherein there is a territorial unit of the proposed district, by an authorized officer or officers pursuant to a resolution of the municipal governing body;

(2) for each organized town wherein there is a territorial unit of the proposed district, by an authorized officer or officers pursuant to a resolution of the town board;

(3) for each county wherein there is a territorial unit of the proposed district consisting of an unorganized area, by an authorized officer or officers pursuant to a resolution of the county board, or by at least 20 percent of the voters residing and owning land within the unit.

Each resolution shall be published in the official newspaper of the governing body adopting it and shall become effective 40 days after publication, unless within said period there shall be filed with the governing body a petition signed by qualified electors of a territorial unit of the proposed district, equal in number to five percent of the number of such electors voting at the last preceding election of the governing body, requesting a referendum on the resolution, in which case the resolution may not become effective until approved by a majority of the qualified electors voting at a regular election or special election which the governing body may call. The notice of any election and the ballot to be used shall contain the text of the resolution followed by the question: "Shall the above resolution be approved?"

If any signer is alleged to be a landowner in a territorial unit, a statement as to the signer's landowner status as shown by the county auditor's tax assessment records, certified by the auditor, shall be attached to or endorsed upon the petition.

Subd. 3. **Changes; errors.** At any time before publication of the public notice required in subdivision 4, or before the public hearing, if required under subdivision 4, additional signatures may be added to the petition or amendments of the petition may be made to correct or remedy any error or defect in signature or otherwise except a material error or defect in the description of the territory of the proposed district. No proceeding shall be invalidated on account of any error or defect in the petition unless questioned by an interested party before the reception of evidence begins at the hearing except a material error or defect in the description of the territory of the proposed district. If the qualifications of any signer of a petition are challenged, the agency or its agent shall determine the challenge forthwith on the allegations of the petition, the county auditor's certificate of land ownership, and such other evidence as may be received.

Subd. 4. **State Register; hearing.** (a) Upon receipt of a petition and the record of the public meeting required under subdivision 1, the agency shall publish a notice in the State Register and mail a copy to each property owner in the affected territory at the owner's address as given by the county auditor. The mailed copy must state the date that the notice will appear in the State Register. Copies need not be sent by registered mail. The notice must:

(1) describe the petition for creation of the district;

(2) describe the territory affected by the petition;

(3) allow 30 days for submission of written comments on the petition;

(4) state that a person who objects to the petition may submit a written request for hearing to the agency within 30 days of the publication of the notice in the State Register; and

(5) state that if a timely request for hearing is not received, the agency may make a decision on the petition at a future meeting of the agency.

(b) If 25 or more timely requests for hearing are received, the agency must hold a hearing on the petition in accordance with the contested case provisions of chapter 14.

Subd. 5. **Findings; order.** After the public notice period or the public hearing, if required under subdivision 4, and based on the petition, any public comments received, and, if a hearing was held, the hearing record, the agency shall make findings of fact and conclusions determining whether or not the conditions requisite for the creation of a district exist in the territory described in the petition. If the agency finds that conditions exist, it may make an order creating a district for the territory described in the petition under the name proposed in the petition or such other name, including the words "sanitary district," as the agency deems appropriate.

Subd. 6. **Denial of petition.** If the agency, after the conclusion of the public notice period or the holding of a hearing, if required, determines that the creation of a district in the territory described in the petition is not warranted, it shall make an order denying the petition. The

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secretary of the agency shall give notice of such denial by mail to each signer of the petition. No petition for the creation of a district consisting of the same territory shall be entertained within a year after the date of an order, but this shall not preclude action on a petition for the creation of a district embracing part of the territory with or without other territory.

Subd. 7. **Notice of orders.** Notice of the making of every order of the agency creating a sanitary district, referring to the date of the order and describing the territory of the district, shall be given by the secretary in like manner as for notice of the hearing on the petition for creation of the district.

Subd. 8. **Appeal.** An appeal may be taken from an order of the agency creating or dissolving a district, annexing territory to or detaching territory from a district, or denying a petition for any such action, as now or hereafter provided for appeals from other orders of the agency except that the giving of notice of the order as provided in subdivision 7 shall be deemed notice thereof to all interested parties, and the time for appeal by any party shall be limited to 30 days after completion of the mailing of copies of the order or after expiration of the prescribed period of posting or publication, whichever is latest. The validity of the creation of a district shall not be otherwise questioned.

Subd. 9. **Filing.** Upon expiration of the time for appeal from an order of the agency creating a district, or, in case of an appeal, upon the taking effect of a final judgment of a court of competent jurisdiction sustaining the order, the secretary of the agency shall deliver a certified copy of the order to the secretary of state for filing. Thereupon the creation of the district shall be deemed complete, and it shall be conclusively presumed that all requirements of law relating thereto have been complied with. The secretary of the agency shall also transmit a certified copy of the order for filing to the county auditor of each county and the clerk or recorder of each municipality and organized town wherein any part of the territory of the district is situated and to the secretary of the district board when elected.

### **115.21 ANNEXATION, DETACHMENT, AND DISSOLUTION.**

Subdivision 1. **Annexation.** An area adjacent to an existing district may be annexed thereto upon a petition to the agency stating the grounds therefor as hereinafter provided, signed by an authorized officer or officers of the district pursuant to a resolution of the board, also signed with respect to the area proposed for annexation in like manner as provided for a petition for creation of a district. Except as otherwise provided, a proceeding for annexation shall be governed by the provisions now or hereafter in force relating to proceedings for the creation of districts, so far as applicable. For the purpose of giving the required notices the territory involved shall comprise the area proposed for annexation together with the entire territory of the district. If the agency determines that the requisite conditions exist in the area proposed for annexation together with the territory of the district, it may make an order for annexation accordingly. All taxable property within the annexed area shall be subject to taxation for any existing bonded indebtedness or other indebtedness of the district for the cost of acquisition, construction, or improvement of any disposal system or other works or facilities beneficial to the annexed area to such extent as the agency may determine to be just and equitable, to be specified in the order for annexation. The proper officers shall levy further taxes on such property accordingly.

Subd. 2. **Detachment.** An area within a district may be detached therefrom upon a petition to the agency stating the grounds therefor as hereinafter provided, signed by an authorized officer or officers of the district pursuant to a resolution of the board, also signed with respect to the area proposed for detachment in like manner as provided for a petition for creation of a district. Except as otherwise provided, a proceeding for detachment shall be governed by the provisions now or hereafter in force relating to proceedings for the creation of districts, so far as applicable. For the purpose of giving the required notices the territory involved shall comprise the entire territory of the district. If the agency determines that the requisite conditions for inclusion in a district no longer exist in the area proposed for detachment, it may make an order for detachment accordingly. All taxable property within the detached area shall remain subject to taxation for any existing bonded indebtedness of the district to such extent as it would have been subject thereto if not detached, and shall also remain subject to taxation for any other existing indebtedness of the district incurred for any purpose beneficial to such area to such extent as the agency may determine to be just and equitable, to be specified in the order for detachment. The proper officers shall levy further taxes on such property accordingly.

Subd. 3. **Joint petition.** Different areas may be annexed to and detached from a district in a single proceeding upon a joint petition therefor and upon compliance with the provisions of subdivisions 1 and 2 with respect to the area affected so far as applicable.

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Subd. 4. **Dissolution.** A district may be dissolved upon a petition to the agency stating the grounds for dissolution as hereinafter provided, signed by an authorized officer or officers of the district pursuant to a resolution of the board, and containing a proposal for distribution of the remaining funds of the district, if any, among the related governmental subdivisions. Except as otherwise provided, a proceeding for dissolution shall be governed by the provisions now or hereafter in force relating to proceedings for the creation of districts, so far as applicable. If the commission determines that the conditions requisite for the creation of the district no longer exist therein, that all indebtedness of the district has been paid, and that all property of the district except funds has been disposed of, it may make an order dissolving the district and directing the distribution of its remaining funds, if any, among the related governmental subdivisions on such basis as the agency determines to be just and equitable, to be specified in the order. Certified copies of the order for dissolution shall be transmitted and filed as provided for an order creating a district. The secretary of the agency shall also transmit a certified copy of the order to the treasurer of the district, who shall thereupon distribute the remaining funds of the district as directed by the order, and shall be responsible for such funds until so distributed.

### **115.22 PETITIONERS TO PAY EXPENSES.**

Expenses of the preparation and submission of petitions in proceedings under sections 115.19 to 115.21 shall be paid by the petitioners. Expenses of hearings therein shall be paid out of any available funds appropriated for the agency.

### **115.23 BOARD OF MANAGERS OF DISTRICT.**

Subdivision 1. **Composition.** The governing body of each district shall be a board of managers of five members, who shall be voters residing in the district, and who may but need not be officers, members of governing bodies, or employees of the related governmental subdivisions, except that where there are more than five territorial units in a district there shall be one board member for each unit.

Subd. 2. **Terms.** The terms of the first board members elected after creation of a district shall be so arranged and determined by the electing body as to expire on the first business day in January as follows:

(1) the terms of two members in the second calendar year after the year in which they were elected;

(2) the terms of two other members in the third calendar year after the year in which they were elected;

(3) the term of the remaining member in the fourth calendar year after the year in which the member was elected. In case a board has more than five members the additional members shall be assigned to the groups hereinbefore provided for so as to equalize such groups as far as practicable. Thereafter board members shall be elected successively for regular terms beginning on expiration of the preceding terms and expiring on the first business day in January of the third calendar year thereafter. Each board member shall serve until a successor is elected and has qualified.

Subd. 3. **Election of board.** In a district having only one territorial unit all the members of the board shall be elected by the related governing body. In a district having more than one territorial unit the members of the board shall be elected by the members of the related governing bodies in joint session except as otherwise provided. The electing bodies concerned shall meet and elect the first board members of a new district as soon as practicable after creation of the district, and shall meet and elect board members for succeeding regular terms as soon as practicable after November 1 next preceding the beginning of the terms to be filled, respectively.

Subd. 4. **Central related governing body.** Upon the creation of a district having more than one territorial unit, the agency, on the basis of convenience for joint meeting purposes, shall designate one of the related governing bodies as the central related governing body in the order creating the district or in a subsequent special order, of which the secretary of the agency shall notify the clerks or recorders of all the related governing bodies. Upon receipt of such notification, the clerk or recorder of the central related governing body shall immediately transmit the same to the presiding officer of such body. Such officer shall thereupon call a joint meeting of the members of all the related governing bodies to elect board members, to be held at such time as the officer shall fix at the regular meeting place of the officer's governing body or at such other place in the district as the officer shall determine. At least ten days' notice of the meeting shall be given by mail by the clerk or recorder of such body to the clerks or recorders of all the other related governing bodies, who shall immediately transmit such notice to all the members of such bodies, respectively. Subsequent joint meetings to elect board members for regular terms shall

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be called and held in like manner. The presiding officer and the clerk or recorder of the central related governing body shall act respectively as chair and secretary of the joint electing body at any meeting thereof, but in case of the absence or disability of either of them such body may elect a temporary substitute. A majority of the members of each related governing body shall be required for a quorum at any meeting of the joint electing body.

Subd. 5. **Nominations.** Nominations for board members may be made by petitions, each signed by ten or more voters residing and owning land in the district, filed with the clerk, recorder, or secretary of the electing body before the election meeting. No person shall sign more than one petition. The electing body shall give due consideration to all such nominations but shall not be limited thereto.

Subd. 6. **Election; single governing body.** In the case of an electing body consisting of a single related governing body, a majority vote of all the members shall be required for an election. In the case of a joint electing body, a majority vote of the members present shall be required for an election. In case of lack of a quorum or failure to elect, a meeting of an electing body may be adjourned to a stated time and place without further notice.

Subd. 7. **Election; multiple governing bodies.** In any district having more than one territorial unit, the related governing bodies, instead of meeting in joint session, may elect a board member by resolutions adopted by all of them separately, concurring in the election of the same person. A majority vote of all the members of each related governing body shall be required for the adoption of any such resolution. The clerks or recorders of the other related governing bodies shall transmit certified copies of such resolutions to the clerk or recorder of the central related governing body. Upon receipt of concurring resolutions from all the related governing bodies, the presiding officer and clerk or recorder of the central related governing body shall certify the results and furnish certificates of election as provided for a joint meeting.

Subd. 8. **Vacancies.** Any vacancy in the membership of a board shall be filled for the unexpired term in like manner as provided for the regular election of board members.

Subd. 9. **Certification of election; temporary chair.** The presiding and recording officers of the electing body shall certify the results of each election to the secretary of the agency, to the county auditor of each county wherein any part of the district is situated, and to the clerk or recorder of each related governing body, and shall make and transmit to each board member elected a certificate of the board member's election. Upon electing the first board members of a district, the presiding officer of the electing body shall designate one of them to serve as temporary chair for the purposes of initial organization of the board, and the recording officer of the body shall include written notice thereof to all the board members with their certificates of election.

### 115.24 ORGANIZATION AND PROCEDURE OF BOARD.

Subdivision 1. **Initial, annual meetings.** As soon as practicable after the election of the first board members of a district they shall meet at the call of the temporary chair to elect officers and take other appropriate action for organization and administration of the district. Each board shall hold a regular annual meeting at the call of the chair or otherwise as it shall prescribe on or as soon as practicable after the first business day in January of each year, and such other regular and special meetings as it shall prescribe.

Subd. 2. **Officers.** The officers of each district shall be a chair and a vice-chair, who shall be members of the board, and a secretary and a treasurer, who may but need not be members of the board. The board of a new district at its initial meeting or as soon thereafter as practicable shall elect the officers to serve until the first business day in January next following. Thereafter the board shall elect the officers at each regular annual meeting for terms expiring on the first business day in January next following. Each officer shall serve until a successor is elected and has qualified.

Subd. 3. **Meeting place; offices.** The board at its initial meeting or as soon thereafter as practicable shall provide for suitable places for board meetings and for offices of the district officers, and may change the same thereafter as it deems advisable. Such meeting place and offices may be the same as those of any related governing body, with the approval of such body. The secretary of the board shall notify the secretary of state, the secretary of the agency, the county auditor of each county wherein any part of the district is situated, and the clerk or recorder of each related governing body of the locations and post office addresses of such meeting place and offices and any changes therein.

Subd. 4. **Budget.** At any time before the proceeds of the first tax levy in a district become available, the district board may prepare a budget comprising an estimate of the expenses of organizing and administering the district until such proceeds are available, with a proposal for apportionment of the estimated amount among the related governmental subdivisions, and may

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request the governing bodies thereof to advance funds in accordance with the proposal. Such governing bodies may authorize advancement of the requested amounts, or such part thereof as they respectively deem proper, from any funds available in their respective treasuries. The board shall include in its first tax levy after receipt of any such advancements a sufficient sum to cover the same and shall cause the same to be repaid, without interest, from the proceeds of taxes as soon as received.

### **115.25 STATUS AND POWERS OF DISTRICT.**

Subdivision 1. **Status.** Every district shall be a public corporation and a governmental subdivision of the state, and shall be deemed to be a municipality or municipal corporation for the purpose of obtaining federal or state grants or loans or otherwise complying with any provision of federal or state law or for any other purpose relating to the powers and purposes of the district for which such status is now or hereafter required by law.

Subd. 2. **Powers and purpose.** Every district shall have the powers and purposes prescribed by sections 115.18 to 115.37 and such others as may now or hereafter be prescribed by law. No express grant of power or enumeration of powers herein shall be deemed to limit the generality or scope of any grant of power.

Subd. 3. **Scope of powers and duties.** Except as otherwise provided, a power or duty vested in or imposed upon a district or any of its officers, agents, or employees shall not be deemed exclusive and shall not supersede or abridge any power or duty vested in or imposed upon any other agency of the state or any governmental subdivision thereof, but shall be supplementary thereto.

Subd. 4. **Exercise of power.** All the powers of a district shall be exercised by its board of managers except so far as approval of any action by popular vote or by any other authority may be expressly required by law.

Subd. 5. **Lawsuits; contracts.** A district may sue and be sued and may enter into any contract necessary or proper for the exercise of its powers or the accomplishment of its purposes.

Subd. 6. **Property acquisition.** A district may acquire by purchase, gift, or condemnation or may lease or rent any real or personal property within or without the district which may be necessary for the exercise of its powers or the accomplishment of its purposes, may hold such property for such purposes, and may lease or rent out or sell or otherwise dispose of any such property so far as not needed for such purposes.

Subd. 7. **Acceptance of money or property.** A district may accept gifts, grants, or loans of money or other property from the United States, the state, or any person, corporation, or other entity for district purposes, may enter into any agreement required in connection therewith, and may hold, use, and dispose of such money or property in accordance with the terms of the gift, grant, loan, or agreement relating thereto.

### **115.26 SPECIFIC PURPOSES AND POWERS.**

Subdivision 1. **Pollution prevention.** A district may construct, install, improve, maintain, and operate any system, works, or facilities within or without the district required to control and prevent pollution of any waters of the state within its territory.

Subd. 2. **Sewage disposal.** A district may construct, install, improve, maintain, and operate any system, works, or facilities within or without the district required to provide for, regulate, and control the disposal of sewage, industrial waste and other waste originating within its territory. The district may require any person upon whose premises there is any source of sewage, industrial waste, or other waste within the district to connect the same with the disposal system, works, or facilities of the district whenever reasonable opportunity therefor is provided.

Subd. 3. **Garbage, refuse disposal.** A district may construct, install, improve, maintain, and operate any system, works, or facilities within or without the district required to provide for, regulate, and control the disposal of garbage or refuse originating within the district, and may require any person upon whose premises any garbage or refuse is produced or accumulated to dispose thereof through the system, works, or facilities of the district whenever reasonable opportunity therefor is provided.

Subd. 4. **Water supply.** A district may procure supplies of water so far as necessary for any purpose under subdivisions 1, 2, and 3, and may construct, install, improve, maintain, and operate any system, works, or facilities required therefor within or without the district.

Subd. 5. **Roads.** (a) In order to maintain the integrity of and facilitate access to district systems, works, or facilities, the district may maintain and repair a road by agreement with the entity that was responsible for the performance of maintenance and repair immediately prior to

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the agreement. Maintenance and repair includes, but is not limited to, providing lighting, snow removal, and grass mowing.

(b) A district shall establish a taxing subdistrict of benefited property and shall levy special taxes, pursuant to section 115.33, subdivision 2, for the purposes of paying the cost of improvement or maintenance of a road under paragraph (a).

(c) For purposes of this subdivision, a district shall not be construed as a road authority under chapter 160.

(d) The district and its officers and employees are exempt from liability for any tort claim for injury to person or property arising from travel on a road maintained by the district and related to its maintenance or condition.

#### **115.27 DISTRICT PROJECTS AND FACILITIES.**

Subdivision 1. **Public property.** For the purpose of constructing, improving, maintaining, or operating any system, works, or facilities designed or used for any purpose under section 115.26, a district, its officers, agents, employees, and contractors may enter, occupy, excavate, and otherwise operate it, upon, under, through, or along any public highway, including a state trunk highway, or any street, park, or other public grounds so far as necessary for such work, with the approval of the governing body or other authority in charge of the public property affected and on such terms as may be agreed upon with such governing body or authority respecting interference with public use, restoration of previous conditions, compensation for damages, and other pertinent matters. If such an agreement cannot be reached after reasonable opportunity therefor, the district may acquire the necessary rights, easements, or other interests in such public property by condemnation, subject to all applicable provisions of law as in case of taking private property, upon condition that the court shall determine that there is paramount public necessity for such acquisition.

Subd. 2. **Use of other systems.** A district may, upon such terms as may be agreed upon with the respective governing bodies or authorities concerned, provide for connecting with or using or may lease or acquire and take over any system, works, or facilities for any purpose under section 115.26 belonging to any other governmental subdivision or other public agency.

Subd. 3. **Use by other governmental bodies.** A district may, upon such terms as may be agreed upon with the respective governing bodies or authorities concerned, authorize the use by any other governmental subdivision or other public agency of any system, works, or facilities of the district constructed for any purpose under section 115.26 so far as the capacity thereof is sufficient beyond the needs of the district. A district may extend any such system, works, or facilities and permit the use thereof by persons outside the district, so far as the capacity thereof is sufficient beyond the needs of the district, upon such terms as the board may prescribe.

Subd. 4. **Joint projects.** A district may be a party to a joint cooperative project, undertaking, or enterprise with any one or more other governmental subdivisions or other public agencies for any purpose under section 115.26 upon such terms as may be agreed upon between the governing bodies or authorities concerned. Without limiting the effect of the foregoing provision or any other provisions of sections 115.18 to 115.37, a district, with respect to any of said purposes, may act under and be subject to the provisions of section 471.59, as now in force or hereafter amended, or any other appropriate law now in force or hereafter enacted providing for joint or cooperative action between governmental subdivisions or other public agencies.

#### **115.28 CONTROL OF SANITARY FACILITIES.**

A district may regulate and control the construction, maintenance, and use of privies, cesspools, septic tanks, toilets, and other facilities and devices for the reception or disposal of human or animal excreta or other domestic wastes within its territory so far as necessary to prevent nuisances or pollution or to protect the public health, safety, and welfare, and may prohibit the use of any such facilities or devices not connected with a district disposal system, works, or facilities whenever reasonable opportunity for such connection is provided; provided, that the authority of a district under this section shall not extend or apply to the construction, maintenance, operation, or use by any person other than the district of any disposal system or part thereof within the district under and in accordance with a valid and existing permit heretofore or hereafter issued by the agency.

#### **115.29 DISTRICT PROGRAMS, SURVEYS, AND STUDIES.**

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A district may develop general programs and particular projects within the scope of its powers and purposes, and may make all surveys, studies, and investigations necessary therefor.

#### **115.30 GENERAL AND STATUTORY CITY POWERS.**

A district may do and perform all other acts and things necessary or proper for the effectuation of its powers and the accomplishment of its purposes. Without limiting the effect of the foregoing provision or any other provision of sections 115.18 to 115.37, a district, with respect to each and all of said powers and purposes, shall have like powers as are vested in statutory cities with respect to any similar purposes, and the exercise of such powers by a district and all matters pertaining thereto shall be governed by the provisions of law relating to the exercise of similar powers by statutory cities and matters pertaining thereto, so far as applicable, with like force and effect, except as otherwise provided.

#### **115.31 ADVISORY COMMITTEE.**

The board may appoint an advisory committee with such membership and duties as it may prescribe.

#### **115.32 POWERS OF BOARD.**

Subdivision 1. **Generally.** The board of managers of every district shall have charge and control of all the funds, property, and affairs of the district. With respect thereto, the board shall have like powers and duties as are provided by law for a statutory city council with respect to similar statutory city matters, except as otherwise provided. Except as otherwise provided, the chair, vice-chair, secretary, and treasurer of the district shall have like powers and duties, respectively, as the mayor, acting mayor, clerk, and treasurer of a statutory city. Except as otherwise provided the exercise of the powers and the performance of the duties of the board and officers of the district and all other activities, transactions, and procedures of the district or any of its officers, agents, or employees, respectively, shall be governed by the provisions of law relating to similar matters in a statutory city, so far as applicable, with like force and effect.

Subd. 2. **Regulation of district.** The board may enact ordinances, prescribe regulations, adopt resolutions, and take other appropriate action relating to any matter within the powers and purposes of the district, and may do and perform all other acts and things necessary or proper for the effectuation of said powers and the accomplishment of said purposes. The board may provide that violation of any ordinance shall be a penal offense and may prescribe penalties therefor, not exceeding those prescribed by law for violation of statutory city ordinances.

Subd. 3. **Arrest; prosecution.** Violations of district ordinances may be prosecuted before any court having jurisdiction of misdemeanors. Any peace officer may make arrests for violations committed anywhere within the district in the same manner as for violations of city ordinances or for statutory misdemeanors.

All fines collected shall be deposited in the treasury of the district.

#### **115.33 TAX LEVIES, ASSESSMENTS, AND SERVICE CHARGES.**

Subdivision 1. **Tax levies.** The board may levy taxes for any district purpose on all property taxable within the district, and for a period of five years from June 5, 1971, the same shall not be subject to any limitation and shall be excluded in computing amounts subject to any limitation on tax levies.

Subd. 2. **Particular area.** In the case where a particular area within the district, but not the entire district, is benefited by a system, works, or facilities of the district, the board, after holding a public hearing as provided by law for levying assessments on benefited property, shall by ordinance establish such area as a taxing subdistrict, to be designated by number, and shall levy special taxes on all the taxable property therein, to be accounted for separately and used only for the purpose of paying the cost of construction, improvement, acquisition, maintenance, or operation of such system, works, or facilities, or paying the principal and interest on bonds issued to provide funds therefor and expense incident thereto. Such hearing may be held jointly with a hearing for the purpose of levying assessments on benefited property within the proposed taxing subdistrict.

Subd. 3. **Benefited property.** The board shall levy assessments on benefited property to provide funds for payment of the cost of construction, improvement, or acquisition of any system, works, or facilities designed or used for any district purpose, or for payment of the principal of and interest on any bonds issued therefor and expenses incident thereto.

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Subd. 4. **Service charges.** The board shall prescribe service, use, or rental charges for persons or premises connecting with or making use of any system, works, or facilities of the district, prescribe the method of payment and collection of such charges, and provide for the collection thereof for the district by any related governmental subdivision or other public agency on such terms as may be agreed upon with the governing body or other authority thereof.

### **115.34 BORROWING POWERS; BONDS.**

Subdivision 1. **Borrowing power.** The board may authorize the borrowing of money for any district purpose and provide for the repayment thereof, subject to chapter 475. The taxes initially levied by any district in accordance with section 475.61 for the payment of its bonds, upon property within each municipality included in the district, shall be included in computing the levy of such municipality.

Subd. 2. **Bond issuance.** The board may authorize the issuance of bonds or obligations of the district to provide funds for the construction, improvement, or acquisition of any system, works, or facilities for any district purpose, or for refunding any prior bonds or obligations issued for any such purpose, and may pledge the full faith and credit of the district or the proceeds of tax levies or assessments or service, use, or rental charges, or any combination thereof, to the payment of such bonds or obligations and interest thereon or expenses incident thereto. An election or vote of the people of the district shall be required to authorize the issuance of any such bonds or obligations. Except as otherwise provided in sections 115.18 to 115.37, the forms and procedures for issuing and selling bonds and provisions for payment thereof shall comply with the provisions of chapter 475, as now in force or hereafter amended.

### **115.35 FUNDS; DISTRICT TREASURY.**

The proceeds of all tax levies, assessments, service, use, or rental charges, and other income of the district shall be deposited in the district treasury and shall be held and disposed of as the board may direct for district purposes, subject to any pledges or dedications made by the board for the use of particular funds for the payment of bonds or interest thereon or expenses incident thereto or for other specific purposes.

### **115.36 EFFECT OF DISTRICT ORDINANCES AND FACILITIES.**

In any case where an ordinance is enacted or a regulation adopted by a district board relating to the same subject matter and applicable in the same area as an existing ordinance or regulation of a related governmental subdivision for the district, the district ordinance or regulation, to the extent of its application, shall supersede the ordinance or regulation of the related governmental subdivision. In any case where an area within a district is served for any district purpose by a system, works, or facilities of the district, no system, works, or facilities shall be constructed, maintained, or operated for the same purpose in the same area by any related governmental subdivision or other public agency except as approved by the district board.

### **115.37 APPLICATION.**

The provisions of sections 115.18 to 115.37 shall not abridge or supersede any provision of sections 115.01 to 115.09, or any authority of the Minnesota Pollution Control Agency or the state commissioner of health, but shall be subject and supplementary thereto. Districts and members of district boards shall be subject to the authority of the agency and shall have no power or authority to abate or control pollution which is permitted by and in accord with any classification of waters, standards of water quality, or permit established, fixed, or issued by the agency.

### **239.791 OXYGENATED GASOLINE.**

Subd. 1a. **Minimum ethanol content required.** (a) Except as provided in subdivisions 10 to 14, on August 30, 2015, and thereafter, a person responsible for the product shall ensure that all gasoline sold or offered for sale in Minnesota must contain at least the quantity of ethanol required by clause (1) or (2), whichever is greater:

(1) 20 percent denatured ethanol by volume; or

(2) the maximum percent of denatured ethanol by volume authorized in a waiver granted by the United States Environmental Protection Agency.

(b) For purposes of enforcing the minimum ethanol requirement of paragraph (a), clause (1), a gasoline/ethanol blend will be construed to be in compliance if the ethanol content,

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exclusive of denaturants and other permitted components, comprises not less than 18.4 percent by volume and not more than 20 percent by volume of the blend as determined by an appropriate United States Environmental Protection Agency or American Society of Testing Materials standard method of analysis of alcohol content in motor fuels.

(c) This subdivision expires on December 31, 2014, if by that date:

(1) the commissioner of agriculture certifies and publishes the certification in the State Register that at least 20 percent of the volume of gasoline sold in the state is denatured ethanol; or

(2) federal approval has not been granted under paragraph (a), clause (1). The United States Environmental Protection Agency's failure to act on an application shall not be deemed approval under paragraph (a), clause (1), or a waiver under section 211(f)(4) of the Clean Air Act, United States Code, title 42, section 7545, subsection (f), paragraph (4).

*Laws 2011, First Special Session chapter 2, article 4, section 30*

**Sec. 30. STATE TREE NURSERY PROGRAM RESTRUCTURING; REPORT REQUIRED.**

(a) Beginning July 1, 2011, the commissioner of natural resources shall limit all new plantings at the Badoura State Nursery to the planting of stock for research or use on public lands or private conservation lands with permanent protection. Excess plant material may be sold or traded to private wholesale nurseries.

(b) By January 15, 2012, the commissioner of natural resources shall submit a budget and financial plan for the state nurseries to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over environment and natural resources policy and finance. The plan shall include a long-term business plan to operate the Badoura State Nursery in a manner that is self-sufficient. The plan shall also include options for the General C.C. Andrews State Nursery.