State of Minnesota

HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. 976

02/28/2013 Authored by Wagenius, Atkins and Hansen
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

A bill for an act

relating to state government; appropriating money for environment, natural resources, and commerce; modifying and providing for certain fees; modifying and providing for disposition of certain revenue; creating accounts; modifying mining permit provisions; modifying provisions for taking game and fish; providing for wastewater laboratory certification; modifying certain permanent school fund provisions; providing for product stewardship programs; providing for sanitary districts; requiring rulemaking; amending Minnesota Statutes 2012, sections 13.7411, subdivision 4; 15A.0815, subdivision 3; 60A.14, subdivision 1; 85.052, subdivision 6; 85.054, by adding a subdivision; 85.055, subdivision 2; 89.0385; 89.17; 92.50; 93.17, subdivision 1; 93.1925, subdivision 2; 93.25, subdivision 2; 93.285, subdivision 3; 93.46, by adding a subdivision; 93.481, subdivisions 3, 5, by adding subdivisions; 93.482; 94.342, subdivision 5; 97A.045, subdivision 1; 97A.445, subdivision 1; 97A.451, subdivisions 3, 3b, 4, 5, by adding a subdivision; 97A.475, subdivisions 2, 3; 97A.485, subdivision 6; 103G.615, subdivision 2; 103I.601, by adding a subdivision; 127A.30, subdivision 1; 127A.351; 127A.352; 168.1296, subdivision 1; 239.101, subdivision 3; 275.066; proposing coding for new law in Minnesota Statutes, chapters 93; 115; 115A; proposing coding for new law as Minnesota Statutes, chapter 442A; repealing Minnesota Statutes 2012, sections 97A.451, subdivision 4a; 115.18, subdivisions 1, 3, 4, 5, 6, 7, 8, 9, 10; 115.19; 115.20; 115.21; 115.22; 115.23; 115.24; 115.25; 115.26; 115.27; 115.28; 115.29; 115.30; 115.31; 115.32; 115.33; 115.34; 115.35; 115.36; 115.37; 127A.353.

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

ARTICLE 1

ENVIRONMENT, NATURAL RESOURCES, AND COMMERCE APPROPRIATIONS

Section 1. **SUMMARY OF APPROPRIATIONS.**

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

		2014	2015	Total
General	$	113,487,000	$ 113,487,000	$ 226,974,000
State Government Special Revenue		75,000	75,000	150,000
Environmental		68,680,000	68,825,000	137,505,000
Natural Resources		91,279,000	91,279,000	182,558,000
Game and Fish		91,372,000	91,372,000	182,744,000
Remediation		10,596,000	10,596,000	21,192,000
Permanent School		200,000	200,000	400,000
Petroleum Tank		1,052,000	1,052,000	2,104,000
Workers' Compensation		751,000	751,000	1,502,000
Total	**$**	**377,492,000**	**$ 377,637,000**	**$ 755,129,000**

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

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

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

Sec. 3. **POLLUTION CONTROL AGENCY**

Subdivision 1. **Total Appropriation** **$ 84,360,000 $ 84,505,000**

Appropriations by Fund

	2014	2015
General	5,109,000	5,109,000
State Government Special Revenue	75,000	75,000
Environmental	68,680,000	68,825,000
Remediation	10,496,000	10,496,000

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

Subd. 2. **Water** 24,697,000 24,697,000

Appropriations by Fund

	2014	2015
General	3,737,000	3,737,000
State Government Special Revenue	75,000	75,000
Environmental	20,885,000	20,885,000

$1,378,000 the first year and $1,378,000 the second year are for water program operations.

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

$740,000 the first year and $740,000 the second year are from the environmental fund to address the need for continued increased activity in the areas of new technology review, technical assistance for local governments, and enforcement under Minnesota Statutes, sections 115.55 to 115.58, and to complete the requirements of Laws 2003, chapter 128, article 1, section 165.

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

$664,000 the first year and $664,000 the second year are from the environmental fund for subsurface sewage treatment system (SSTS) program administration and community technical assistance and education, including grants and technical assistance to communities for water quality protection. Of this amount, $80,000 each year is for assistance to counties through grants for SSTS program administration. Any unexpended balance in the first year does not cancel but is available in the second year.

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

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

Subd. 3. **Air** 15,031,000 15,201,000

Appropriations by Fund

	2014	2015
Environmental	15,031,000	15,201,000

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

Up to $150,000 the first year and $150,000 the second year may be transferred from the environmental fund to the small business environmental improvement loan account

established in Minnesota Statutes, section 116.993.

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

$900,000 the first year and $900,000 the second year are from the environmental fund for emission reductions activities and grants to small businesses and other nonpoint emission reduction efforts. Any unexpended balance in the first year does not cancel but is available in the second year.

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

Appropriations by Fund

	2014	2015
Environmental	6,916,000	6,916,000
Remediation	10,496,000	10,496,000

All money for environmental response, compensation, and compliance in the remediation fund not otherwise appropriated is appropriated to the commissioners of the Pollution Control Agency and agriculture for purposes of Minnesota Statutes, section 115B.20, subdivision 2, clauses (1), (2), (3), (6), and (7). At the beginning of each fiscal year, the two commissioners shall jointly submit an annual spending plan to the commissioner of management and budget that maximizes the utilization of resources and appropriately allocates the money between the two departments. This appropriation is available until June 30, 2015.

$3,616,000 the first year and $3,616,000 the second year are from the remediation fund for

purposes of the leaking underground storage tank program to protect the land. These same annual amounts are transferred from the petroleum tank fund to the remediation fund.

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

Subd. 5. **Environmental Assistance and Cross-Media** 26,849,000 26,824,000

Appropriations by Fund

	2014	2015
Environmental	25,848,000	25,823,000
General	1,001,000	1,001,000

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

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

$89,000 the first year and $89,000 the second year are from the environmental fund for duties related to harmful chemicals in products under Minnesota Statutes, sections 116.9401 to 116.9407. Of this amount,

$57,000 each year is transferred to the commissioner of health.

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

$600,000 the first year and $600,000 the second year are from the environmental fund to address environmental health risks. Of this amount, $499,000 the first year and $499,000 the second year are for transfer to the Department of Health.

$312,000 the first year and $312,000 the second year are from the general fund and $188,000 the first year and $188,000 the second year are from the environmental fund for Environmental Quality Board operations and support.

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

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

Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered on or before June 30, 2015, as contracts or grants for surface water and groundwater assessments; environmental assistance awarded under Minnesota Statutes, section

115A.0716; technical and research assistance under Minnesota Statutes, section 115A.152; technical assistance under Minnesota Statutes, section 115A.52; and pollution prevention assistance under Minnesota Statutes, section 115D.04, are available until June 30, 2017.

Subd. 6. **Administrative Support** 371,000 371,000

Sec. 4. **NATURAL RESOURCES**

Subdivision 1. **Total Appropriation** **$ 233,720,000 $ 233,720,000**

Appropriations by Fund

	2014	2015
General	57,089,000	57,089,000
Natural Resources	84,959,000	84,959,000
Game and Fish	91,372,000	91,372,000
Remediation	100,000	100,000
Permanent School	200,000	200,000

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

Subd. 2. **Land and Mineral Resources Management** 5,928,000 5,928,000

Appropriations by Fund

	2014	2015
General	722,000	722,000
Natural Resources	3,555,000	3,555,000
Game and Fish	1,451,000	1,451,000
Permanent School	200,000	200,000

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

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

$2,779,000 the first year and $2,779,000 the second year are from the minerals management account in the natural resources fund for use as provided in Minnesota Statutes, section 93.2236, paragraph (c), for mineral resource management, projects to enhance future mineral income, and projects to promote new mineral resource opportunities.

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

Subd. 3. **Ecological and Water Resources**		25,727,000	25,727,000

	Appropriations by Fund	
	2014	2015
General	11,262,000	11,262,000
Natural Resources	10,402,000	10,402,000
Game and Fish	4,063,000	4,063,000

$2,942,000 the first year and $2,942,000 the second year are from the invasive species account in the natural resources fund and $3,706,000 the first year and $3,706,000 the second year are from the general fund for management, public awareness, assessment and monitoring research, and water access inspection to prevent the spread of invasive species; management of invasive plants in public waters; and management of terrestrial invasive species on state-administered lands. Of this amount, up to $200,000 each year is from the invasive species account in the natural resources fund for liability insurance coverage for Asian carp deterrent barriers.

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

$53,000 the first year and $53,000 the second year are for a grant to the Mississippi Headwaters Board for up to 50 percent of the cost of implementing the comprehensive plan for the upper Mississippi within areas under the board's jurisdiction.

$5,000 the first year and $5,000 the second year are for payment to the Leech Lake Band of Chippewa Indians to implement the band's portion of the comprehensive plan for the upper Mississippi.

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

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

$1,223,000 the first year and $1,223,000 the second year are from the nongame wildlife management account in the natural resources fund for the purpose of nongame wildlife management. Notwithstanding Minnesota Statutes, section 290.431, $100,000 the first year and $100,000 the second year may be used for nongame wildlife information, education, and promotion.

Subd. 4. **Forest Management** 36,260,000 36,260,000

Appropriations by Fund

	2014	2015
General	21,350,000	21,350,000
Natural Resources	13,623,000	13,623,000
Game and Fish	1,287,000	1,287,000

$7,145,000 the first year and $7,145,000 the second year are for prevention, presuppression, and suppression costs of emergency firefighting and other costs incurred under Minnesota Statutes, section

88.12. The amount necessary to pay for presuppression and suppression costs during the biennium is appropriated from the general fund.

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

$13,623,000 the first year and $13,623,000 the second year are from the forest management investment account in the natural resources fund for only the purposes specified in Minnesota Statutes, section 89.039, subdivision 2.

$1,287,000 the first year and $1,287,000 the second year are from the game and fish fund to advance ecological classification systems (ECS) scientific management tools for forest and invasive species management. This appropriation is from revenue deposited in the game and fish fund under Minnesota Statutes, section 297A.94, paragraph (e), clause (1).

$580,000 the first year and $580,000 the second year are for the Forest Resources

Council for implementation of the Sustainable Forest Resources Act.

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

Subd. 5. **Parks and Trails Management** 67,552,000 67,552,000

Appropriations by Fund	2014	2015
General	19,780,000	19,780,000
Natural Resources	45,513,000	45,513,000
Game and Fish	2,259,000	2,259,000

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

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

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

$8,424,000 the first year and $8,424,000 the second year are from the snowmobile trails and enforcement account in the

natural resources fund for the snowmobile grants-in-aid program. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

$1,460,000 the first year and $1,460,000 the second year are from the natural resources fund for the off-highway vehicle grants-in-aid program. Of this amount, $1,210,000 each year is from the all-terrain vehicle account; $150,000 each year is from the off-highway motorcycle account; and $100,000 each year is from the off-road vehicle account. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

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

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

Appropriations by Fund

	2014	2015
Natural Resources	1,906,000	1,906,000
Game and Fish	60,869,000	60,869,000

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

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

Subd. 7. **Enforcement** 35,158,000 35,158,000

Appropriations by Fund

	2014	2015
General	3,975,000	3,975,000
Natural Resources	9,640,000	9,640,000
Game and Fish	21,443,000	21,443,000
Remediation	100,000	100,000

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

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

$250,000 the first year and $250,000 the second year are for the conservation officer pre-employment education program. Of this amount, $30,000 each year is from the water recreation account, $13,000 each year is from the snowmobile account, and $20,000 each year is from the all-terrain vehicle account in the natural resources fund; and $187,000 each year is from the game and fish fund, of which $17,000 each year is from revenue deposited to the game and fish fund under Minnesota Statutes, section 297A.94, paragraph (e), clause (1).

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

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

$250,000 the first year and $250,000 the second year are from the all-terrain vehicle account for grants to qualifying organizations to assist in safety and environmental education and monitoring trails on public lands under Minnesota Statutes, section 84.9011. Grants issued under this paragraph: (1) must be issued through a formal agreement with the organization; and (2) must not be used as a substitute for traditional spending by the organization. By December 15 each year, an organization receiving a grant under this paragraph shall report to the commissioner with details on expenditures and outcomes from the grant. Of this appropriation, $25,000 each year is for administration of these grants. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

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

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

Appropriations by Fund

	2014	2015
Natural Resources	320,000	320,000

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

$300,000 the first year and $300,000 the second year are from the special revenue fund to improve data analytics. The commissioner may bill the divisions of the agency an appropriate share of costs associated with this project. Any information technology development, support, or costs necessary for this project shall be incorporated into the agency's service level agreement with and paid to the Office of Enterprise Technology.

Sec. 5. **BOARD OF WATER AND SOIL RESOURCES** **$ 13,133,000** **$ 13,133,000**

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

$3,116,000 the first year and $3,116,000 the second year are for grants requested by soil and water conservation districts for general purposes, nonpoint engineering, and implementation of the reinvest in Minnesota reserve program. Upon approval of the board, expenditures may be made from these appropriations for supplies and services

benefiting soil and water conservation districts. Any district requesting a grant under this paragraph shall maintain a Web page that publishes, at a minimum, its annual report, annual audit, annual budget, and meeting notices and minutes.

$1,560,000 the first year and $1,560,000 the second year are for grants to soil and water conservation districts for cost-sharing contracts for erosion control, water quality management, and feedlot water quality projects.

$386,000 the first year and $386,000 the second year are for implementation and oversight of the Wetland Conservation Act.

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

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

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

$42,000 each year is to the Minnesota River Board for expenses to measure and report the results of projects in the 12 major watersheds within the Minnesota River basin.

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

$450,000 the first year and $450,000 the second year are for assistance and grants to local governments to transition local water management plans to a watershed approach as provided for in Minnesota Statutes, chapters 103B, 103C, 103D, and 114D.

$125,000 the first year and $125,000 the second year are to implement internal control policies and provide related oversight and accountability for agency programs.

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

Sec. 6. **METROPOLITAN COUNCIL** **$ 8,540,000 $ 8,540,000**

Appropriations by Fund

	2014	2015
General	2,870,000	2,870,000
Natural Resources	5,670,000	5,670,000

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

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

Sec. 7. **CONSERVATION CORPS MINNESOTA** **$ 945,000 $ 945,000**

Appropriations by Fund

	2014	2015
General	455,000	455,000
Natural Resources	490,000	490,000

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

Sec. 8. **ZOOLOGICAL BOARD** **$ 5,585,000 $ 5,585,000**

Appropriations by Fund

	2014	2015
General	5,425,000	5,425,000
Natural Resources	160,000	160,000

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

Sec. 9. **DEPARTMENT OF COMMERCE**

Subdivision 1. **Total Appropriation** **$ 25,031,000 $ 25,031,000**

Appropriations by Fund

	2014	2015
General	23,228,000	23,228,000

Petroleum Tank	1,052,000	1,052,000	
Workers' Compensation	751,000	751,000	

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

Subd. 2. **Financial Institutions**	4,885,000	4,885,000

$142,000 each year is for the regulation of mortgage originators and servicers under Minnesota Statutes, chapters 58 and 58A.

Subd. 3. **Petroleum Tank Release Compensation Board**	1,052,000	1,052,000

This appropriation is from the petroleum tank fund.

Subd. 4. **Administrative Services**	6,490,000	6,490,000

$375,000 each year is for additional compliance efforts with unclaimed property. The commissioner may issue contracts for these services.

Fees for the Weights and Measures Unit will be increased by 30 percent during fiscal year 2014 and forward. All fees are deposited to the general fund as nondedicated revenue.

Subd. 5. **Telecommunications**	1,259,000	1,259,000

$250,000 each year is for the Broadband Development Office.

The following transfer is from the telecommunications access Minnesota fund. $300,000 the first year and $300,000 the second year and each year thereafter are for transfer to the commissioner of human services to supplement the ongoing operational expenses of the Commission

of Deaf, DeafBlind, and Hard-of-Hearing Minnesotans. 4,178,000 4,178,000

Subd. 6. **Enforcement**

Appropriations by Fund

General	3,980,000	3,980,000
Workers' Compensation	198,000	198,000

Subd. 7. **Energy Resources** 3,252,000 3,252,000

Subd. 8. **Insurance** 3,915,000 3,915,000

Appropriations by Fund

General	3,362,000	3,362,000
Workers' Compensation	553,000	553,000

Sec. 10. **PUBLIC UTILITIES COMMISSION** **$ 6,178,000 $ 6,178,000**

ARTICLE 2

ENVIRONMENT, NATURAL RESOURCES, AND COMMERCE POLICY

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

Subd. 4. **Waste management.** (a) **Product stewardship programs.** Trade secret information submitted to the Pollution Control Agency under product stewardship programs are classified under sections 115A.141 to 115A.142.

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

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

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

Sec. 2. Minnesota Statutes 2012, section 15A.0815, subdivision 3, is amended to read:

Subd. 3. **Group II salary limits.** The salaries for positions in this subdivision may not exceed 85 percent of the salary of the governor:

Executive director of Gambling Control Board;

Commissioner, Iron Range Resources and Rehabilitation Board;

Commissioner, Bureau of Mediation Services;

Ombudsman for Mental Health and Developmental Disabilities;

Chair, Metropolitan Council;

~~School trust lands director;~~

Executive director of pari-mutuel racing; and

Commissioner, Public Utilities Commission.

Sec. 3. Minnesota Statutes 2012, section 60A.14, subdivision 1, is amended to read:

Subdivision 1. **Fees other than examination fees.** In addition to the fees and charges provided for examinations, the following fees must be paid to the commissioner for deposit in the general fund:

(a) by township mutual fire insurance companies;

(1) for filing certificate of incorporation $25 and amendments thereto, $10;

(2) for filing annual statements, $15;

(3) for each annual certificate of authority, $15;

(4) for filing bylaws $25 and amendments thereto, $10;

(b) by other domestic and foreign companies including fraternals and reciprocal exchanges;

(1) for filing an application for an initial certification of authority to be admitted to transact business in this state, $1,500;

(2) for filing certified copy of certificate of articles of incorporation, $100;

(3) for filing annual statement, $225;

(4) for filing certified copy of amendment to certificate or articles of incorporation, $100;

(5) for filing bylaws, $75 or amendments thereto, $75;

(6) for each company's certificate of authority, $575, annually;

(c) the following general fees apply:

(1) for each certificate, including certified copy of certificate of authority, renewal, valuation of life policies, corporate condition or qualification, $25;

(2) for each copy of paper on file in the commissioner's office 50 cents per page, and $2.50 for certifying the same;

(3) for license to procure insurance in unadmitted foreign companies, $575;

(4) for valuing the policies of life insurance companies, one cent per $1,000 of insurance so valued, provided that the fee shall not exceed $13,000 per year for any company. The commissioner may, in lieu of a valuation of the policies of any foreign life insurance company admitted, or applying for admission, to do business in this state, accept

a certificate of valuation from the company's own actuary or from the commissioner of insurance of the state or territory in which the company is domiciled;

(5) for receiving and filing certificates of policies by the company's actuary, or by the commissioner of insurance of any other state or territory, $50;

(6) for each appointment of an agent filed with the commissioner, ~~$10~~ $30;

(7) for filing forms, rates, and compliance certifications under section 60A.315, $140 per filing, or $125 per filing when submitted via electronic filing system. Filing fees may be paid on a quarterly basis in response to an invoice. Billing and payment may be made electronically;

(8) for annual renewal of surplus lines insurer license, $300.

The commissioner shall adopt rules to define filings that are subject to a fee.

Sec. 4. Minnesota Statutes 2012, section 85.052, subdivision 6, is amended to read:

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

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

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

Sec. 5. Minnesota Statutes 2012, section 85.054, is amended by adding a subdivision to read:

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

Sec. 6. Minnesota Statutes 2012, section 85.055, subdivision 2, is amended to read:

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

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

Sec. 7. Minnesota Statutes 2012, section 89.0385, is amended to read:

89.0385 FOREST MANAGEMENT INVESTMENT ACCOUNT; COST CERTIFICATION.

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

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

Sec. 8. Minnesota Statutes 2012, section 89.17, is amended to read:

89.17 LEASES AND PERMITS.

(a) Notwithstanding the permit procedures of chapter 90, the commissioner shall have power to grant and execute, in the name of the state, leases and permits for the use of any forest lands under the authority of the commissioner for any purpose which in the commissioner's opinion is not inconsistent with the maintenance and management of the forest lands, on forestry principles for timber production. Every such lease or permit shall be revocable at the discretion of the commissioner at any time subject to such conditions as may be agreed on in the lease. The approval of the commissioner of administration shall not be required upon any such lease or permit. No such lease or permit for a period exceeding 21 years shall be granted except with the approval of the Executive Council.

(b) Public access to the leased land for outdoor recreation shall be the same as access would be under state management.

(c) The commissioner shall, by written order, establish the schedule of application fees for all leases issued under this section. Notwithstanding section 16A.1285, subdivision 2, the application fees shall be set at a rate that neither significantly overrecovers nor underrecovers costs, including overhead costs, involved in providing the services at the time of issuing the leases. The commissioner shall update the schedule of application fees

every five years. The schedule of application fees and any adjustment to the schedule are not subject to the rulemaking provisions of chapter 14 and section 14.386 does not apply.

(d) Money received under paragraph (c) must be deposited in the land management account in the natural resources fund and is appropriated to the commissioner to cover the reasonable costs incurred for issuing leases.

(e) Notwithstanding section 16A.125, subdivision 5, after deducting the ~~reasonable costs incurred for preparing and issuing the lease~~ application fee paid according to paragraph (c), all remaining proceeds from the leasing of school trust land and university land for roads on forest lands must be deposited into the respective permanent fund for the lands.

Sec. 9. Minnesota Statutes 2012, section 92.50, is amended to read:

92.50 UNSOLD LANDS SUBJECT TO SALE MAY BE LEASED.

Subdivision 1. **Lease terms.** (a) The commissioner of natural resources may lease land under the commissioner's jurisdiction and control:

(1) to remove sand, gravel, clay, rock, marl, peat, and black dirt;

(2) to store ore, waste materials from mines, or rock and tailings from ore milling plants;

(3) for roads or railroads; or

(4) for other uses consistent with the interests of the state.

(b) The commissioner shall offer the lease at public or private sale for an amount and under terms and conditions prescribed by the commissioner. Commercial leases for more than ten years and leases for removal of peat that cover 320 or more acres must be approved by the Executive Council.

(c) The lease term may not exceed 21 years except:

(1) leases of lands for storage sites for ore, waste materials from mines, or rock and tailings from ore milling plants, or for the removal of peat for nonagricultural purposes may not exceed a term of 25 years; and

(2) leases for commercial purposes, including major resort, convention center, or recreational area purposes, may not exceed a term of 40 years.

(d) Leases must be subject to sale and leasing of the land for mineral purposes and contain a provision for cancellation for just cause at any time by the commissioner upon six months' written notice. A longer notice period, not exceeding three years, may be provided in leases for storing ore, waste materials from mines or rock or tailings from ore milling plants. The commissioner may determine the terms and conditions, including the notice period, for cancellation of a lease for the removal of peat and commercial leases.

(e) Except as provided in subdivision 3, money received from leases under this section must be credited to the fund to which the land belongs.

Subd. 2. **Leases for tailings deposits.** The commissioner may grant leases and licenses to deposit tailings from any iron ore beneficiation plant in any public lake not exceeding 160 acres in area after holding a public hearing in the manner and under the procedure provided in Laws 1937, chapter 468, as amended and finding in pursuance of the hearing:

(a) that such use of each lake is necessary and in the best interests of the public; and

(b) that the proposed use will not result in pollution or sedimentation of any outlet stream.

The lease or license may not exceed a term of 25 years and must be subject to cancellation on three years' notice. The commissioner may further restrict use of the lake to safeguard the public interest, and may require that the lessee or licensee acquire suitable permits or easements from the owners of lands riparian to the lake. Except as provided in subdivision 3, money received from the leases or licenses must be deposited in the permanent school fund.

Subd. 3. **Application fees.** (a) The commissioner shall, by written order, establish the schedule of application fees for all leases issued under this section. Notwithstanding section 16A.1285, subdivision 2, the application fees shall be set at a rate that neither significantly overrecovers nor underrecovers costs, including overhead costs, involved in providing the services at the time of issuing the leases. The commissioner shall update the schedule of application fees every five years. The schedule of application fees and any adjustment to the schedule are not subject to the rulemaking provision of chapter 14 and section 14.386 does not apply.

(b) Money received under this subdivision must be deposited in the land management account in the natural resources fund and is appropriated to the commissioner to cover the reasonable costs incurred for issuing leases.

Sec. 10. Minnesota Statutes 2012, section 93.17, subdivision 1, is amended to read:

Subdivision 1. **Lease application.** (a) Applications for leases to prospect for iron ore shall be presented to the commissioner in writing in such form as the commissioner may prescribe at any time before 4:30 p.m., St. Paul, Minnesota time, on the last business day before the day specified for the opening of bids, and no bids submitted after that time shall be considered. The application shall be accompanied by a certified check, cashier's check, or bank money order payable to the Department of Natural Resources in the sum of

~~$100~~ $1,000 for each mining unit. The fee shall be deposited in the minerals management account in the natural resources fund.

(b) Each application shall be accompanied by a sealed bid setting forth the amount of royalty per gross ton of crude ore based upon the iron content of the ore when dried at 212 degrees Fahrenheit, in its natural condition or when concentrated, as set out in section 93.20, subdivisions 12 to 18, that the applicant proposes to pay to the state of Minnesota in case the lease shall be awarded.

Sec. 11. Minnesota Statutes 2012, section 93.1925, subdivision 2, is amended to read:

Subd. 2. **Application.** (a) An application for a negotiated lease shall be submitted to the commissioner of natural resources. The commissioner shall prescribe the information to be included in the application. The applicant shall submit with the application a certified check, cashier's check, or bank money order, payable to the Department of Natural Resources in the sum of ~~$100~~ $2,000, as a fee for filing the application. The application fee shall not be refunded under any circumstances. The application fee shall be deposited in the minerals management account in the natural resources fund.

(b) The right is reserved to the state to reject any or all applications for a negotiated lease.

Sec. 12. Minnesota Statutes 2012, section 93.25, subdivision 2, is amended to read:

Subd. 2. **Lease requirements.** (a) All leases for nonferrous metallic minerals or petroleum must be approved by the Executive Council, and any other mineral lease issued pursuant to this section that covers 160 or more acres must be approved by the Executive Council. The rents, royalties, terms, conditions, and covenants of all such leases shall be fixed by the commissioner according to rules adopted by the commissioner, but no lease shall be for a longer term than 50 years, and all rents, royalties, terms, conditions, and covenants shall be fully set forth in each lease issued. The rents and royalties shall be credited to the funds as provided in section 93.22.

(b) The applicant for a lease must submit with the application a certified check, cashier's check, or bank money order payable to the Department of Natural Resources in the sum of:

(1) $1,000 as a fee for filing an application for a lease being offered at public sale;

(2) $1,000 as a fee for filing an application for a lease being offered under the preference rights lease availability list; and

(3) $2,000 as a fee for filing an application for a lease through negotiation. The application fee for a negotiated lease shall not be refunded under any circumstances.

The application fee must be deposited in the minerals management account in the natural resources fund.

Sec. 13. Minnesota Statutes 2012, section 93.285, subdivision 3, is amended to read:

Subd. 3. **Stockpile mining unit.** (a) Any stockpiled iron ore, wherever situated, may, in the discretion of the commissioner of natural resources, be designated as a stockpile mining unit for disposal separately from ore in the ground, such designation to be made according to section 93.15, so far as applicable.

(b) The commissioner may lease the mining unit at public or private sale for an amount and under terms and conditions prescribed by the commissioner.

(c) The applicant must submit with the application a certified check, cashier's check, or bank money order payable to the Department of Natural Resources in the sum of $1,000 as a fee for filing an application for a lease being offered at public sale and in the sum of $2,000 as a fee for filing an application for a lease through negotiation. The application fee for a negotiated lease shall not be refunded under any circumstances. The application fee must be deposited in the minerals management account in the natural resources fund.

(d) The lease term may not exceed 25 years. The amount payable for stockpiled iron ore material shall be at least equivalent to the minimum royalty that would be payable under section 93.20.

Sec. 14. Minnesota Statutes 2012, section 93.46, is amended by adding a subdivision to read:

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

Sec. 15. Minnesota Statutes 2012, section 93.481, subdivision 3, is amended to read:

Subd. 3. **Term of permit; amendment.** (a) A permit issued by the commissioner pursuant to this section shall be granted for the term determined necessary by the commissioner for the completion of the proposed mining operation, including reclamation

or restoration. The term of a scram mining permit for iron ore or taconite shall be determined in the same manner as a permit to mine for an iron ore or taconite mining operation.

(b) A permit may be amended upon written application to the commissioner. A permit amendment application fee must be submitted with the written application. The permit amendment application fee is ~~ten~~ 20 percent of the amount provided for in subdivision 1, clause (3), for an application for the applicable permit to mine. If the commissioner determines that the proposed amendment constitutes a substantial change to the permit, the person applying for the amendment shall publish notice in the same manner as for a new permit, and a hearing shall be held if written objections are received in the same manner as for a new permit. An amendment may be granted by the commissioner if the commissioner determines that lawful requirements have been met.

Sec. 16. Minnesota Statutes 2012, section 93.481, is amended by adding a subdivision to read:

Subd. 4a. **Release.** A permit may not be released fully or partially without the written approval of the commissioner. A permit release application fee must be submitted with the written request for the release. The permit release application fee is 20 percent of the amount provided for in subdivision 1, clause (3), for an application for the applicable permit to mine.

Sec. 17. Minnesota Statutes 2012, section 93.481, subdivision 5, is amended to read:

Subd. 5. **Assignment.** A permit may not be assigned or otherwise transferred without the written approval of the commissioner. A permit assignment application fee must be submitted with the written application. The permit assignment application fee is ~~ten~~ 20 percent of the amount provided for in subdivision 1, clause (3), for an application for the applicable permit to mine.

Sec. 18. Minnesota Statutes 2012, section 93.481, is amended by adding a subdivision to read:

Subd. 5a. **Preapplication.** Before the preparation of an application for a permit to mine, persons intending to submit an application must meet with the commissioner for a preapplication conference and site visit. Prospective applicants must also meet with the commissioner to outline analyses and tests to be conducted if the results of the analyses and tests will be used for evaluation of the application. A permit preapplication fee must be submitted before the preapplication conferences, meetings, and site visit with the

commissioner. The permit preapplication fee is 20 percent of the amount provided in subdivision 1, clause (3), for an application for the applicable permit to mine.

Sec. 19. Minnesota Statutes 2012, section 93.482, is amended to read:

93.482 RECLAMATION FEES.

Subdivision 1. **Annual permit to mine fee.** (a) The commissioner shall charge every person holding a permit to mine an annual permit fee. The fee is payable to the commissioner by June 30 of each year, beginning in 2009.

(b) The annual permit to mine fee for ~~a~~ an iron ore or taconite mining operation is ~~$60,000 if the operation had production within the calendar year immediately preceding the year in which payment is due and $30,000 if there was no production within the immediately preceding calendar year~~ $84,000.

(c) The annual permit to mine fee for a nonferrous metallic minerals mining operation is $75,000 ~~if the operation had production within the calendar year immediately preceding the year in which payment is due and $37,500 if there was no production within the immediately preceding calendar year~~.

(d) The annual permit to mine fee for a scram mining operation is ~~$5,000 if the operation had production within the calendar year immediately preceding the year in which payment is due and $2,500 if there was no production within the immediately preceding calendar year~~ $10,250.

(e) The annual permit to mine fee for a peat mining operation is ~~$1,000 if the operation had production within the calendar year immediately preceding the year in which payment is due and $500 if there was no production within the immediately preceding calendar year~~ $1,350.

Subd. 2. **Supplemental application ~~fee for taconite and nonferrous metallic minerals mining operation.~~** (a) In addition to the application fee specified in section 93.481, the commissioner shall assess a person submitting an application for a permit to mine for a taconite ~~or~~, a nonferrous metallic minerals mining, or peat operation the reasonable costs for reviewing the application and preparing the permit to mine. For nonferrous metallic minerals mining, the commissioner shall assess reasonable costs for monitoring construction of the mining facilities. The commissioner may assess a person submitting a request for amendment, assignment, or full or partial release of a permit to mine the reasonable costs for reviewing the request and issuing an approval or denial. The commissioner may assess a person submitting a request for a preapplication conference, meetings, and a site visit the reasonable costs for reviewing the request and meeting with the prospective applicant.

(b) The commissioner must give the applicant an estimate of the supplemental application fee under this subdivision. The estimate must include a brief description of the tasks to be performed and the estimated cost of each task. The application fee under section 93.481 must be subtracted from the estimate of costs to determine the supplemental application fee.

(c) The applicant and the commissioner shall enter into a written agreement to cover the estimated costs to be incurred by the commissioner.

(d) The commissioner shall not issue the permit to mine until the applicant has paid all fees in full. The commissioner shall not issue an approved assignment, amendment, or release until the applicant has paid all fees in full. Upon completion of construction of a nonferrous metallic minerals facility, the commissioner shall refund the unobligated balance of the monitoring fee revenue.

Sec. 20. **[93.60] MINERAL DATA AND INSPECTIONS ADMINISTRATION ACCOUNT.**

Subdivision 1. **Account established; sources.** The mineral data and inspections administration account is established in the special revenue fund in the state treasury. Interest on the account accrues to the account. Fees charged under sections 93.61 and 103I.601, subdivision 4a, shall be credited to the account.

Subd. 2. **Appropriation; purposes of account.** Money in the account is appropriated annually to the commissioner of natural resources to cover the costs of:

(1) operating and maintaining the drill core library in Hibbing, Minnesota; and

(2) conducting inspections of exploratory borings.

Sec. 21. **[93.61] DRILL CORE LIBRARY ACCESS FEE.**

Notwithstanding section 13.03, subdivision 3, a person must pay a fee to access exploration data, exploration drill core data, mineral evaluation data, and mining data stored in the drill core library located in Hibbing, Minnesota, and managed by the commissioner of natural resources. The fee is $250 per day. Alternatively, a person may obtain an annual pass for a fee of $5,000. The fee must be credited to the mineral data and inspections administration account established in section 93.60 and is appropriated to the commissioner of natural resources for the reasonable costs of operating and maintaining the drill core library.

Sec. 22. **[93.70] STATE-OWNED CONSTRUCTION AGGREGATES RECLAMATION ACCOUNT.**

Subdivision 1. **Account established; sources.** The state-owned construction aggregates reclamation account is created in the special revenue fund in the state treasury. Interest on the account accrues to the account. Fees charged under section 93.71 shall be credited to the account.

Subd. 2. **Appropriation; purposes of account.** Money in the account is appropriated annually to the commissioner of natural resources to cover the costs of:

(1) reclaiming state lands administered by the commissioner following cessation of construction aggregates mining operations on the lands; and

(2) issuing and administering contracts needed for the performance of that reclamation work.

Sec. 23. **[93.71] STATE-OWNED CONSTRUCTION AGGREGATES RECLAMATION FEE.**

Subdivision 1. **Annual reclamation fee; purpose.** Except as provided in subdivision 4, the commissioner of natural resources shall charge a person who holds a lease or permit to mine construction aggregates on state land administered by the commissioner an annual reclamation fee. The fee is payable to the commissioner by January 15 of each year. The purpose of the fee is to pay for reclamation or restoration of state lands following temporary or permanent cessation of construction aggregates mining operations. Reclamation and restoration include: land sloping and contouring, spreading soil from stockpiles, planting vegetation, removing safety hazards, or other measures needed to return the land to productive and safe nonmining use.

Subd. 2. **Determination of fee.** The amount of the annual reclamation fee is determined as follows:

(1) for aggregates measured in cubic yards upon removal, 15 cents for each cubic yard removed under the lease or permit within the immediately preceding calendar year; and

(2) for aggregates measured in short tons upon removal, 11 cents per short ton removed under the lease or permit within the immediately preceding calendar year.

Subd. 3. **Deposit of fees.** All fees collected under this section must be deposited in the state-owned construction aggregates reclamation account established in section 93.70 and credited for use to the same land class from which payment of the fee was derived.

Subd. 4. **Exception.** A person who holds a lease to mine construction aggregates on state land is not subject to the reclamation fee under subdivision 1 if the lease provides for continuous mining for five or more years at an average rate of 30,000 or more cubic yards per year over the term of the lease and requires the lessee to perform and pay for the reclamation.

Sec. 24. Minnesota Statutes 2012, section 94.342, subdivision 5, is amended to read:

Subd. 5. **Additional restrictions on school trust land.** School trust land may be exchanged with other Class A land only if the ~~school trust lands director~~ Legislative Permanent School Fund Commission is appointed as temporary trustee of the school trust land for purposes of the exchange. The Legislative Permanent School Fund Commission shall provide independent legal counsel to review exchanges.

Sec. 25. Minnesota Statutes 2012, section 97A.045, subdivision 1, is amended to read:

Subdivision 1. **Duties; generally.** (a) The commissioner shall do all things the commissioner determines are necessary to preserve, protect, and propagate desirable species of wild animals. The commissioner shall make special provisions for the management of fish and wildlife to ensure recreational opportunities for anglers and hunters. The commissioner shall acquire wild animals for breeding or stocking and may dispose of or destroy undesirable or predatory wild animals and their dens, nests, houses, or dams.

(b) Notwithstanding chapters 17 and 35, the commissioner, in consultation with the commissioner of agriculture and the executive director of the Board of Animal Health, may capture, take, or control nonnative or domestic animals that are released, have escaped, or are otherwise running at large and causing damage to natural resources or agricultural lands, or that are posing a threat to wildlife, domestic animals, or human health. The commissioner may work with other agencies to assist in the capture, taking, or control and may authorize persons to take such animals. The commissioner may collect a civil penalty equal to the actual costs incurred by the Department of Natural Resources from a person who owns nonnative or domestic animals that are captured, taken, or controlled under this paragraph. The civil penalty shall be deposited in the game and fish fund.

Sec. 26. Minnesota Statutes 2012, section 97A.445, subdivision 1, is amended to read:

Subdivision 1. **Angling; Take a Kid Fishing Weekends.** (a) A resident age 16 years or older may take fish by angling without an angling ~~or~~ license and may take fish by spearing from a dark house without a spearing license and without a fish house or dark house license during one three-day consecutive period of the open water angling season and one three-day consecutive period of the ice angling season designated by ~~rule of~~ the commissioner if the resident is accompanied by a child who is under age 16. The commissioner may, by written order published in the State Register, establish the three-day consecutive periods. The written order is not subject to the rulemaking provisions of chapter 14 and section 14.386 does not apply.

(b) The commissioner ~~shall~~ may designate and publicize the three-day periods as "Take a Kid Fishing Weekend" for the open water angling season and "Take a Kid Ice Fishing Weekend" for the ice angling season. The commissioner shall announce the date of each three-day weekend at least 30 days in advance of the date it occurs.

Sec. 27. Minnesota Statutes 2012, section 97A.451, is amended by adding a subdivision to read:

Subd. 2a. **Resident spearing age 16 or over and under age 18.** Residents age 16 or over and under age 18 may take fish by spearing without a spearing license but must possess a fishing license under section 97A.475, subdivision 6, clause (7).

Sec. 28. Minnesota Statutes 2012, section 97A.451, subdivision 3, is amended to read:

Subd. 3. **Residents and nonresidents under age 16; small game.** (a) A resident or nonresident under age 16 may not obtain a small game license but may take small game by firearms or bow and arrow without a license if the resident or nonresident is:

(1) age 14 or 15 and possesses a firearms safety certificate;

(2) age 13, possesses a firearms safety certificate, and is accompanied by a parent or guardian;

(3) age 13, 14, or 15, and possesses an apprentice hunter validation~~, and is accompanied by a parent or guardian who possesses a small game license that was not obtained using an apprentice hunter validation~~ as provided under section 97B.022; or

(4) age 12 or under and is accompanied by a parent or guardian.

(b) A resident under age 16 may take small game, other than wolves, by trapping without a small game license, but a resident 13 years of age or older must have a trapping license. A resident under age 13 may trap small game, other than wolves, without a trapping license, but may not register fisher, otter, bobcat, or pine marten unless the resident is at least age five. Any fisher, otter, bobcat, or pine marten taken by a resident under age five must be included in the limit of the accompanying parent or guardian.

(c) A resident or nonresident under age 13 must obtain a free turkey license to take turkey and may take a turkey without a firearms safety certificate if the resident or nonresident is accompanied by an adult parent or guardian who has a firearms safety certificate.

(d) A resident under age 13 may apply for a prairie chicken license and may take a prairie chicken without a firearms safety certificate if the resident is accompanied by an adult parent or guardian who has a firearms safety certificate.

Sec. 29. Minnesota Statutes 2012, section 97A.451, subdivision 3b, is amended to read:

Subd. 3b. **Nonresidents age 16 or over and under age 18; small game.** ~~(a)~~ A nonresident age 16 or over and under age 18 may take small game by firearms or archery and may obtain a small game license at the youth fee under section 97A.475, subdivision 3, paragraph (a), clause (14), if the nonresident possesses a firearms safety certificate or an apprentice hunter validation as provided under section 97B.022.

~~(b) A nonresident under age 16 may take small game by firearms or archery and may obtain a small game license without paying the applicable fees under section 97A.475, subdivisions 3, 4, and 5, if the nonresident is:~~

~~(1) age 14 or 15 and possesses a firearms safety certificate;~~

~~(2) age 13, possesses a firearms safety certificate, and is accompanied by a parent or guardian; or~~

~~(3) age 12 or under and is accompanied by a parent or guardian.~~

Sec. 30. Minnesota Statutes 2012, section 97A.451, subdivision 4, is amended to read:

Subd. 4. **Residents and nonresidents under age ~~13~~ 16; big game.** (a) A resident or nonresident age 12, 13, 14, or 15 may not obtain a license to take big game unless the person possesses a firearms safety certificate or an apprentice hunter validation as provided under section 97B.022. A nonresident age 12 or 13 must be accompanied by a parent or guardian to hunt big game.

(b) A resident or nonresident age ten or ~~over and under age 13~~ 11 must obtain a license under paragraph (c) and may take big game, provided the person is under the direct supervision of a parent or guardian where the parent or guardian is within immediate reach.

(c) A resident or nonresident age ten ~~or over and under age 13~~, 11, or 12 must obtain a license to take big game ~~and may obtain the license without paying the fee required~~ under section 97A.475, subdivision 2 or 3.

Sec. 31. Minnesota Statutes 2012, section 97A.451, subdivision 5, is amended to read:

Subd. 5. **Nonresident youth; angling.** (a) A nonresident under age 16 may:

(1) take fish by angling without a license if a parent or guardian has a fishing license. Fish taken by a nonresident under age 16 without a license must be included in the limit of the parent or guardian;

(2) purchase a youth fishing license under section 97A.475, subdivision 7, paragraph (a), clause (8), and possess a limit of fish; or

(3) be included under a nonresident family angling license and possess a limit of fish.

(b) A nonresident age 16 or over and under age 18 must purchase a youth license to angle under section 97A.475, subdivision 7, paragraph (a), clause (8).

(c) Nonresidents under age 18 may take fish by spearing without a spearing license but must comply with paragraphs (a) and (b).

Sec. 32. Minnesota Statutes 2012, section 97A.475, subdivision 2, is amended to read:

Subd. 2. **Resident hunting.** Fees for the following licenses, to be issued to residents only, are:

(1) for persons age 18 or over and under age 65 to take small game, $15.50;

(2) for persons age 65 or over, $7 to take small game;

(3) for persons age 18 or over to take turkey, $26;

(4) for persons age 13 or over and under age 18 to take turkey, $5;

(5) for persons age 18 or over to take deer with firearms during the regular firearms season, $30;

(6) for persons age 18 or over to take deer by archery, $30;

(7) for persons age 18 or over to take deer by muzzleloader during the muzzleloader season, $30;

(8) to take moose, for a party of not more than six persons, $356;

(9) to take bear, $44;

(10) to take elk, for a party of not more than two persons, $287;

(11) to take Canada geese during a special season, $4;

(12) to take prairie chickens, $23;

(13) for persons age 13 or over and under age 18 to take deer with firearms during the regular firearms season, $5;

(14) for persons age 13 or over and under age 18 to take deer by archery, $5;

(15) for persons age 13 or over and under age 18 to take deer by muzzleloader during the muzzleloader season, $5;

(16) for persons age 18 or over to take small game for a consecutive 72-hour period selected by the licensee, $19, of which an amount equal to: one-half of the fee for the migratory waterfowl stamp under subdivision 5, clause (1), shall be deposited in the waterfowl habitat improvement account under section 97A.075, subdivision 2; one-half of the fee for the pheasant stamp under subdivision 5, clause (2), shall be deposited in the pheasant habitat improvement account under section 97A.075, subdivision 4; and one-half of the small game surcharge under subdivision 4, shall be deposited in the wildlife acquisition account;

(17) for persons age 16 or over and under age 18 to take small game, $5; ~~and~~

(18) to take wolf, $30.;

(19) for persons age 12 and under to take turkey, no fee;

(20) for persons age 10, 11, or 12 to take deer by firearm, no fee;

(21) for persons age 10, 11, or 12 to take deer by archery, no fee; and

(22) for persons age 10, 11, or 12 to take deer by muzzleloader during the muzzleloader season, no fee.

Sec. 33. Minnesota Statutes 2012, section 97A.475, subdivision 3, is amended to read:

Subd. 3. **Nonresident hunting.** (a) Fees for the following licenses, to be issued to nonresidents, are:

(1) for persons age 18 or over to take small game, $90.50;

(2) for persons age 18 or over to take deer with firearms during the regular firearms season, $160;

(3) for persons age 18 or over to take deer by archery, $160;

(4) for persons age 18 or over to take deer by muzzleloader during the muzzleloader season, $160;

(5) to take bear, $225;

(6) for persons age 18 or over to take turkey, $91;

(7) for persons age 13 or over and under age 18 to take turkey, ~~$13~~ $5;

(8) to take raccoon or bobcat, $178;

(9) to take Canada geese during a special season, $4;

(10) for persons age 13 or over and under age 18 to take deer with firearms during the regular firearms season in any open season option or time period, ~~$15~~ $5;

(11) for persons age 13 or over and under age 18 to take deer by archery, ~~$15~~ $5;

(12) for persons age 13 or over and under age 18 to take deer during the muzzleloader season, ~~$15~~ $5;

(13) for persons age 18 or over to take small game for a consecutive 72-hour period selected by the licensee, $75, of which an amount equal to: one-half of the fee for the migratory waterfowl stamp under subdivision 5, clause (1), shall be deposited in the waterfowl habitat improvement account under section 97A.075, subdivision 2; one-half of the fee for the pheasant stamp under subdivision 5, clause (2), shall be deposited in the pheasant habitat improvement account under section 97A.075, subdivision 4; and one-half of the small game surcharge under subdivision 4, shall be deposited into the wildlife acquisition account;

(14) for persons age 16 and over and under age 18 to take small game, ~~$15~~ $5; ~~and~~

(15) to take wolf, $250.;

(16) for persons age 12 and under to take turkey, no fee;

(17) for persons age 10, 11, and 12 to take deer by firearm, no fee;

(18) for persons age 10, 11, or 12 to take deer by archery, no fee; and

(19) for persons age 10, 11, or 12 to take deer by muzzleloader during the muzzleloader season, no fee.

(b) A $5 surcharge shall be added to nonresident hunting licenses issued under paragraph (a), clauses (1) to (6) and (8). An additional commission may not be assessed on this surcharge.

Sec. 34. Minnesota Statutes 2012, section 97A.485, subdivision 6, is amended to read:

Subd. 6. **Licenses to be sold and issuing fees.** (a) Persons authorized to sell licenses under this section must issue the following licenses for the license fee and the following issuing fees:

(1) to take deer or bear with firearms and by archery, the issuing fee is $1;

(2) Minnesota sporting, the issuing fee is $1;

(3) to take small game, to take fish by angling or by spearing, and to trap fur-bearing animals, the issuing fee is $1;

(4) to apply for a limited hunt drawing, the issuing fee is $1 unless the application requires a license purchase at the time of application and the license purchase requires an application fee;

(5) for a prairie chicken license, the issuing fee is $1;

(6) for a turkey license, the issuing fee is $1;

(7) for an elk license, the issuing fee is $1;

(8) for a moose license, the issuing fee is $1;

(9) for a wolf license, the issuing fee is $1;

~~(4)~~ (10) for a stamp validation that is not issued simultaneously with a license, an issuing fee of 50 cents may be charged at the discretion of the authorized seller;

~~(5)~~ (11) for stamp validations issued simultaneously with a license, there is no fee;

~~(6)~~ (12) for licenses, seals, tags, or coupons issued without a fee under section 97A.441 or 97A.465, ~~an~~ the issuing fee ~~of 50 cents may be charged at the discretion of the authorized seller~~ is $1;

~~(7)~~ (13) for lifetime licenses, there is no fee; and

~~(8)~~ (14) for all other licenses, permits, renewals, or applications or any other transaction through the electronic licensing system under this chapter or any other chapter when an issuing fee is not specified, an issuing fee of ~~50 cents~~ $1 may be charged at the discretion of the authorized seller.

(b) Only one issuing fee may be collected when selling more than one stamp in the same transaction after the end of the season for which the stamp was issued.

(c) The agent shall keep the issuing fee as a commission for selling the licenses.

(d) The commissioner shall collect the issuing fee on licenses sold by the commissioner.

(e) A license, except stamps, must state the amount of the issuing fee and that the issuing fee is kept by the seller as a commission for selling the licenses.

(f) For duplicate licenses, including licenses issued without a fee, the issuing fees are:

(1) for licenses to take big game, 75 cents; and

(2) for other licenses, 50 cents.

(g) The commissioner may issue one-day angling licenses in books of ten licenses each to fishing guides operating charter boats upon receipt of payment of all license fees, excluding the issuing fee required under this section. Copies of sold and unsold licenses shall be returned to the commissioner. The commissioner shall refund the charter boat captain for the license fees of all unsold licenses. Copies of sold licenses shall be maintained by the commissioner for one year.

Sec. 35. Minnesota Statutes 2012, section 103G.615, subdivision 2, is amended to read:

Subd. 2. **Fees.** (a) ~~The commissioner shall establish a fee schedule for permits to control or harvest aquatic plants other than wild rice. The fees must be set by rule, and section 16A.1283 does not apply, but the rule must not take effect until 45 legislative days after it has been reported to the legislature.~~ The fees ~~shall not exceed $2,500 per permit and~~ shall be based upon the cost of receiving, processing, analyzing, and issuing the permit, and additional costs incurred after the application to inspect and monitor the activities authorized by the permit, and enforce aquatic plant management rules and permit requirements. The permit fee, in the form of a check or money order payable to the Minnesota Department of Natural Resources, must accompany each permit application. When application is made to control two or more shoreline nuisance conditions, only the larger fee applies. Permit fees are:

~~(b) A fee for a permit for the~~ (1) to control ~~of~~ rooted aquatic ~~vegetation~~ plants by pesticide or mechanical means, $90 for each contiguous parcel of shoreline owned by an owner ~~may be charged~~, including a three-year automatic aquatic plant control device permit. This fee may not be charged for ~~permits issued in connection with~~ purple loosestrife control or lakewide ~~Eurasian water milfoil control programs.~~ or baywide invasive aquatic plant management permits;

(2) to control filamentous algae, snails that carry swimmer's itch, or leeches, singly or in combination, $40 for each contiguous parcel or shoreline with a distinct owner;

(3) for offshore control of submersed aquatic plants by pesticide or mechanical means, $90;

(4) to control plankton algae or free-floating aquatic plants by lakewide or baywide application of approved pesticides, $90;

(5) for a commercial mechanical control permit, $100 annually, and;

(6) for a commercial harvest permit, $100 plus $300 for each public water listed on the application that requires an inspection. An inspection is required for waters with no previous permit history and may be required at other times to monitor the status of the aquatic plant population.

(b) There is no permit fee for:

(1) permits to transplant aquatic plants in public waters;

(2) permits to move or remove a floating bog in public waters if the floating bog is lodged against the permittee's property and has not taken root;

(3) invasive aquatic plant management permits; or

~~(c) A fee may not be charged to~~ (4) permits applied for by the state or a federal governmental agency ~~applying for a permit~~.

~~(d)~~ (c) A fee for a permit for the control of rooted aquatic vegetation in a public water basin that is 20 acres or less in size ~~shall be~~ is one-half of the fee established under paragraph (a), clause (1).

(d) If the fee does not accompany the application, the applicant shall be notified and no action will be taken on the application until the fee is received.

(e) A fee is refundable only when the application is withdrawn prior to field inspection or issuance or denial of the permit or when the commissioner determines that the activity does not require a permit.

~~(e)~~ (f) The money received for the permits under this subdivision shall be deposited in the ~~treasury and credited to the~~ water recreation account in the natural resources fund.

~~(f)~~ (g) The fee for processing a notification to request authorization for work under a general permit is $30~~, until the commissioner establishes a fee by rule as provided under this subdivision~~.

Sec. 36. Minnesota Statutes 2012, section 103I.601, is amended by adding a subdivision to read:

Subd. 4a. **Exploratory boring inspection fee.** For each proposed exploratory boring identified on the map submitted under subdivision 4, an explorer must submit a fee

of $2,000 to the commissioner of natural resources. The fee must be credited to the mineral data and inspections administration account established in section 93.60 and is appropriated to the commissioner of natural resources for the reasonable costs incurred for inspections of exploratory borings by the commissioner of natural resources or the commissioner's representative. The fee is nonrefundable, even if the exploratory boring is not conducted.

Sec. 37. **[115.84] WASTEWATER LABORATORY CERTIFICATION.**

Subdivision 1. **Wastewater laboratory certification required.** (a) Laboratories performing wastewater or water analytical laboratory work, the results of which are reported to the agency to determine compliance with a national pollutant discharge elimination system (NPDES) permit condition or other regulatory document, must be certified according to this section.

(b) This section does not apply to:

(1) laboratories that are private and for-profit;

(2) laboratories that perform drinking water analyses; or

(3) laboratories that perform remediation program analyses, such as Superfund or petroleum analytical work.

(c) Until adoption of rules under subdivision 2, laboratories required to be certified under this section and submitting data to the agency must register by submitting registration information required by the agency or be certified or approved by a recognized certification authority, as required by agency programs.

Subd 2. **Rules.** The agency may adopt rules to govern certification of laboratories according to this section. Notwithstanding section 16A.1283, the agency may adopt rules establishing fees.

Subd. 3. **Fees.** (a) Until the agency adopts a rule establishing fees for certification, the agency shall collect fees in amounts necessary to cover the reasonable costs of the certification program, including reviewing applications, issuing certifications, and conducting audits and compliance assistance.

(b) Fees under this section must be based on the number, type, and complexity of analytical methods that laboratories are certified to perform.

(c) Revenue from fees charged by the agency for certification shall be credited to the environmental fund.

Subd. 4. **Enforcement.** (a) The commissioner may deny, suspend, or revoke wastewater laboratory certification for, but is not limited to, any of the following reasons: fraud, failure to follow applicable requirements, failure to respond to documented

deficiencies or complete corrective actions necessary to address deficiencies, failure to pay certification fees, or other violations of federal or state law.

(b) This section and the rules adopted under it may be enforced by any means provided in section 115.071.

Sec. 38. **[115A.141] CARPET PRODUCT STEWARDSHIP PROGRAM; STEWARDSHIP PLAN.**

Subdivision 1. **Definitions.** For purposes of this section, the following terms have the meanings given:

(1) "brand" means a name, symbol, word, or mark that identifies carpet, rather than its components, and attributes the carpet to the owner or licensee of the brand as the producer;

(2) "carpet" means a manufactured article that is used in commercial or single or multifamily residential buildings, is affixed or placed on the floor or building walking surface as a decorative or functional building interior or exterior feature, and is primarily constructed of a top visible surface of synthetic face fibers or yarns or tufts attached to a backing system derived from synthetic or natural materials. Carpet includes, but is not limited to, a commercial or residential broadloom carpet or modular carpet tiles. Carpet includes a pad or underlayment used in conjunction with a carpet. Carpet does not include handmade rugs, area rugs, or mats;

(3) "discarded carpet" means carpet that is no longer used for its manufactured purpose;

(4) "producer" means a person that:

(i) has legal ownership of the brand, brand name, or cobrand of carpet sold in the state;

(ii) imports carpet branded by a producer that meets subclause (i) when the producer has no physical presence in the United States;

(iii) if subclauses (i) and (ii) do not apply, makes unbranded carpet that is sold in the state; or

(iv) sells carpet at wholesale or retail, does not have legal ownership of the brand, and elects to fulfill the responsibilities of the producer for the carpet;

(5) "recycling" means the process of collecting and preparing recyclable materials and reusing the materials in their original form or using them in manufacturing processes that do not cause the destruction of recyclable materials in a manner that precludes further use;

(6) "retailer" means any person who offers carpet for sale at retail in the state;

(7) "reuse" means donating or selling a collected carpet back into the market for its original intended use, when the carpet retains its original purpose and performance characteristics;

(8) "sale" or "sell" means transfer of title of carpet for consideration, including a remote sale conducted through a sales outlet, catalog, Web site, or similar electronic means. Sale or sell includes a lease through which carpet is provided to a consumer by a producer, wholesaler, or retailer;

(9) "stewardship assessment" means the amount added to the purchase price of carpet sold in the state that is necessary to cover the cost of collecting, transporting, and processing postconsumer carpets by the producer or stewardship organization pursuant to a product stewardship program;

(10) "stewardship organization" means an organization appointed by one or more producers to act as an agent on behalf of the producer to design, submit, and administer a product stewardship program under this section; and

(11) "stewardship plan" means a detailed plan describing the manner in which a product stewardship program under subdivision 2 will be implemented.

Subd. 2. **Product stewardship program.** For all carpet sold in the state, producers must, individually or through a stewardship organization, implement and finance a statewide product stewardship program that manages carpet by reducing carpet's waste generation, promoting its reuse and recycling, and providing for negotiation and execution of agreements to collect, transport, and process carpet for end-of-life recycling and reuse.

Subd. 3. **Requirement for sale.** (a) On and after January 1, 2015, no producer, wholesaler, or retailer may sell carpet or offer carpet for sale in the state unless the carpet's producer participates in an approved stewardship plan, either individually or through a stewardship organization.

(b) Each producer must operate a product stewardship program approved by the agency or enter into an agreement with a stewardship organization to operate, on the producer's behalf, a product stewardship program approved by the agency.

Subd. 4. **Requirement to submit plan.** (a) On or before March 1, 2015, and before offering carpet for sale in the state, a producer must submit a stewardship plan to the agency and receive approval of the plan or must submit documentation to the agency that demonstrates the producer has entered into an agreement with a stewardship organization to be an active participant in an approved product stewardship program as described in subdivision 2. A stewardship plan must include all elements required under subdivision 5.

(b) At least every three years, a producer or stewardship organization operating a product stewardship program must update the stewardship plan and submit the updated plan to the agency for review and approval.

(c) It is the responsibility of the entities responsible for each stewardship plan to notify the agency within 30 days of any significant changes or modifications to the plan or

its implementation. Within 30 days of the notification, a written plan revision must be submitted to the agency for review and approval.

Subd. 5. **Stewardship plan content.** A stewardship plan must contain:

(1) certification that the product stewardship program will accept all discarded carpet regardless of which producer produced the carpet and its individual components;

(2) contact information for the individual and the entity submitting the plan and for all producers participating in the product stewardship program;

(3) a description of the methods by which discarded carpet will be collected in all areas in the state without relying on end-of-life fees, including an explanation of how the collection system will be convenient and adequate to serve the needs of small businesses and residents in both urban and rural areas on an ongoing basis;

(4) a description of how the adequacy of the collection program will be monitored and maintained;

(5) the names and locations of collectors, transporters, and recycling facilities that will manage discarded carpet;

(6) a description of how the discarded carpet and the carpet's components will be safely and securely transported, tracked, and handled from collection through final recycling and processing;

(7) a description of the method that will be used to reuse, deconstruct, or recycle the discarded carpet to ensure that the product's components, to the extent feasible, are transformed or remanufactured into finished products for use;

(8) a description of the promotion and outreach activities that will be used to encourage participation in the collection and recycling programs and how the activities' effectiveness will be evaluated and the program modified, if necessary;

(9) the proposed stewardship assessment. The producer or stewardship organization shall propose a uniform stewardship assessment for any carpet sold in the state. The proposed stewardship assessment shall be reviewed by an independent auditor to ensure that the assessment does not exceed the costs of the product stewardship program and the independent auditor shall recommend an amount for the stewardship assessment. The agency must approve the stewardship assessment;

(10) evidence of adequate insurance and financial assurance that may be required for collection, handling, and disposal operations;

(11) five-year performance goals, including an estimate of the percentage of discarded carpet that will be collected, reused, and recycled during each of the first five years of the stewardship plan. The performance goals must include a specific escalating

goal for the amount of discarded carpet that will be collected and recycled and reused during each year of the plan. The performance goals must be based on:

(i) the most recent collection data available for the state;

(ii) the amount of carpet disposed of annually;

(iii) the weight of the carpet that is expected to be available for collection annually; and

(iv) actual collection data from other existing stewardship programs.

The stewardship plan must state the methodology used to determine these goals;

(12) carpet design changes that will be considered to reduce toxicity, water use, or energy use or to increase recycled content, recyclability, or carpet longevity; and

(13) a discussion of market development opportunities to expand use of recovered carpet, with consideration of expanding processing activity proximate to areas of collection.

Subd. 6. **Consultation required.** (a) Each stewardship organization or individual producer submitting a stewardship plan must consult with stakeholders including retailers, installers, collectors, recyclers, local government, customers, and citizens during the development of the plan, solicit stakeholder comments, and attempt to address any stakeholder concerns regarding the plan before submitting the plan to the agency for review.

(b) The producer or stewardship organization must invite comments from local governments, communities, and citizens to report their satisfaction with services, including education and outreach, provided by the product stewardship program. The information must be submitted to the agency and used by the agency in reviewing proposed updates or changes to the stewardship plan.

Subd. 7. **Agency review and approval.** (a) Within 90 days after receipt of a proposed stewardship plan, the agency shall determine whether the plan complies with subdivision 5. If the agency approves a plan, the agency shall notify the applicant of the plan approval in writing. If the agency rejects a plan, the agency shall notify the applicant in writing of the reasons for rejecting the plan. An applicant whose plan is rejected by the agency must submit a revised plan to the agency within 60 days after receiving notice of rejection.

(b) Any proposed changes to a stewardship plan must be approved by the agency in writing.

Subd. 8. **Plan availability.** All draft and approved stewardship plans shall be placed on the agency's Web site and made available at the agency's headquarters for public review.

Subd. 9. **Conduct authorized.** A producer or stewardship organization that organizes collection, transport, and processing of carpet under this section is immune from liability for the conduct under state laws relating to antitrust, restraint of trade, unfair trade practices, and other regulation of trade or commerce only to the extent that

the conduct is necessary to plan and implement the producer's or organization's chosen organized collection or recycling system.

Subd. 10. **Responsibility of producers.** (a) On and after the date of implementation of a product stewardship program under this section, a producer of carpet must add the stewardship assessment, as established according to subdivision 5, clause (9), to the cost of the carpet sold to retailers and distributors in the state by the producer.

(b) Producers of carpet or the stewardship organization shall provide consumers with educational materials regarding the stewardship assessment and product stewardship program. The materials must include, but are not limited to, information regarding available end-of-life management options for carpet offered through the product stewardship program and information that notifies consumers that a charge for the operation of the product stewardship program is included in the purchase price of carpet sold in the state.

Subd. 11. **Responsibility of retailers.** (a) On and after January 1, 2015, no carpet may be sold in the state unless the carpet's producer is participating in an approved stewardship plan.

(b) On and after the implementation date of a product stewardship program under this section, each retailer or distributor, as applicable, must add the amount of the stewardship assessment to the purchase price of all carpet sold in the state.

(c) Any retailer may participate, on a voluntary basis, as a designated collection point pursuant to a product stewardship program under this section and in accordance with applicable law.

(d) No retailer or distributor shall be found to be in violation of this subdivision if, on the date the carpet was ordered from the producer or its agent, the producer was listed as compliant on the agency's Web site according to subdivision 14.

Subd. 12. **Stewardship reports.** Beginning March 1, 2016, producers of carpet sold in the state must individually or through a stewardship organization submit an annual report to the agency describing the product stewardship program. At a minimum, the report must contain:

(1) a description of the methods used to collect, transport, and process carpet in all regions of the state;

(2) the weight of all carpet collected in all regions of the state and a comparison to the performance goals and recycling rates established in the stewardship plan;

(3) the amount of unwanted carpet collected in the state by method of disposition, including reuse, recycling, and other methods of processing;

(4) identification of the facilities processing carpet and the number and weight processed at each facility;

(5) an evaluation of the program's funding mechanism;

(6) samples of educational materials provided to consumers and an evaluation of the effectiveness of the materials and the methods used to disseminate the materials; and

(7) a description of progress made toward achieving carpet design changes according to subdivision 5, clause (12).

Subd. 13. **Data classification.** Trade secret information, as defined under section 13.37, submitted to the agency under this section is nonpublic data under section 13.37, subdivision 2.

Subd. 14. **Agency responsibilities.** The agency shall provide, on its Web site, a list of all compliant producers and brands participating in stewardship plans that the agency has approved and a list of all producers and brands the agency has identified as noncompliant with this section.

Subd. 15. **Local government responsibilities.** (a) A city, county, or other public agency may choose to participate voluntarily in a carpet product stewardship program.

(b) Cities, counties, and other public agencies are encouraged to work with producers and stewardship organizations to assist in meeting product stewardship program recycling obligations, by providing education and outreach or using other strategies.

(c) A city, county, or other public agency that participates in a product stewardship program must report annually to the agency using the reporting form provided by the agency on the cost savings as a result of participation and describe how the savings were used.

Subd. 16. **Administrative fee.** (a) The stewardship organization or individual producer submitting a stewardship plan shall pay the agency an annual administrative fee. The agency shall set the fee at an amount that, when paid by every stewardship organization or individual producer that submits a stewardship plan, is adequate to cover the agency's full costs of administering and enforcing this section. The agency may establish a variable fee based on relevant factors, including, but not limited to, the portion of carpet sold in the state by members of the organization compared to the total amount of carpet sold in the state by all organizations submitting a stewardship plan.

(b) The total amount of annual fees collected under this subdivision must not exceed the amount necessary to cover costs incurred by the agency in connection with the administration and enforcement of this section.

(c) The agency shall identify the direct program development or regulatory costs it incurs under this section before stewardship plans are submitted and shall establish a fee in an amount adequate to cover those costs, which shall be paid by a stewardship organization or individual producer that submits a stewardship plan.

(d) A stewardship organization or individual producer subject to this subdivision must pay the agency's administrative fee under paragraph (a) on or before July 1, ..., and annually thereafter and the agency's development fee under paragraph (c) on or before July 1, ..., and annually thereafter through July 1, ... Each year after the initial payment, the annual administrative fee may not exceed five percent of the aggregate stewardship assessment collected for the preceding calendar year.

(e) The agency shall deposit the fees collected under this section into a product stewardship account.

Sec. 39. **[115A.1415] ARCHITECTURAL PAINT; PRODUCT STEWARDSHIP PROGRAM; STEWARDSHIP PLAN.**

Subdivision 1. **Definitions.** For purposes of this section, the following terms have the meanings given:

(1) "architectural paint" means interior and exterior architectural coatings sold in containers of five gallons or less. Architectural paint does not include industrial coatings, original equipment coatings, or specialty coatings;

(2) "brand" means a name, symbol, word, or mark that identifies architectural paint, rather than its components, and attributes the paint to the owner or licensee of the brand as the producer;

(3) "discarded paint" means architectural paint that is no longer used for its manufactured purpose;

(4) "producer" means a person that:

(i) has legal ownership of the brand, brand name, or cobrand of architectural paint sold in the state;

(ii) imports architectural paint branded by a producer that meets subclause (i) when the producer has no physical presence in the United States;

(iii) if subclauses (i) and (ii) do not apply, makes unbranded architectural paint that is sold in the state; or

(iv) sells architectural paint at wholesale or retail, does not have legal ownership of the brand, and elects to fulfill the responsibilities of the producer for the architectural paint;

(5) "recycling" means the process of collecting and preparing recyclable materials and reusing the materials in their original form or using them in manufacturing processes that do not cause the destruction of recyclable materials in a manner that precludes further use;

(6) "retailer" means any person who offers architectural paint for sale at retail in the state;

(7) "reuse" means donating or selling collected architectural paint back into the market for its original intended use, when the architectural paint retains its original purpose and performance characteristics;

(8) "sale" or "sell" means transfer of title of architectural paint for consideration, including a remote sale conducted through a sales outlet, catalog, Web site, or similar electronic means. Sale or sell includes a lease through which architectural paint is provided to a consumer by a producer, wholesaler, or retailer;

(9) "stewardship assessment" means the amount added to the purchase price of architectural paint sold in the state that is necessary to cover the cost of collecting, transporting, and processing postconsumer architectural paint by the producer or stewardship organization pursuant to a product stewardship program;

(10) "stewardship organization" means an organization appointed by one or more producers to act as an agent on behalf of the producer to design, submit, and administer a product stewardship program under this section; and

(11) "stewardship plan" means a detailed plan describing the manner in which a product stewardship program under subdivision 2 will be implemented.

Subd. 2. **Product stewardship program.** For architectural paint sold in the state, producers must, individually or through a stewardship organization, implement and finance a statewide product stewardship program that manages the architectural paint by reducing the paint's waste generation, promoting its reuse and recycling, and providing for negotiation and execution of agreements to collect, transport, and process the architectural paint for end-of-life recycling and reuse.

Subd. 3. **Requirement for sale.** (a) On and after July 1, 2014, or three months after program plan approval, whichever is sooner, no producer, wholesaler, or retailer may sell or offer for sale in the state architectural paint unless the paint's producer participates in an approved stewardship plan, either individually or through a stewardship organization.

(b) Each producer must operate a product stewardship program approved by the agency or enter into an agreement with a stewardship organization to operate, on the producer's behalf, a product stewardship program approved by the agency.

Subd. 4. **Requirement to submit plan.** (a) On or before March 1, 2014, and before offering architectural paint for sale in the state, a producer must submit a stewardship plan to the agency and receive approval of the plan or must submit documentation to the agency that demonstrates the producer has entered into an agreement with a stewardship organization to be an active participant in an approved product stewardship program as described in subdivision 2. A stewardship plan must include all elements required under subdivision 5.

(b) An amendment to the plan, if determined necessary by the commissioner, must be submitted every five years.

(c) It is the responsibility of the entities responsible for each stewardship plan to notify the agency within 30 days of any significant changes or modifications to the plan or its implementation. Within 30 days of the notification, a written plan revision must be submitted to the agency for review and approval.

Subd. 5. **Stewardship plan content.** A stewardship plan must contain:

(1) certification that the product stewardship program will accept all discarded paint regardless of which producer produced the architectural paint and its individual components;

(2) contact information for the individual and the entity submitting the plan, a list of all producers participating in the product stewardship program, and the brands covered by the product stewardship program;

(3) a description of the methods by which the discarded paint will be collected in all areas in the state without relying on end-of-life fees, including an explanation of how the collection system will be convenient and adequate to serve the needs of small businesses and residents in both urban and rural areas on an ongoing basis;

(4) a description of how the adequacy of the collection program will be monitored and maintained;

(5) the names and locations of collectors, transporters, and recyclers that will manage discarded paint;

(6) a description of how the discarded paint and the paint's components will be safely and securely transported, tracked, and handled from collection through final recycling and processing;

(7) a description of the method that will be used to reuse, deconstruct, or recycle the discarded paint to ensure that the paint's components, to the extent feasible, are transformed or remanufactured into finished products for use;

(8) a description of the promotion and outreach activities that will be used to encourage participation in the collection and recycling programs and how the activities' effectiveness will be evaluated and the program modified, if necessary;

(9) the proposed stewardship assessment. The producer or stewardship organization shall propose a uniform stewardship assessment for any architectural paint sold in the state. The proposed stewardship assessment shall be reviewed by an independent auditor to ensure that the assessment does not exceed the costs of the product stewardship program and the independent auditor shall recommend an amount for the stewardship assessment. The agency must approve the stewardship assessment;

(10) evidence of adequate insurance and financial assurance that may be required for collection, handling, and disposal operations;

(11) five-year performance goals, including an estimate of the percentage of discarded paint that will be collected, reused, and recycled during each of the first five years of the stewardship plan. The performance goals must include a specific goal for the amount of discarded paint that will be collected and recycled and reused during each year of the plan. The performance goals must be based on:

(i) the most recent collection data available for the state;

(ii) the estimated amount of architectural paint disposed of annually;

(iii) the weight of the architectural paint that is expected to be available for collection annually; and

(iv) actual collection data from other existing stewardship programs.

The stewardship plan must state the methodology used to determine these goals; and

(12) a discussion of the status of end markets for collected architectural paint and what, if any, additional end markets are needed to improve the functioning of the program.

Subd. 6. **Consultation required.** Each stewardship organization or individual producer submitting a stewardship plan must consult with stakeholders including retailers, contractors, collectors, recyclers, local government, and customers during the development of the plan.

Subd. 7. **Agency review and approval.** (a) Within 90 days after receipt of a proposed stewardship plan, the agency shall determine whether the plan complies with subdivision 4. If the agency approves a plan, the agency shall notify the applicant of the plan approval in writing. If the agency rejects a plan, the agency shall notify the applicant in writing of the reasons for rejecting the plan. An applicant whose plan is rejected by the agency must submit a revised plan to the agency within 60 days after receiving notice of rejection.

(b) Any proposed changes to a stewardship plan must be approved by the agency in writing.

Subd. 8. **Plan availability.** All draft and approved stewardship plans shall be placed on the agency's Web site and made available at the agency's headquarters for public review.

Subd. 9. **Conduct authorized.** A producer or stewardship organization that organizes collection, transport, and processing of architectural paint under this section is immune from liability for the conduct under state laws relating to antitrust, restraint of trade, unfair trade practices, and other regulation of trade or commerce only to the extent that the conduct is necessary to plan and implement the producer's or organization's chosen organized collection or recycling system.

Subd. 10. **Responsibility of producers.** (a) On and after the date of implementation of a product stewardship program according to this section, a producer of architectural paint must add the stewardship assessment, as established under subdivision 5, clause (9), to the cost of architectural paint sold to retailers and distributors in the state by the producer.

(b) Producers of architectural paint or the stewardship organization shall provide consumers with educational materials regarding the stewardship assessment and product stewardship program. The materials must include, but are not limited to, information regarding available end-of-life management options for architectural paint offered through the product stewardship program and information that notifies consumers that a charge for the operation of the product stewardship program is included in the purchase price of architectural paint sold in the state.

Subd. 11. **Responsibility of retailers.** (a) On and after July 1, 2014, or three months after program plan approval, whichever is sooner, no architectural paint may be sold in the state unless the paint's producer is participating in an approved stewardship plan.

(b) On and after the implementation date of a product stewardship program according to this section, each retailer or distributor, as applicable, must add the amount of the stewardship assessment to the purchase price of all architectural paint sold in the state.

(c) Any retailer may participate, on a voluntary basis, as a designated collection point pursuant to a product stewardship program under this section and in accordance with applicable law.

(d) No retailer or distributor shall be found to be in violation of this subdivision if, on the date the architectural paint was ordered from the producer or its agent, the producer was listed as compliant on the agency's Web site according to subdivision 14.

Subd. 12. **Stewardship reports.** Beginning October 1, 2015, producers of architectural paint sold in the state must individually or through a stewardship organization submit an annual report to the agency describing the product stewardship program. At a minimum, the report must contain:

(1) a description of the methods used to collect, transport, and process architectural paint in all regions of the state;

(2) the weight of all architectural paint collected in all regions of the state and a comparison to the performance goals and recycling rates established in the stewardship plan;

(3) the amount of unwanted architectural paint collected in the state by method of disposition, including reuse, recycling, and other methods of processing;

(4) samples of educational materials provided to consumers and an evaluation of the effectiveness of the materials and the methods used to disseminate the materials; and

(5) an independent financial audit.

Subd. 13. **Data classification.** Trade secret information, as defined under section 13.37, submitted to the agency under this section is nonpublic data under section 13.37, subdivision 2.

Subd. 14. **Agency responsibilities.** The agency shall provide, on its Web site, a list of all compliant producers and brands participating in stewardship plans that the agency has approved and a list of all producers and brands the agency has identified as noncompliant with this section.

Subd. 15. **Local government responsibilities.** (a) A city, county, or other public agency may choose to participate voluntarily in a product stewardship program.

(b) Cities, counties, and other public agencies are encouraged to work with producers and stewardship organizations to assist in meeting product stewardship program reuse and recycling obligations, by providing education and outreach or using other strategies.

(c) A city, county, or other public agency that participates in a product stewardship program must report annually to the agency using the reporting form provided by the agency on the cost savings as a result of participation and describe how the savings were used.

Subd. 16. **Administrative fee.** (a) The stewardship organization or individual producer submitting a stewardship plan shall pay the agency an annual administrative fee. The agency shall set the fee at an amount that, when paid by every stewardship organization or individual producer that submits a stewardship plan, is adequate to cover the agency's full costs of administering and enforcing this section. The agency may establish a variable fee based on relevant factors, including, but not limited to, the portion of architectural paint sold in the state by members of the organization compared to the total amount of architectural paint sold in the state by all organizations submitting a stewardship plan.

(b) The total amount of annual fees collected under this subdivision must not exceed the amount necessary to recover costs incurred by the agency in connection with the administration and enforcement of this section.

(c) The agency shall identify the direct program development or regulatory costs it incurs under this section before stewardship plans are submitted and shall establish a fee in an amount adequate to cover those costs, which shall be paid by a stewardship organization or individual producer that submits a stewardship plan. The commissioner must make the proposed fee available for public review and comment for at least 30 days.

(d) A stewardship organization or individual producer subject to this section must pay the agency's administrative fee under paragraph (a) on or before July 1, ..., and annually thereafter and the agency's development fee under paragraph (c) on or before July 1, ..., and annually thereafter through July 1, ... Each year after the initial payment,

the annual administrative fee may not exceed five percent of the aggregate stewardship assessment collected for the preceding calendar year.

(e) The agency shall deposit the fees collected under this section into a product stewardship account.

Sec. 40. **[115A.142] PRIMARY BATTERIES; PRODUCT STEWARDSHIP PROGRAM; STEWARDSHIP PLAN.**

Subdivision 1. **Definitions.** For purposes of this section, the following terms have the meaning given:

(1) "brand" means a name, symbol, word, or mark that identifies a primary battery, rather than its components, and attributes the battery to the owner or licensee of the brand as the producer;

(2) "discarded battery" means a primary battery that is no longer used for its manufactured purpose;

(3) "primary battery" means an electric cell that generates an electromotive force by the direct and usually irreversible conversion of chemical energy into electrical energy. It cannot be recharged efficiently by an electric current;

(4) "producer" means a person that:

(i) has legal ownership of the brand, brand name, or cobrand of a primary battery sold in the state;

(ii) imports a primary battery branded by a producer that meets subclause (i) when the producer has no physical presence in the United States;

(iii) if subclauses (i) and (ii) do not apply, makes an unbranded primary battery that is sold in the state; or

(iv) sells a primary battery at wholesale or retail, does not have legal ownership of the brand, and elects to fulfill the responsibilities of the producer for the battery;

(5) "recycling" means the process of collecting and preparing recyclable materials and reusing the materials in their original form or using them in manufacturing processes that do not cause the destruction of recyclable materials in a manner that precludes further use;

(6) "retailer" means any person who offers primary batteries for sale at retail in the state;

(7) "reuse" means donating or selling a collected primary battery back into the market for its original intended use, when the primary battery retains its original purpose and performance characteristics;

(8) "sale" or "sell" means transfer of title of a primary battery for consideration, including a remote sale conducted through a sales outlet, catalog, Web site, or similar

electronic means. Sale or sell includes a lease through which a primary battery is provided to a consumer by a producer, wholesaler, or retailer;

(9) "stewardship organization" means an organization appointed by one or more producers to act as an agent on behalf of the producer to design, submit, and administer a product stewardship program under this section; and

(10) "stewardship plan" means a detailed plan describing the manner in which a product stewardship program under subdivision 2 will be implemented.

Subd. 2. **Product stewardship program.** For each primary battery sold in the state, producers must, individually or through a stewardship organization, implement and finance a statewide product stewardship program that manages primary batteries by reducing primary battery waste generation, promoting primary battery reuse and recycling, and providing for negotiation and execution of agreements to collect, transport, and process primary batteries for end-of-life recycling and reuse.

Subd. 3. **Requirement for sale.** (a) On and after July 1, 2014, or three months after program plan approval, whichever is sooner, no producer, wholesaler, or retailer may sell or offer for sale in the state a primary battery unless the battery's producer participates in an approved stewardship plan, either individually or through a stewardship organization.

(b) Each producer must operate a product stewardship program approved by the agency or enter into an agreement with a stewardship organization to operate, on the producer's behalf, a product stewardship program approved by the agency.

Subd. 4. **Requirement to submit plan.** (a) On or before October 1, 2014, and before offering a primary battery for sale in the state, a producer must submit a stewardship plan to the agency and receive approval of the plan or must submit documentation to the agency that demonstrates the producer has entered into an agreement with a stewardship organization to be an active participant in an approved product stewardship program as described in subdivision 2. A stewardship plan must include all elements required under subdivision 5.

(b) An amendment to the plan, if determined necessary by the commissioner, must be submitted every five years.

(c) It is the responsibility of the entities responsible for each stewardship plan to notify the agency within 30 days of any significant changes or modifications to the plan or its implementation. Within 30 days of the notification, a written plan revision must be submitted to the agency for review and approval.

Subd. 5. **Stewardship plan content.** A stewardship plan must contain:

(1) certification that the product stewardship program will accept all discarded batteries regardless of which producer produced the batteries and their individual components;

(2) contact information for the individual and the entity submitting the plan, a list of all producers participating in the product stewardship program, and the brands covered by the product stewardship program;

(3) a description of the methods by which the discarded batteries will be collected in all areas in the state without relying on end-of-life fees, including an explanation of how the collection system will be convenient and adequate to serve the needs of small businesses and residents in both urban and rural areas on an ongoing basis;

(4) a description of how the adequacy of the collection program will be monitored and maintained;

(5) the names and locations of collectors, transporters, and recyclers that will manage discarded batteries;

(6) a description of how the discarded batteries and the batteries' components will be safely and securely transported, tracked, and handled from collection through final recycling and processing;

(7) a description of the method that will be used to reuse, deconstruct, or recycle the discarded batteries to ensure that the batteries' components, to the extent feasible, are transformed or remanufactured into finished batteries for use;

(8) a description of the promotion and outreach activities that will be used to encourage participation in the collection and recycling programs and how the activities' effectiveness will be evaluated and the program modified, if necessary;

(9) evidence of adequate insurance and financial assurance that may be required for collection, handling, and disposal operations;

(10) five-year performance goals, including an estimate of the percentage of discarded batteries that will be collected, reused, and recycled during each of the first five years of the stewardship plan. The performance goals must include a specific escalating goal for the amount of discarded batteries that will be collected and recycled and reused during each year of the plan. The performance goals must be based on:

(i) the most recent collection data available for the state;

(ii) the estimated amount of primary batteries disposed of annually;

(iii) the weight of primary batteries that is expected to be available for collection annually; and

(iv) actual collection data from other existing stewardship programs.

The stewardship plan must state the methodology used to determine these goals; and

(11) a discussion of the status of end markets for discarded batteries and what, if any, additional end markets are needed to improve the functioning of the program.

Subd. 6. **Consultation required.** Each stewardship organization or individual producer submitting a stewardship plan must consult with stakeholders including retailers, collectors, recyclers, local government, and customers during the development of the plan.

Subd. 7. **Agency review and approval.** (a) Within 90 days after receipt of a proposed stewardship plan, the agency shall determine whether the plan complies with subdivision 5. If the agency approves a plan, the agency shall notify the applicant of the plan approval in writing. If the agency rejects a plan, the agency shall notify the applicant in writing of the reasons for rejecting the plan. An applicant whose plan is rejected by the agency must submit a revised plan to the agency within 60 days after receiving notice of rejection.

(b) Any proposed changes to a stewardship plan must be approved by the agency in writing.

Subd. 8. **Plan availability.** All draft and approved stewardship plans shall be placed on the agency's Web site and made available at the agency's headquarters for public review.

Subd. 9. **Conduct authorized.** A producer or stewardship organization that organizes collection, transport, and processing of primary batteries under this section is immune from liability for the conduct under state laws relating to antitrust, restraint of trade, unfair trade practices, and other regulation of trade or commerce only to the extent that the conduct is necessary to plan and implement the producer's or organization's chosen organized collection or recycling system.

Subd. 10. **Responsibility of retailers.** (a) On and after January 1, 2015, or three months after program plan approval, whichever is sooner, no primary battery may be sold in the state unless the battery's producer is participating in an approved stewardship plan.

(b) Any retailer may participate, on a voluntary basis, as a designated collection point pursuant to a product stewardship program under this section and in accordance with applicable law.

(c) No retailer or distributor shall be found to be in violation of this subdivision if, on the date the primary battery was ordered from the producer or its agent, the producer was listed as compliant on the agency's Web site according to subdivision 12.

Subd. 11. **Stewardship reports.** Beginning March 1, 2016, producers of primary batteries sold in the state must individually or through a stewardship organization submit an annual report to the agency describing the product stewardship program. At a minimum, the report must contain:

(1) a description of the methods used to collect, transport, and process primary batteries in all regions of the state;

(2) the weight of all primary batteries collected in all regions of the state and a comparison to the performance goals and recycling rates established in the stewardship plan;

(3) the amount of unwanted primary batteries collected in the state by method of disposition, including reuse, recycling, and other methods of processing;

(4) samples of educational materials provided to consumers and an evaluation of the effectiveness of the materials and the methods used to disseminate the materials; and

(5) an independent financial audit.

Subd. 12. **Data classification.** Trade secret information, as defined under section 13.37, submitted to the agency under this section is nonpublic data under section 13.37, subdivision 2.

Subd. 13. **Agency responsibilities.** The agency shall provide, on its Web site, a list of all compliant producers and brands participating in stewardship plans that the agency has approved and a list of all producers and brands the agency has identified as noncompliant with this section.

Subd. 14. **Local government responsibilities.** (a) A city, county, or other public agency may choose to participate voluntarily in a product stewardship program.

(b) Cities, counties, and other public agencies are encouraged to work with producers and stewardship organizations to assist in meeting product stewardship program recycling obligations, by providing education and outreach or using other strategies.

(c) A city, county, or other public agency that participates in a product stewardship program must report annually to the agency using the reporting form provided by the agency on the cost savings as a result of participation and describe how the savings were used.

Subd. 15. **Administrative fee.** (a) The stewardship organization or individual producer submitting a stewardship plan shall pay the agency an annual administrative fee. The agency shall set the fee at an amount that, when paid by every stewardship organization or individual producer that submits a stewardship plan, is adequate to cover the agency's full costs of administering and enforcing this section. The agency may establish a variable fee based on relevant factors, including, but not limited to, the portion of primary batteries sold in the state by members of the organization compared to the total amount of primary batteries sold in the state by all organizations submitting a stewardship plan.

(b) The total amount of annual fees collected under this section must not exceed the amount necessary to recover costs incurred by the agency in connection with the administration and enforcement of this section.

(c) The agency shall identify the direct program development or regulatory costs it incurs under this section before stewardship plans are submitted and shall establish a

fee in an amount adequate to cover those costs, which shall be paid by a stewardship organization or individual producer that submits a stewardship plan. The commissioner must make the proposed fee available for public review and comment for at least 30 days.

(d) A stewardship organization or individual producer subject to this section must pay the agency's administrative fee under paragraph (a) on or before July 1, ..., and annually thereafter and the agency's development fee under paragraph (c) on or before July 1, ..., and annually thereafter through July 1, ...

(e) The agency shall deposit the fees collected under this section into a product stewardship account.

Sec. 41. **[115A.1425] REPORT TO LEGISLATURE AND GOVERNOR.**

As part of the report required under section 115A.121, the commissioner of the Pollution Control Agency shall provide a report to the governor and the legislature on the implementation of sections 115A.141, 115A.1415, and 115A.142.

Sec. 42. Minnesota Statutes 2012, section 127A.30, subdivision 1, is amended to read:

Subdivision 1. **Commission established; membership.** (a) The Legislative Permanent School Fund Commission of 12 members is established to advise the Department of Natural Resources ~~and the school trust lands director~~ on the management of permanent school fund land, which is held in trust for the school districts of the state and to review legislation affecting permanent school fund land. The commission consists of the following persons:

(1) six members of the senate, including three majority party members appointed by the majority leader and three minority party members appointed by the minority leader; and

(2) six members of the house of representatives, including three majority party members appointed by the speaker of the house and three minority party members appointed by the minority leader.

(b) Appointed legislative members serve at the pleasure of the appointing authority and continue to serve until their successors are appointed.

(c) The first meeting of the commission shall be convened by the chair of the Legislative Coordinating Commission. Members shall elect a chair, vice-chair, secretary, and other officers as determined by the commission. The chair may convene meetings as necessary to conduct the duties prescribed by this section.

Sec. 43. Minnesota Statutes 2012, section 127A.351, is amended to read:

127A.351 POLICY AND PURPOSE.

(a) The purpose of sections 127A.351 ~~to 127A.353~~ and 127A.352 is to ~~establish a school trust lands director position to recommend~~ ensure the management policies for Minnesota's school trust lands as described in sections 92.121 and 127A.31, are in accordance with the provisions of the Minnesota Constitution, article XI, section 8.

(b) As trustee, the state must manage the lands and revenues generated from the lands consistent with the best interests of the trust beneficiaries as defined in the Minnesota Constitution, article XI, section 8. When it is in the best interest of the school trust lands, ecological benefits shall be taken into consideration.

(c) The trustee must be concerned with both income for the current beneficiaries and the preservation of trust assets for future beneficiaries, which requires a balancing of short-term and long-term interests so that long-term benefits are not lost in an effort to maximize short-term gains.

(d) Sections 127A.351 ~~to 127A.353~~ and 127A.352 shall be liberally construed to enable ~~the school trust lands director and~~ the commissioner of natural resources to faithfully fulfill the state's obligations to the trust beneficiaries.

Sec. 44. Minnesota Statutes 2012, section 127A.352, is amended to read:

127A.352 POLICY RECOMMENDATIONS; DUTIES.

Subdivision 1. **Recommendations.** The Legislative Permanent School Fund Commission shall recommend policies for ~~the school trust lands director and~~ the commissioner of natural resources that are consistent with the Minnesota Constitution, state law, and the goals established under section 84.027, subdivision 18.

Subd. 2. **Duties.** The commissioner of natural resources ~~and the school trust lands director~~ shall recommend to the governor and the Legislative Permanent School Fund Commission any necessary or desirable changes in statutes relating to the trust or ~~their~~ the commissioner's trust responsibilities consistent with the policies under section 127A.351.

~~Subd. 3. **Notice to commission and governor.** If the school trust lands director has an irreconcilable disagreement with the commissioner of natural resources pertaining to the fiduciary responsibilities consistent with the school trust lands, it is the duty of the director to report the subject of the disagreement to the Legislative Permanent School Fund Commission and the governor.~~

Sec. 45. Minnesota Statutes 2012, section 168.1296, subdivision 1, is amended to read:

Subdivision 1. **General requirements and procedures.** (a) The commissioner shall issue critical habitat plates to an applicant who:

(1) is a registered owner of a passenger automobile as defined in section 168.002, subdivision 24, or recreational vehicle as defined in section 168.002, subdivision 27;

(2) pays a fee of $10 to cover the costs of handling and manufacturing the plates;

(3) pays the registration tax required under section 168.013;

(4) pays the fees required under this chapter;

(5) contributes a minimum of ~~$30~~ $40 annually to the Minnesota critical habitat private sector matching account established in section 84.943; and

(6) complies with this chapter and rules governing registration of motor vehicles and licensing of drivers.

(b) The critical habitat plate application must indicate that the annual contribution specified under paragraph (a), clause (5), is a minimum contribution to receive the plate and that the applicant may make an additional contribution to the account.

(c) Owners of recreational vehicles under paragraph (a), clause (1), are eligible only for special critical habitat license plates for which the designs are selected under subdivision 2, on or after January 1, 2006.

(d) Special critical habitat license plates, the designs for which are selected under subdivision 2, on or after January 1, 2006, may be personalized according to section 168.12, subdivision 2a.

Sec. 46. Minnesota Statutes 2012, section 239.101, subdivision 3, is amended to read:

Subd. 3. **Petroleum inspection fee; appropriation, uses.** (a) An inspection fee is imposed (1) on petroleum products when received by the first licensed distributor, and (2) on petroleum products received and held for sale or use by any person when the petroleum products have not previously been received by a licensed distributor. The petroleum inspection fee is $1 for every 1,000 gallons received. The commissioner of revenue shall collect the fee. The revenue from ~~81~~ 89 cents of the fee is appropriated to the commissioner of commerce for the cost of operations of the Division of Weights and Measures, petroleum supply monitoring, and to make grants to providers of low-income weatherization services to install renewable energy equipment in households that are eligible for weatherization assistance under Minnesota's weatherization assistance program state plan. The remainder of the fee must be deposited in the general fund.

(b) The commissioner of revenue shall credit a person for inspection fees previously paid in error or for any material exported or sold for export from the state upon filing of a report as prescribed by the commissioner of revenue.

(c) The commissioner of revenue may collect the inspection fee along with any taxes due under chapter 296A.

Sec. 47. Minnesota Statutes 2012, section 275.066, is amended to read:

275.066 SPECIAL TAXING DISTRICTS; DEFINITION.

For the purposes of property taxation and property tax state aids, the term "special taxing districts" includes the following entities:

(1) watershed districts under chapter 103D;

(2) sanitary districts under sections ~~115.18 to 115.37~~ 442A.01 to 442A.29;

(3) regional sanitary sewer districts under sections 115.61 to 115.67;

(4) regional public library districts under section 134.201;

(5) park districts under chapter 398;

(6) regional railroad authorities under chapter 398A;

(7) hospital districts under sections 447.31 to 447.38;

(8) St. Cloud Metropolitan Transit Commission under sections 458A.01 to 458A.15;

(9) Duluth Transit Authority under sections 458A.21 to 458A.37;

(10) regional development commissions under sections 462.381 to 462.398;

(11) housing and redevelopment authorities under sections 469.001 to 469.047;

(12) port authorities under sections 469.048 to 469.068;

(13) economic development authorities under sections 469.090 to 469.1081;

(14) Metropolitan Council under sections 473.123 to 473.549;

(15) Metropolitan Airports Commission under sections 473.601 to 473.680;

(16) Metropolitan Mosquito Control Commission under sections 473.701 to 473.716;

(17) Morrison County Rural Development Financing Authority under Laws 1982, chapter 437, section 1;

(18) Croft Historical Park District under Laws 1984, chapter 502, article 13, section 6;

(19) East Lake County Medical Clinic District under Laws 1989, chapter 211, sections 1 to 6;

(20) Floodwood Area Ambulance District under Laws 1993, chapter 375, article 5, section 39;

(21) Middle Mississippi River Watershed Management Organization under sections 103B.211 and 103B.241;

(22) emergency medical services special taxing districts under section 144F.01;

(23) a county levying under the authority of section 103B.241, 103B.245, or 103B.251;

(24) Southern St. Louis County Special Taxing District; Chris Jensen Nursing Home under Laws 2003, First Special Session chapter 21, article 4, section 12;

(25) an airport authority created under section 360.0426; and

(26) any other political subdivision of the state of Minnesota, excluding counties, school districts, cities, and towns, that has the power to adopt and certify a property tax levy to the county auditor, as determined by the commissioner of revenue.

Sec. 48. **[442A.01] DEFINITIONS.**

Subdivision 1. **Applicability.** For the purposes of this chapter, the terms defined in this section have the meanings given.

Subd. 2. **Chief administrative law judge.** "Chief administrative law judge" means the chief administrative law judge of the Office of Administrative Hearings or the delegate of the chief administrative law judge under section 14.48.

Subd. 3. **District.** "District" means a sanitary district created under this chapter or under Minnesota Statutes 2012, sections 115.18 to 115.37.

Subd. 4. **Municipality.** "Municipality" means a city, however organized.

Subd. 5. **Property owner.** "Property owner" means the fee owner of land, or the beneficial owner of land whose interest is primarily one of possession and enjoyment. Property owner includes, but is not limited to, vendees under a contract for deed and mortgagors. Any reference to a percentage of property owners means in number.

Subd. 6. **Related governing body.** "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. 7. **Related governmental subdivision.** "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.

Subd. 8. **Statutory city.** "Statutory city" means a city organized as provided by chapter 412, under the plan other than optional.

Subd. 9. **Territorial unit.** "Territorial unit" means all that part of a district situated within a single municipality, within a single organized town outside of a municipality, or, in the case of an unorganized area, within a single county.

Sec. 49. **[442A.015] APPLICABILITY.**

All new sanitary district formations proposed and all sanitary districts previously formed under Minnesota Statutes 2012, sections 115.18 to 115.37, must comply with this chapter, including annexations to, detachments from, and resolutions of sanitary districts previously formed under Minnesota Statutes 2012, sections 115.18 to 115.37.

Sec. 50. **[442A.02] SANITARY DISTRICTS; PROCEDURES AND AUTHORITY.**

Subdivision 1. **Duty of chief administrative law judge.** The chief administrative law judge shall conduct proceedings, make determinations, and issue orders for the creation of a sanitary district formed under this chapter or the annexation, detachment, or dissolution of a sanitary district previously formed under Minnesota Statutes 2012, sections 115.18 to 115.37.

Subd. 2. **Consolidation of proceedings.** The chief administrative law judge may order the consolidation of separate proceedings in the interest of economy and expedience.

Subd. 3. **Contracts, consultants.** The chief administrative law judge may contract with regional, state, county, or local planning commissions and hire expert consultants to provide specialized information and assistance.

Subd. 4. **Powers of conductor of proceedings.** Any person conducting a proceeding under this chapter may administer oaths and affirmations; receive testimony of witnesses, and the production of papers, books, and documents; examine witnesses; and receive and report evidence. Upon the written request of a presiding administrative law judge or a party, the chief administrative law judge may issue a subpoena for the attendance of a witness or the production of books, papers, records, or other documents material to any proceeding under this chapter. The subpoena is enforceable through the district court in the district in which the subpoena is issued.

Subd. 5. **Rulemaking authority.** The chief administrative law judge may adopt rules according to section 14.386 that are reasonably necessary to carry out the duties and powers imposed upon the chief administrative law judge under this chapter. Notwithstanding section 16A.1283, the chief administrative law judge may adopt rules establishing fees.

Subd. 6. **Schedule of filing fees.** The chief administrative law judge may prescribe by rule a schedule of filing fees for any petitions filed under this chapter.

Subd. 7. **Request for hearing transcripts; costs.** Any party may request the chief administrative law judge to cause a transcript of the hearing to be made. Any party requesting a copy of the transcript is responsible for its costs.

Subd. 8. **Compelled meetings; report.** (a) In any proceeding under this chapter, the chief administrative law judge or conductor of the proceeding may at any time in the process require representatives from any petitioner, property owner, or involved city, town, county, political subdivision, or other governmental entity to meet together to discuss resolution of issues raised by the petition or order that confers jurisdiction on the chief administrative law judge and other issues of mutual concern. The chief administrative law judge or conductor of the proceeding may determine which entities are required to participate in these discussions. The chief administrative law judge or conductor of the proceeding may require that the parties meet at least three times during a 60-day

period. The parties shall designate a person to report to the chief administrative law judge or conductor of the proceeding on the results of the meetings immediately after the last meeting. The parties may be granted additional time at the discretion of the chief administrative law judge or conductor of the proceedings.

(b) Any proposed resolution or settlement of contested issues that results in a sanitary district formation, annexation, detachment, or dissolution; places conditions on any future sanitary district formation, annexation, detachment, or dissolution; or results in the withdrawal of an objection to a pending proceeding or the withdrawal of a pending proceeding must be filed with the chief administrative law judge and is subject to the applicable procedures and statutory criteria of this chapter.

Subd. 9. **Data from state agencies.** The chief administrative law judge may request information from any state department or agency to assist in carrying out the chief administrative law judge's duties under this chapter. The department or agency shall promptly furnish the requested information.

Subd. 10. **Permanent official record.** The chief administrative law judge shall provide information about sanitary district creations, annexations, detachments, and dissolutions to the Minnesota Pollution Control Agency. The Minnesota Pollution Control Agency is responsible for maintaining the official record, including all documentation related to the processes.

Subd. 11. **Shared program costs and fee revenue.** The chief administrative law judge and the Minnesota Pollution Control Agency shall agree on an amount to be transferred from the Minnesota Pollution Control Agency to the chief administrative law judge to pay for administration of this chapter, including publication and notification costs. Sanitary district fees collected by the chief administrative law judge shall be deposited in the environmental fund.

EFFECTIVE DATE. Subdivision 5 is effective the day following final enactment.

Sec. 51. **[442A.03] FILING OF MAPS IN SANITARY DISTRICT PROCEEDINGS.**

Any party initiating a sanitary district proceeding that includes platted land shall file with the chief administrative law judge maps which are necessary to support and identify the land description. The maps shall include copies of plats.

Sec. 52. **[442A.04] SANITARY DISTRICT CREATION.**

Subdivision 1. **Sanitary district creation.** (a) A sanitary district may be created under this chapter 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. The proposed sanitary district must promote 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. When the chief administrative law judge or the Minnesota Pollution Control 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 a district will be administratively feasible and in furtherance of the public health, safety, and welfare, the chief administrative law judge shall make an order creating the sanitary district.

(b) Notwithstanding paragraph (a), 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 chief administrative law judge.

(c) If the chief administrative law judge and the Minnesota Pollution Control Agency disagree on the need to create a sanitary district, they must determine whether not allowing the sanitary district formation will have a detrimental effect on the environment. If it is determined that the sanitary district formation will prevent environmental harm, the sanitary district creation or connection to an existing wastewater treatment system must occur.

Subd. 2. **Proceeding to create sanitary district.** (a) A proceeding for the creation of a district may be initiated by a petition to the chief administrative law judge 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 legal description of the territory of the proposed district, including justification for inclusion or exclusion for all parcels;

(4) addresses of every property owner within the proposed district boundaries as provided by the county auditor, with certification from the county auditor; two sets of address labels for said owners; and a list of e-mail addresses for said owners, if available;

(5) a statement showing the existence in the territory of the conditions requisite for creation of a district as prescribed in subdivision 1;

(6) a statement of the territorial units represented by and the qualifications of the respective signers; and

(7) 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.

(b) Petitioners must conduct and pay for a public meeting 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 and a description of the territory of the proposed district, including justification for inclusion or exclusion for all parcels. Notice of the meeting must be published for two successive weeks in a qualified newspaper, as defined under chapter 331A, 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 must be posted for two weeks in each territorial unit of the proposed district and on the Web site of the proposed district, if one exists. Notice of the meeting must be mailed or e-mailed at least three weeks prior to the meeting to all property tax billing addresses for all parcels included in the proposed district. The following must be submitted to the chief administrative law judge with the petition:

(1) a record of the meeting, including copies of all information provided at the meeting;

(2) a copy of the mailing list provided by the county auditor and used to notify property owners of the meeting;

(3) a copy of the e-mail list used to notify property owners of the meeting;

(4) the printer's affidavit of publication of public meeting notice;

(5) an affidavit of posting the public meeting notice with information on dates and locations of posting; and

(6) the minutes or other record of the public meeting documenting that the following topics were discussed: printer's affidavit of publication of each resolution, with a copy of the resolution from the newspaper attached; and the affidavit of resolution posting on the town or proposed district Web site.

(c) Every petition must be signed as follows:

(1) for each municipality wherein there is a territorial unit of the proposed district, by an authorized officer 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 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 pursuant to a resolution of the county board or by at least 20 percent of the voters residing and owning land within the unit.

(d) Each resolution must be published in the official newspaper of the governing body adopting it and becomes 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 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 that the governing body may call. The notice of an election and the ballot to be used must contain the text of the resolution followed by the question: "Shall the above resolution be approved?"

(e) 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.

(f) At any time before publication of the public notice required in subdivision 3, 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. If the qualifications of any signer of a petition are challenged, the chief administrative law judge 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. 3. **Notice of intent to create sanitary district.** (a) Upon receipt of a petition and the record of the public meeting required under subdivision 2, the chief administrative law judge shall publish a notice of intent to create the proposed sanitary district in the State Register and mail or e-mail information of that publication to each property owner in the affected territory at the owner's address as given by the county auditor. The information must state the date that the notice will appear in the State Register and give the Web site location for the State Register. 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 chief administrative law judge 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 chief administrative law judge may make a decision on the petition.

(b) If 50 or more individual timely requests for hearing are received, the chief administrative law judge must hold a hearing on the petition according to the contested case provisions of chapter 14. The sanitary district proposers are responsible for paying all costs involved in publicizing and holding a hearing on the petition.

Subd. 4. **Hearing time, place.** If a hearing is required pursuant to subdivision 3, the chief administrative law judge shall designate a time and place for a hearing according to section 442A.13.

Subd. 5. **Relevant factors.** (a) In arriving at a decision, the chief administrative law judge shall consider the following factors:

(1) administrative feasibility;

(2) public health, safety, and welfare impacts;

(3) alternatives for managing the public health impacts;

(4) equities of the petition proposal;

(5) contours of the petition proposal; and

(6) public notification of and interaction on the petition proposal.

(b) Based on the factors in paragraph (a), the chief administrative law judge may order the sanitary district creation on finding that:

(1) the proposed district is administratively feasible;

(2) the proposed district provides a long-term, equitable solution to pollution problems affecting public health, safety, and welfare;

(3) property owners within the proposed district were provided notice of the proposed district and opportunity to comment on the petition proposal; and

(4) the petition complied with the requirements of all applicable statutes and rules pertaining to sanitary district creation.

(c) The chief administrative law judge may alter the boundaries of the proposed sanitary district by increasing or decreasing the area to be included or may exclude property that may be better served by another unit of government. The chief administrative law judge may also alter the boundaries of the proposed district so as to follow visible, clearly recognizable physical features for municipal boundaries.

(d) The chief administrative law judge may deny sanitary district creation if the area, or a part thereof, would be better served by an alternative method.

(e) In all cases, the chief administrative law judge shall set forth the factors that are the basis for the decision.

Subd. 6. **Findings; order.** After the public notice period or the public hearing, if required under subdivision 3, and based on the petition, any public comments received, and, if a hearing was held, the hearing record, the chief administrative law judge shall

make findings of fact and conclusions determining whether the conditions requisite for the creation of a district exist in the territory described in the petition. If the chief administrative law judge finds that the conditions exist, the judge may make an order creating a district for the territory described in that petition under the name proposed in the petition or such other name, including the words "sanitary district," as the judge deems appropriate.

Subd. 7. **Denial of petition.** If the chief administrative law judge, after conclusion of the public notice period or holding a hearing, if required, determines that the creation of a district in the territory described in the petition is not warranted, the judge shall make an order denying the petition. The chief administrative law judge shall give notice of the denial by mail or e-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 under this subdivision. Nothing in this subdivision precludes action on a petition for the creation of a district embracing part of the territory with or without other territory.

Subd. 8. **Notice of order creating sanitary district.** The chief administrative law judge shall publish a notice in the State Register of the final order creating a sanitary district, referring to the date of the order and describing the territory of the district, and shall mail or e-mail information of the publication to each property owner in the affected territory at the owner's address as given by the county auditor. The information must state the date that the notice will appear in the State Register and give the Web site location for the State Register. The notice must:

(1) describe the petition for creation of the district;

(2) describe the territory affected by the petition; and

(3) state that a certified copy of the order shall be delivered to the secretary of state for filing ten days after public notice of the order in the State Register.

Subd. 9. **Filing.** Ten days after public notice of the order in the State Register, the chief administrative law judge shall deliver a certified copy of the order to the secretary of state for filing. Thereupon, the creation of the district is deemed complete, and it shall be conclusively presumed that all requirements of law relating thereto have been complied with. The chief administrative law judge 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.

Sec. 53. **[442A.05] SANITARY DISTRICT ANNEXATION.**

Subdivision 1. **Annexation.** (a) A sanitary district annexation may occur under this chapter for any area adjacent to an existing district upon a petition to the chief administrative law judge stating the grounds therefor as provided in this section.

(b) The proposed annexation area must embrace 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. The proposed annexation must promote 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. When the chief administrative law judge or the Minnesota Pollution Control 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 annexation to a district, and that the creation and maintenance of such annexation will be administratively feasible and in furtherance of the public health, safety, and welfare, the chief administrative law judge shall make an order for sanitary district annexation.

(c) Notwithstanding paragraph (b), no annexation to a district shall be approved 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 annexation area by resolution filed with the chief administrative law judge.

(d) If the chief administrative law judge and the Minnesota Pollution Control Agency disagree on the need for a sanitary district annexation, they must determine whether not allowing the sanitary district annexation will have a detrimental effect on the environment. If it is determined that the sanitary district annexation will prevent environmental harm, the sanitary district annexation or connection to an existing wastewater treatment system must occur.

Subd. 2. **Proceeding for annexation.** (a) A proceeding for sanitary district annexation may be initiated by a petition to the chief administrative law judge containing the following:

(1) a request for proposed annexation to a sanitary district;

(2) a legal description of the territory of the proposed annexation, including justification for inclusion or exclusion for all parcels;

(3) addresses of every property owner within the existing sanitary district and proposed annexation area boundaries as provided by the county auditor, with certification from the county auditor; two sets of address labels for said owners; and a list of e-mail addresses for said owners, if available;

(4) a statement showing the existence in such territory of the conditions requisite for annexation to a district as prescribed in subdivision 1;

(5) a statement of the territorial units represented by and qualifications of the respective signers; and

(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.

(b) Petitioners must conduct and pay for a public meeting to inform citizens of the proposed annexation to a sanitary district. At the meeting, information must be provided, including a description of the existing sanitary district's structure, bylaws, territory, ordinances, budget, and charges; a description of the existing sanitary district's territory; and a description of the territory of the proposed annexation area, including justification for inclusion or exclusion for all parcels for the annexation area. Notice of the meeting must be published for two successive weeks in a qualified newspaper, as defined under chapter 331A, published within the territories of the existing sanitary district and proposed annexation area or, if there is no qualified newspaper published within those territories, in a qualified newspaper of general circulation in the territories, and must be posted for two weeks in each territorial unit of the existing sanitary district and proposed annexation area and on the Web site of the existing sanitary district, if one exists. Notice of the meeting must be mailed or e-mailed at least three weeks prior to the meeting to all property tax billing addresses for all parcels included in the existing sanitary district and proposed annexation area. The following must be submitted to the chief administrative law judge with the petition:

(1) a record of the meeting, including copies of all information provided at the meeting;

(2) a copy of the mailing list provided by the county auditor and used to notify property owners of the meeting;

(3) a copy of the e-mail list used to notify property owners of the meeting;

(4) the printer's affidavit of publication of the public meeting notice;

(5) an affidavit of posting the public meeting notice with information on dates and locations of posting; and

(6) the minutes or other record of the public meeting documenting that the following topics were discussed: printer's affidavit of publication of each resolution, with copy of resolution from newspaper attached; and affidavit of resolution posting on town or existing sanitary district Web site.

(c) Every petition must be signed as follows:

(1) by an authorized officer of the existing sanitary district pursuant to a resolution of the board;

(2) for each municipality wherein there is a territorial unit of the proposed annexation area, by an authorized officer pursuant to a resolution of the municipal governing body;

(3) for each organized town wherein there is a territorial unit of the proposed annexation area, by an authorized officer pursuant to a resolution of the town board; and

(4) for each county wherein there is a territorial unit of the proposed annexation area consisting of an unorganized area, by an authorized officer pursuant to a resolution of the county board or by at least 20 percent of the voters residing and owning land within the unit.

(d) Each resolution must be published in the official newspaper of the governing body adopting it and becomes 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 annexation area, equal in number to five percent of the number of 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 that the governing body may call. The notice of an election and the ballot to be used must contain the text of the resolution followed by the question: "Shall the above resolution be approved?"

(e) 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.

(f) At any time before publication of the public notice required in 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 annexation area. If the qualifications of any signer of a petition are challenged, the chief administrative law judge 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. 3. **Joint petition.** Different areas may be annexed to 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.

Subd. 4. **Notice of intent for sanitary district annexation.** (a) Upon receipt of a petition and the record of public meeting required under subdivision 2, the chief administrative law judge shall publish a notice of intent for sanitary district annexation

in the State Register and mail or e-mail information of the publication to each property owner in the affected territory at the owner's address as given by the county auditor. The information must state the date that the notice will appear in the State Register and give the Web site location for the State Register. The notice must:

(1) describe the petition for sanitary district annexation;

(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 chief administrative law judge 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 chief administrative law judge may make a decision on the petition.

(b) If 50 or more individual timely requests for hearing are received, the chief administrative law judge must hold a hearing on the petition according to the contested case provisions of chapter 14. The sanitary district or annexation area proposers are responsible for paying all costs involved in publicizing and holding a hearing on the petition.

Subd. 5. **Hearing time, place.** If a hearing is required under subdivision 4, the chief administrative law judge shall designate a time and place for a hearing according to section 442A.13.

Subd. 6. **Relevant factors.** (a) In arriving at a decision, the chief administrative law judge shall consider the following factors:

(1) administrative feasibility;

(2) public health, safety, and welfare impacts;

(3) alternatives for managing the public health impacts;

(4) equities of the petition proposal;

(5) contours of the petition proposal; and

(6) public notification of and interaction on the petition proposal.

(b) Based upon these factors, the chief administrative law judge may order the annexation to the sanitary district on finding that:

(1) the sanitary district is knowledgeable and experienced in delivering sanitary sewer services to ratepayers and has provided quality service in a fair and cost-effective manner;

(2) the proposed annexation provides a long-term, equitable solution to pollution problems affecting public health, safety, and welfare;

(3) property owners within the existing sanitary district and proposed annexation area were provided notice of the proposed district and opportunity to comment on the petition proposal; and

(4) the petition complied with the requirements of all applicable statutes and rules pertaining to sanitary district annexation.

(c) The chief administrative law judge may alter the boundaries of the proposed annexation area by increasing or decreasing the area to be included or may exclude property that may be better served by another unit of government. The chief administrative law judge may also alter the boundaries of the proposed annexation area so as to follow visible, clearly recognizable physical features for municipal boundaries.

(d) The chief administrative law judge may deny sanitary district annexation if the area, or a part thereof, would be better served by an alternative method.

(e) In all cases, the chief administrative law judge shall set forth the factors that are the basis for the decision.

Subd. 7. **Findings; order.** (a) 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 chief administrative law judge shall make findings of fact and conclusions determining whether the conditions requisite for the sanitary district annexation exist in the territory described in the petition. If the chief administrative law judge finds that conditions exist, the judge may make an order for sanitary district annexation for the territory described in the petition.

(b) 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 chief administrative law judge 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. 8. **Denial of petition.** If the chief administrative law judge, after conclusion of the public notice period or holding a hearing, if required, determines that the sanitary district annexation in the territory described in the petition is not warranted, the judge shall make an order denying the petition. The chief administrative law judge shall give notice of the denial by mail or e-mail to each signer of the petition. No petition for a sanitary district annexation consisting of the same territory shall be entertained within a year after the date of an order under this subdivision. Nothing in this subdivision precludes action on a petition for a sanitary district annexation embracing part of the territory with or without other territory.

Subd. 9. **Notice of order for sanitary district annexation.** The chief administrative law judge shall publish in the State Register a notice of the final order for sanitary district annexation, referring to the date of the order and describing the territory of the annexation

area, and shall mail or e-mail information of the publication to each property owner in the affected territory at the owner's address as given by the county auditor. The information must state the date that the notice will appear in the State Register and give the Web site location for the State Register. The notice must:

(1) describe the petition for annexation to the district;

(2) describe the territory affected by the petition; and

(3) state that a certified copy of the order shall be delivered to the secretary of state for filing ten days after public notice of the order in the State Register.

Subd. 10. **Filing.** Ten days after public notice of the order in the State Register, the chief administrative law judge shall deliver a certified copy of the order to the secretary of state for filing. Thereupon, the sanitary district annexation is deemed complete, and it shall be conclusively presumed that all requirements of law relating thereto have been complied with. The chief administrative law judge 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, including the newly annexed area, is situated and to the secretary of the district board.

Sec. 54. **[442A.06] SANITARY DISTRICT DETACHMENT.**

Subdivision 1. **Detachment.** (a) A sanitary district detachment may occur under this chapter for any area within an existing district upon a petition to the chief administrative law judge stating the grounds therefor as provided in this section.

(b) The proposed detachment must not have any negative environmental impact on the proposed detachment area.

(c) If the chief administrative law judge and the Minnesota Pollution Control Agency disagree on the need for a sanitary district detachment, they must determine whether not allowing the sanitary district detachment will have a detrimental effect on the environment. If it is determined that the sanitary district detachment will cause environmental harm, the sanitary district detachment is not allowed unless the detached area is immediately connected to an existing wastewater treatment system.

Subd. 2. **Proceeding for detachment.** (a) A proceeding for sanitary district detachment may be initiated by a petition to the chief administrative law judge containing the following:

(1) a request for proposed detachment from a sanitary district;

(2) a statement that the requisite conditions for inclusion in a district no longer exist in the proposed detachment area;

(3) a legal description of the territory of the proposed detachment, including justification for inclusion or exclusion for all parcels;

(4) addresses of every property owner within the sanitary district and proposed detachment area boundaries as provided by the county auditor, with certification from the county auditor; two sets of address labels for said owners; and a list of e-mail addresses for said owners, if available;

(5) a statement of the territorial units represented by and qualifications of the respective signers; and

(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.

(b) Petitioners must conduct and pay for a public meeting to inform citizens of the proposed detachment from a sanitary district. At the meeting, information must be provided, including a description of the existing district's territory and a description of the territory of the proposed detachment area, including justification for inclusion or exclusion for all parcels for the detachment area. Notice of the meeting must be published for two successive weeks in a qualified newspaper, as defined under chapter 331A, published within the territories of the existing sanitary district and proposed detachment area or, if there is no qualified newspaper published within those territories, in a qualified newspaper of general circulation in the territories, and must be posted for two weeks in each territorial unit of the existing sanitary district and proposed detachment area and on the Web site of the existing sanitary district, if one exists. Notice of the meeting must be mailed or e-mailed at least three weeks prior to the meeting to all property tax billing addresses for all parcels included in the sanitary district. The following must be submitted to the chief administrative law judge with the petition:

(1) a record of the meeting, including copies of all information provided at the meeting;

(2) a copy of the mailing list provided by the county auditor and used to notify property owners of the meeting;

(3) a copy of the e-mail list used to notify property owners of the meeting;

(4) the printer's affidavit of publication of public meeting notice;

(5) an affidavit of posting the public meeting notice with information on dates and locations of posting; and

(6) minutes or other record of the public meeting documenting that the following topics were discussed: printer's affidavit of publication of each resolution, with copy

of resolution from newspaper attached; and affidavit of resolution posting on town or existing sanitary district Web site.

(c) Every petition must be signed as follows:

(1) by an authorized officer of the existing sanitary district pursuant to a resolution of the board;

(2) for each municipality wherein there is a territorial unit of the proposed detachment area, by an authorized officer pursuant to a resolution of the municipal governing body;

(3) for each organized town wherein there is a territorial unit of the proposed detachment area, by an authorized officer pursuant to a resolution of the town board; and

(4) for each county wherein there is a territorial unit of the proposed detachment area consisting of an unorganized area, by an authorized officer pursuant to a resolution of the county board or by at least 20 percent of the voters residing and owning land within the unit.

(d) Each resolution must be published in the official newspaper of the governing body adopting it and becomes 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 detachment area, equal in number to five percent of the number of 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 that the governing body may call. The notice of an election and the ballot to be used must contain the text of the resolution followed by the question: "Shall the above resolution be approved?"

(e) 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.

(f) At any time before publication of the public notice required in 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 detachment area. If the qualifications of any signer of a petition are challenged, the chief administrative law judge 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. 3. **Joint petition.** Different areas may be 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.

Subd. 4. **Notice of intent for sanitary district detachment.** (a) Upon receipt of a petition and record of public meeting required under subdivision 2, the chief administrative law judge shall publish a notice of intent for sanitary district detachment in the State Register and mail or e-mail information of the publication to each property owner in the affected territory at the owner's address as given by the county auditor. The information must state the date that the notice will appear in the State Register and give the Web site location for the State Register. The notice must:

(1) describe the petition for sanitary district detachment;

(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 chief administrative law judge 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 chief administrative law judge may make a decision on the petition.

(b) If 50 or more individual timely requests for hearing are received, the chief administrative law judge must hold a hearing on the petition according to the contested case provisions of chapter 14. The sanitary district or detachment area proposers are responsible for paying all costs involved in publicizing and holding a hearing on the petition.

Subd. 5. **Hearing time, place.** If a hearing is required under subdivision 4, the chief administrative law judge shall designate a time and place for a hearing according to section 442A.13.

Subd. 6. **Relevant factors.** (a) In arriving at a decision, the chief administrative law judge shall consider the following factors:

(1) public health, safety, and welfare impacts for the proposed detachment area;

(2) alternatives for managing the public health impacts for the proposed detachment area;

(3) equities of the petition proposal;

(4) contours of the petition proposal; and

(5) public notification of and interaction on the petition proposal.

(b) Based upon these factors, the chief administrative law judge may order the detachment from the sanitary district on finding that:

(1) the proposed detachment area has adequate alternatives for managing public health impacts due to the detachment;

(2) the proposed detachment area is not necessary for the district to provide a long-term, equitable solution to pollution problems affecting public health, safety, and welfare;

(3) property owners within the existing sanitary district and proposed detachment area were provided notice of the proposed detachment and opportunity to comment on the petition proposal; and

(4) the petition complied with the requirements of all applicable statutes and rules pertaining to sanitary district detachment.

(c) The chief administrative law judge may alter the boundaries of the proposed detachment area by increasing or decreasing the area to be included or may exclude property that may be better served by another unit of government. The chief administrative law judge may also alter the boundaries of the proposed detachment area so as to follow visible, clearly recognizable physical features for municipal boundaries.

(d) The chief administrative law judge may deny sanitary district detachment if the area, or a part thereof, would be better served by an alternative method.

(e) In all cases, the chief administrative law judge shall set forth the factors that are the basis for the decision.

Subd. 7. **Findings; order.** (a) 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 chief administrative law judge shall make findings of fact and conclusions determining whether the conditions requisite for the sanitary district detachment exist in the territory described in the petition. If the chief administrative law judge finds that conditions exist, the judge may make an order for sanitary district detachment for the territory described in the petition.

(b) 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 chief administrative law judge 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. 8. **Denial of petition.** If the chief administrative law judge, after conclusion of the public notice period or holding a hearing, if required, determines that the sanitary district detachment in the territory described in the petition is not warranted, the judge shall make an order denying the petition. The chief administrative law judge shall give notice of the denial by mail or e-mail to each signer of the petition. No petition for a

detachment from a district consisting of the same territory shall be entertained within a year after the date of an order under this subdivision. Nothing in this subdivision precludes action on a petition for a detachment from a district embracing part of the territory with or without other territory.

Subd. 9. **Notice of order for sanitary district detachment.** The chief administrative law judge shall publish in the State Register a notice of the final order for sanitary district detachment, referring to the date of the order and describing the territory of the detached area and shall mail or e-mail information of the publication to each property owner in the affected territory at the owner's address as given by the county auditor. The information must state the date that the notice will appear in the State Register and give the Web site location for the State Register. The notice must:

(1) describe the petition for detachment from the district;

(2) describe the territory affected by the petition; and

(3) state that a certified copy of the order shall be delivered to the secretary of state for filing ten days after public notice of the order in the State Register.

Subd. 10. **Filing.** Ten days after public notice of the order in the State Register, the chief administrative law judge shall deliver a certified copy of the order to the secretary of state for filing. Thereupon, the sanitary district detachment is deemed complete, and it shall be conclusively presumed that all requirements of law relating thereto have been complied with. The chief administrative law judge 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, including the newly detached area, is situated and to the secretary of the district board.

Sec. 55. **[442A.07] SANITARY DISTRICT DISSOLUTION.**

Subdivision 1. **Dissolution.** (a) An existing sanitary district may be dissolved under this chapter upon a petition to the chief administrative law judge stating the grounds therefor as provided in this section.

(b) The proposed dissolution must not have any negative environmental impact on the existing sanitary district area.

(c) If the chief administrative law judge and the Minnesota Pollution Control Agency disagree on the need to dissolve a sanitary district, they must determine whether not dissolving the sanitary district will have a detrimental effect on the environment. If it is determined that the sanitary district dissolution will cause environmental harm, the sanitary district dissolution is not allowed unless the existing sanitary district area is immediately connected to an existing wastewater treatment system.

Subd. 2. **Proceeding for dissolution.** (a) A proceeding for sanitary district dissolution may be initiated by a petition to the chief administrative law judge containing the following:

(1) a request for proposed sanitary district dissolution;

(2) a statement that the requisite conditions for a sanitary district no longer exist in the district area;

(3) a proposal for distribution of the remaining funds of the district, if any, among the related governmental subdivisions;

(4) a legal description of the territory of the proposed dissolution;

(5) addresses of every property owner within the sanitary district boundaries as provided by the county auditor, with certification from the county auditor; two sets of address labels for said owners; and a list of e-mail addresses for said owners, if available;

(6) a statement of the territorial units represented by and the qualifications of the respective signers; and

(7) 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.

(b) Petitioners must conduct and pay for a public meeting to inform citizens of the proposed dissolution of a sanitary district. At the meeting, information must be provided, including a description of the existing district's territory. Notice of the meeting must be published for two successive weeks in a qualified newspaper, as defined under chapter 331A, published within the territory of the sanitary district or, if there is no qualified newspaper published within that territory, in a qualified newspaper of general circulation in the territory and must be posted for two weeks in each territorial unit of the sanitary district and on the Web site of the existing sanitary district, if one exists. Notice of the meeting must be mailed or e-mailed at least three weeks prior to the meeting to all property tax billing addresses for all parcels included in the sanitary district. The following must be submitted to the chief administrative law judge with the petition:

(1) a record of the meeting, including copies of all information provided at the meeting;

(2) a copy of the mailing list provided by the county auditor and used to notify property owners of the meeting;

(3) a copy of the e-mail list used to notify property owners of the meeting;

(4) the printer's affidavit of publication of public meeting notice;

(5) an affidavit of posting the public meeting notice with information on dates and locations of posting; and

(6) minutes or other record of the public meeting documenting that the following topics were discussed: printer's affidavit of publication of each resolution, with copy of resolution from newspaper attached; and affidavit of resolution posting on town or existing sanitary district Web site.

(c) Every petition must be signed as follows:

(1) by an authorized officer of the existing sanitary district pursuant to a resolution of the board;

(2) for each municipality wherein there is a territorial unit of the existing sanitary district, by an authorized officer pursuant to a resolution of the municipal governing body;

(3) for each organized town wherein there is a territorial unit of the existing sanitary district, by an authorized officer pursuant to a resolution of the town board; and

(4) for each county wherein there is a territorial unit of the existing sanitary district consisting of an unorganized area, by an authorized officer pursuant to a resolution of the county board or by at least 20 percent of the voters residing and owning land within the unit.

(d) Each resolution must be published in the official newspaper of the governing body adopting it and becomes 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 district, equal in number to five percent of the number of 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 that the governing body may call. The notice of an election and the ballot to be used must contain the text of the resolution followed by the question: "Shall the above resolution be approved?"

(e) 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.

(f) At any time before publication of the public notice required in subdivision 3, 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 dissolution area. If the qualifications of any signer of a petition are challenged, the chief administrative law judge 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. 3. **Notice of intent for sanitary district dissolution.** (a) Upon receipt of a petition and record of the public meeting required under subdivision 2, the chief administrative law judge shall publish a notice of intent of sanitary district dissolution in the State Register and mail or e-mail information of the publication to each property owner in the affected territory at the owner's address as given by the county auditor. The information must state the date that the notice will appear in the State Register and give the Web site location for the State Register. The notice must:

(1) describe the petition for sanitary district dissolution;

(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 chief administrative law judge 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 chief administrative law judge may make a decision on the petition.

(b) If 50 or more individual timely requests for hearing are received, the chief administrative law judge must hold a hearing on the petition according to the contested case provisions of chapter 14. The sanitary district dissolution proposers are responsible for paying all costs involved in publicizing and holding a hearing on the petition.

Subd. 4. **Hearing time, place.** If a hearing is required under subdivision 3, the chief administrative law judge shall designate a time and place for a hearing according to section 442A.13.

Subd. 5. **Relevant factors.** (a) In arriving at a decision, the chief administrative law judge shall consider the following factors:

(1) public health, safety, and welfare impacts for the proposed dissolution;

(2) alternatives for managing the public health impacts for the proposed dissolution;

(3) equities of the petition proposal;

(4) contours of the petition proposal; and

(5) public notification of and interaction on the petition proposal.

(b) Based upon these factors, the chief administrative law judge may order the dissolution of the sanitary district on finding that:

(1) the proposed dissolution area has adequate alternatives for managing public health impacts due to the dissolution;

(2) the sanitary district is not necessary to provide a long-term, equitable solution to pollution problems affecting public health, safety, and welfare;

(3) property owners within the sanitary district were provided notice of the proposed dissolution and opportunity to comment on the petition proposal; and

(4) the petition complied with the requirements of all applicable statutes and rules pertaining to sanitary district dissolution.

(c) The chief administrative law judge may alter the boundaries of the proposed dissolution area by increasing or decreasing the area to be included or may exclude property that may be better served by another unit of government. The chief administrative law judge may also alter the boundaries of the proposed dissolution area so as to follow visible, clearly recognizable physical features for municipal boundaries.

(d) The chief administrative law judge may deny sanitary district dissolution if the area, or a part thereof, would be better served by an alternative method.

(e) In all cases, the chief administrative law judge shall set forth the factors that are the basis for the decision.

Subd. 6. **Findings; order.** (a) After the public notice period or the public hearing, if required under subdivision 3, and based on the petition, any public comments received, and, if a hearing was held, the hearing record, the chief administrative law judge shall make findings of fact and conclusions determining whether the conditions requisite for the sanitary district dissolution exist in the territory described in the petition. If the chief administrative law judge finds that conditions exist, the judge may make an order for sanitary district dissolution for the territory described in the petition.

(b) If the chief administrative law judge 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, the judge 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 chief administrative law judge determines to be just and equitable, to be specified in the order.

Subd. 7. **Denial of petition.** If the chief administrative law judge, after conclusion of the public notice period or holding a hearing, if required, determines that the sanitary district dissolution in the territory described in the petition is not warranted, the judge shall make an order denying the petition. The chief administrative law judge shall give notice of the denial by mail or e-mail to each signer of the petition. No petition for the dissolution of a district consisting of the same territory shall be entertained within a year after the date of an order under this subdivision.

Subd. 8. **Notice of order for sanitary district dissolution.** The chief administrative law judge shall publish in the State Register a notice of the final order for sanitary district dissolution, referring to the date of the order and describing the territory of the

dissolved district and shall mail or e-mail information of the publication to each property owner in the affected territory at the owner's address as given by the county auditor. The information must state the date that the notice will appear in the State Register and give the Web site location of the State Register. The notice must:

(1) describe the petition for dissolution of the district;

(2) describe the territory affected by the petition; and

(3) state that a certified copy of the order shall be delivered to the secretary of state for filing ten days after public notice of the order in the State Register.

Subd. 9. **Filing.** (a) Ten days after public notice of the order in the State Register, the chief administrative law judge shall deliver a certified copy of the order to the secretary of state for filing. Thereupon, the sanitary district dissolution is deemed complete, and it shall be conclusively presumed that all requirements of law relating thereto have been complied with. The chief administrative law judge 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 dissolved district is situated and to the secretary of the district board.

(b) The chief administrative law judge shall also transmit a certified copy of the order to the treasurer of the district, who must thereupon distribute the remaining funds of the district as directed by the order and who is responsible for the funds until so distributed.

Sec. 56. **[442A.08] JOINT PUBLIC INFORMATIONAL MEETING.**

There must be a joint public informational meeting of the local governments of any proposed sanitary district creation, annexation, detachment, or dissolution. The joint public informational meeting must be held after the final mediation meeting or the final meeting held according to section 442A.02, subdivision 8, if any, and before the hearing on the matter is held. If no mediation meetings are held, the joint public informational meeting must be held after the initiating documents have been filed and before the hearing on the matter. The time, date, and place of the public informational meeting must be determined jointly by the local governments in the proposed creation, annexation, detachment, or dissolution areas and by the sanitary district, if one exists. The chair of the sanitary district, if one exists, and the responsible official for one of the local governments represented at the meeting must serve as the co-chairs for the informational meeting. Notice of the time, date, place, and purpose of the informational meeting must be posted by the sanitary district, if one exists, and local governments in designated places for posting notices. The sanitary district, if one exists, and represented local governments must also publish, at their own expense, notice in their respective official newspapers. If the same official newspaper

is used by multiple local government representatives or the sanitary district, a joint notice may be published and the costs evenly divided. All notice required by this section must be provided at least ten days before the date for the public informational meeting. At the public informational meeting, all persons appearing must have an opportunity to be heard, but the co-chairs may, by mutual agreement, establish the amount of time allowed for each speaker. The sanitary district board, the local government representatives, and any resident or affected property owner may be represented by counsel and may place into the record of the informational meeting documents, expert opinions, or other materials supporting their positions on issues raised by the proposed proceeding. The secretary of the sanitary district, if one exists, or a person appointed by the chair must record minutes of the proceedings of the informational meeting and must make an audio recording of the informational meeting. The sanitary district, if one exists, or a person appointed by the chair must provide the chief administrative law judge and the represented local governments with a copy of the printed minutes and must provide the chief administrative law judge and the represented local governments with a copy of the audio recording. The record of the informational meeting for a proceeding under section 442A.04, 442A.05, 442A.06, or 442A.07 is admissible in any proceeding under this chapter and shall be taken into consideration by the chief administrative law judge or the chief administrative law judge's designee.

Sec. 57. **[442A.09] ANNEXATION BY ORDER OF POLLUTION CONTROL AGENCY.**

Subdivision 1. **Annexation by ordinance alternative.** If a determination or order by the Minnesota Pollution Control Agency under section 115.49 or other similar statute is made that cooperation by contract is necessary and feasible between a sanitary district and an unincorporated area located outside the existing corporate limits of the sanitary district, the sanitary district required to provide or extend through a contract a governmental service to an unincorporated area, during the statutory 90-day period provided in section 115.49 to formulate a contract, may in the alternative to formulating a service contract to provide or extend the service, declare the unincorporated area described in the Minnesota Pollution Control Agency's determination letter or order annexed to the sanitary district by adopting an ordinance and submitting it to the chief administrative law judge.

Subd. 2. **Chief administrative law judge's role.** The chief administrative law judge may review and comment on the ordinance but shall approve the ordinance within 30 days of receipt. The ordinance is final and the annexation is effective on the date the chief administrative law judge approves the ordinance.

Sec. 58. **[442A.10] PETITIONERS TO PAY EXPENSES.**

Expenses of the preparation and submission of petitions in the proceedings under sections 442A.04 to 442A.09 shall be paid by the petitioners. Notwithstanding section 16A.1283, the Office of Administrative Hearings may adopt rules according to section 14.386 to establish fees necessary to support the preparation and submission of petitions in proceedings under sections 442A.04 to 442A.09. The fees collected by the Office of Administrative Hearings shall be deposited in the environmental fund.

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

Sec. 59. **[442A.11] TIME LIMITS FOR ORDERS; APPEALS.**

Subdivision 1. **Orders; time limit.** All orders in proceedings under this chapter shall be issued within one year from the date of the first hearing thereon, provided that the time may be extended for a fixed additional period upon consent of all parties of record. Failure to so order shall be deemed to be an order denying the matter. An appeal may be taken from such failure to so order in the same manner as an appeal from an order as provided in subdivision 2.

Subd. 2. **Grounds for appeal.** (a) Any person aggrieved by an order issued under this chapter may appeal to the district court upon the following grounds:

(1) the order was issued without jurisdiction to act;

(2) the order exceeded the jurisdiction of the presiding administrative law judge;

(3) the order was arbitrary, fraudulent, capricious, or oppressive or in unreasonable disregard of the best interests of the territory affected; or

(4) the order was based upon an erroneous theory of law.

(b) The appeal must be taken in the district court in the county in which the majority of the area affected is located. The appeal does not stay the effect of the order. All notices and other documents must be served on both the chief administrative law judge and the attorney general's assistant assigned to the chief administrative law judge for purposes of this chapter.

(c) If the court determines that the action involved is unlawful or unreasonable or is not warranted by the evidence in case an issue of fact is involved, the court may vacate or suspend the action involved, in whole or in part, as the case requires. The matter shall then be remanded for further action in conformity with the decision of the court.

(d) To render a review of an order effectual, the aggrieved person shall file with the court administrator of the district court of the county in which the majority of the area is located, within 30 days of the order, an application for review together with the grounds upon which the review is sought.

(e) An appeal lies from the district court as in other civil cases.

Sec. 60. **[442A.12] CHIEF ADMINISTRATIVE LAW JUDGE MAY APPEAL FROM DISTRICT COURT.**

An appeal may be taken under the Rules of Civil Appellate Procedure by the chief administrative law judge from a final order or judgment made or rendered by the district court when the chief administrative law judge determines that the final order or judgment adversely affects the public interest.

Sec. 61. **[442A.13] UNIFORM PROCEDURES.**

Subdivision 1. **Hearings.** (a) Proceedings initiated by the submission of an initiating document or by the chief administrative law judge shall come on for hearing within 30 to 60 days from receipt of the document by the chief administrative law judge or from the date of the chief administrative law judge's action and the person conducting the hearing must submit an order no later than one year from the date of the first hearing.

(b) The place of the hearing shall be in the county where a majority of the affected territory is situated, and shall be established for the convenience of the parties.

(c) The chief administrative law judge shall mail notice of the hearing to the following parties: the sanitary district; any township or municipality presently governing the affected territory; any township or municipality abutting the affected territory; the county where the affected territory is situated; and each planning agency that has jurisdiction over the affected area.

(d) The chief administrative law judge shall see that notice of the hearing is published for two successive weeks in a legal newspaper of general circulation in the affected area.

(e) When the chief administrative law judge exercises authority to change the boundaries of the affected area so as to increase the quantity of land, the hearing shall be recessed and reconvened upon two weeks' published notice in a legal newspaper of general circulation in the affected area.

Subd. 2. **Transmittal of order.** The chief administrative law judge shall see that copies of the order are mailed to all parties entitled to mailed notice of hearing under subdivision 1, individual property owners if initiated in that manner, and any other party of record.

Sec. 62. **[442A.14] DISTRICT BOARD OF MANAGERS.**

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 when there are more than five territorial units in a district, there must 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; and

(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 under clauses (1) to (3) to equalize the groups as far as practicable. Thereafter, board members shall be elected successively for regular terms beginning upon expiration of the preceding terms and expiring on the first business day in January of the third calendar year thereafter. Each board member serves 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 chief administrative law judge, 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 chief administrative law judge shall notify the clerks or recorders of all the related governing bodies. Upon receipt of the notification, the clerk or recorder of the central related governing body shall immediately transmit the notification to the presiding officer of the body. The 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. The

clerk or recorder of the body must give at least ten days' notice of the meeting by mail to the clerks or recorders of all the other related governing bodies, who shall immediately transmit the notice to all the members of the related governing bodies, respectively. Subsequent joint meetings to elect board members for regular terms must 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, the body may elect a temporary substitute. A majority of the members of each related governing body is 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 nominations but is not 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 members is required for an election. In the case of a joint electing body, a majority vote of members present is 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 members of each related governing body is required for the adoption of any such resolution. The clerks or recorders of the other related governing bodies shall transmit certified copies of the 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 must 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 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 a member to serve as temporary chair for 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.

Sec. 63. **[442A.15] BOARD ORGANIZATION AND PROCEDURES.**

Subdivision 1. **Initial, annual meetings.** As soon as practicable after the election of the first board members of a district, the board 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 the board prescribes on or as soon as practicable after the first business day in January of each year and such other regular and special meetings as the board prescribes.

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 serves 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 the board deems advisable. The meeting place and offices may be the same as those of any related governing body, with the approval of the body. The secretary of the board shall notify the secretary of state, 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 the 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 the proceeds are available, with a proposal for apportionment of the estimated amount among the related governmental subdivisions, and may request the governing bodies thereof to advance funds according to the proposal. The 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.

Sec. 64. **[442A.16] DISTRICT STATUS AND POWERS.**

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 this chapter 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 that may be necessary for the exercise of district powers or the accomplishment of district purposes, may hold the property for such purposes, and may lease, rent out, sell, or otherwise dispose of any property 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 the money or property according to the terms of the gift, grant, loan, or agreement relating thereto.

Sec. 65. **[442A.17] 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 premises 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. The district may require any person upon whose premises any garbage or refuse is produced or accumulated to dispose of the garbage or refuse 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 necessary for any purpose under subdivisions 1 to 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) 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 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 442A.24, 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 the road's maintenance or condition.

Sec. 66. **[442A.18] 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 442A.17, a district, its officers, agents, employees, and contractors may enter, occupy, excavate, and otherwise operate in, 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 the governing body or authority respecting interference with public use, restoration of previous conditions, compensation for damages, and other pertinent matters. If an agreement cannot be reached after reasonable opportunity therefor, the district may acquire the necessary rights, easements, or other interests in the 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 the 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; lease; or acquire and take over any system, works, or facilities for any purpose under section 442A.17 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 442A.17 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 one or more other governmental subdivisions or other public agencies for any purpose under section 442A.17 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 provision of this chapter, a district, with respect to any of said purposes, may act under and be subject to section 471.59, or any other appropriate law providing for joint or cooperative action between governmental subdivisions or other public agencies.

Sec. 67. **[442A.19] 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 does 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 issued by the Minnesota Pollution Control Agency.

Sec. 68. **[442A.20] DISTRICT PROGRAMS, SURVEYS, AND STUDIES.**

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 for the programs and projects.

Sec. 69. **[442A.21] 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 this chapter, 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. The exercise of such powers by a district and all matters pertaining thereto are governed by the 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.

Sec. 70. **[442A.22] ADVISORY COMMITTEE.**

A district board of managers may appoint an advisory committee with membership and duties as the board prescribes.

Sec. 71. **[442A.23] BOARD POWERS.**

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 has the same 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 have the same 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, are governed by the 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 a district ordinance is a penal offense and may prescribe penalties for violations, not exceeding those prescribed by law for violation of statutory city ordinances.

Subd. 3. **Arrest; prosecution.** (a) 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.

(b) All fines collected shall be deposited in the treasury of the district.

Sec. 72. **[442A.24] 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.

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 expenses incident thereto. The 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.

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 the 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.

Sec. 73. **[442A.25] 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 according to section 475.61 for the payment of district bonds, upon property within each municipality included in the district, shall be included in computing the levy of the 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; the proceeds of tax levies or assessments; 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 is required to authorize the issuance of any bonds or obligations. Except as otherwise provided in this chapter, the forms and procedures for issuing and selling bonds and provisions for payment thereof must comply with chapter 475.

Sec. 74. **[442A.26] FUNDS; DISTRICT TREASURY.**

The proceeds of all tax levies, assessments, service, use, or rental charges, and other income of the district must be deposited in the district treasury and must 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, interest thereon, or expenses incident thereto or for other specific purposes.

Sec. 75. **[442A.27] 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, supersedes 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.

Sec. 76. **[442A.28] APPLICATION.**

This chapter does not abridge or supersede any authority of the Minnesota Pollution Control Agency or the commissioner of health, but is subject and supplementary thereto. Districts and members of district boards are subject to the authority of the Minnesota Pollution Control Agency and have no power or authority to abate or control pollution that is permitted by and in accord with any classification of waters, standards of water quality, or permit established, fixed, or issued by the Minnesota Pollution Control Agency.

Sec. 77. **[442A.29] CHIEF ADMINISTRATIVE LAW JUDGE'S POWERS.**

Subdivision 1. **Alternative dispute resolution.** (a) Notwithstanding sections 442A.01 to 442A.28, before assigning a matter to an administrative law judge for hearing, the chief administrative law judge, upon consultation with affected parties and considering the procedures and principles established in sections 442A.01 to 442A.28, may require that disputes over proposed sanitary district creations, attachments, detachments, or dissolutions be addressed in whole or in part by means of alternative dispute resolution processes in place of, or in connection with, hearings that would otherwise be required under sections 442A.01 to 442A.28, including those provided in chapter 14.

(b) In all proceedings, the chief administrative law judge has the authority and responsibility to conduct hearings and issue final orders related to the hearings under sections 442A.01 to 442A.28.

Subd. 2. **Cost of proceedings.** (a) The parties to any matter directed to alternative dispute resolution under subdivision 1 must pay the costs of the alternative dispute resolution process or hearing in the proportions that the parties agree to.

(b) Notwithstanding section 14.53 or other law, the Office of Administrative Hearings is not liable for the costs.

(c) If the parties do not agree to a division of the costs before the commencement of mediation, arbitration, or hearing, the costs must be allocated on an equitable basis by the mediator, arbitrator, or chief administrative law judge.

(d) The chief administrative law judge may contract with the parties to a matter for the purpose of providing administrative law judges and reporters for an administrative proceeding or alternative dispute resolution.

(e) The chief administrative law judge shall assess the cost of services rendered by the Office of Administrative Hearings as provided by section 14.53.

Subd. 3. **Parties.** In this section, "party" means:

(1) a property owner, group of property owners, sanitary district, municipality, or township that files an initiating document or timely objection under this chapter;

(2) the sanitary district, municipality, or township within which the subject area is located;

(3) a municipality abutting the subject area; and

(4) any other person, group of persons, or governmental agency residing in, owning property in, or exercising jurisdiction over the subject area that submits a timely request and is determined by the presiding administrative law judge to have a direct legal interest that will be affected by the outcome of the proceeding.

Subd. 4. **Effectuation of agreements.** Matters resolved or agreed to by the parties as a result of an alternative dispute resolution process, or otherwise, may be incorporated into one or more stipulations for purposes of further proceedings according to the applicable procedures and statutory criteria of this chapter.

Subd. 5. **Limitations on authority.** Nothing in this section shall be construed to permit a sanitary district, municipality, town, or other political subdivision to take, or agree to take, an action that is not otherwise authorized by this chapter.

Sec. 78. **RULEMAKING; INDUSTRIAL MINERALS AND NONFERROUS MINERAL LEASES.**

The commissioner of natural resources may use the good cause exemption under Minnesota Statutes, section 14.388, subdivision 1, clause (3), to amend Minnesota Rules, parts 6125.0100 to 6125.0700 and 6125.8000 to 6125.8700, to conform with section 12. Minnesota Statutes, section 14.386, does not apply except as provided under Minnesota Statutes, section 14.388.

Sec. 79. **RULEMAKING; PERMIT TO MINE.**

The commissioner of natural resources may use the good cause exemption under Minnesota Statutes, section 14.388, subdivision 1, clause (3), to amend Minnesota Rules, chapter 6130, to conform with section 14. Minnesota Statutes, section 14.386, does not apply except as provided under Minnesota Statutes, section 14.388.

Sec. 80. **RULEMAKING; WILDLIFE RESTITUTION VALUE FOR SANDHILL CRANES.**

(a) The commissioner of natural resources shall amend Minnesota Rules, part 6133.0030, by adding a new item establishing the wildlife restitution value of $200 for a sandhill crane.

(b) The commissioner may use the good cause exemption under Minnesota Statutes, section 14.388, subdivision 1, clause (3), to adopt rules under this section, and Minnesota Statutes, section 14.386, does not apply except as provided under Minnesota Statutes, section 14.388.

Sec. 81. **REPEALER.**

(a) Minnesota Statutes 2012, sections 115.18, subdivisions 1, 3, 4, 5, 6, 7, 8, 9, and 10; 115.19; 115.20; 115.21; 115.22; 115.23; 115.24; 115.25; 115.26; 115.27; 115.28; 115.29; 115.30; 115.31; 115.32; 115.33; 115.34; 115.35; 115.36; and 115.37, are repealed.

(b) Minnesota Statutes 2012, sections 97A.451, subdivision 4a; and 127A.353, are repealed.

APPENDIX
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97A.451 LICENSE REQUIREMENTS AND EXEMPTIONS RELATING TO AGE.

Subd. 4a. **Nonresidents under age 16; big game.** (a) A nonresident age 12, 13, 14, or 15 may not obtain a license to take big game unless the person possesses a firearms safety certificate. A nonresident age 12 or 13 must be accompanied by a parent or guardian to hunt big game.

(b) A nonresident age 10 or 11 may take big game provided the person is under the direct supervision of a parent or guardian where the parent or guardian is within immediate reach. A nonresident age 10 or 11 must obtain a license to take big game and must pay the fee required under section 97A.475, subdivision 3.

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.

(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

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.

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

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

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

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.

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.

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.

127A.353 SCHOOL TRUST LANDS DIRECTOR.

Subdivision 1. **Appointment.** The school trust lands director shall be appointed by the governor. The commissioner of administration shall provide office space for the director. The commissioner shall provide human resources, payroll, accounting, procurement, and other similar administrative services to the school trust lands director. The director's appointment is subject to the advice and consent of the senate.

Subd. 2. **Qualifications.** The governor shall select the school trust lands director on the basis of outstanding professional qualifications and knowledge of finance, business practices, minerals, forest and real estate management, and the fiduciary responsibilities of a trustee to the beneficiaries of a trust. The school trust lands director serves in the unclassified service for a term

of four years. The first term shall end on December 31, 2016. The governor may remove the school trust lands director for cause. If a director resigns or is removed for cause, the governor shall appoint a director for the remainder of the term.

Subd. 3. **Compensation.** Compensation of the school trust lands director shall be established under chapter 15A.

Subd. 4. **Duties; powers.** (a) The school trust lands director shall:

(1) take an oath of office before assuming any duties as the director;

(2) evaluate the school trust land asset position;

(3) determine the estimated current and potential market value of school trust lands;

(4) advise the governor, Executive Council, commissioner of natural resources, and the Legislative Permanent School Fund Commission on the management of school trust lands, including:

(i) Department of Natural Resources school trust land management plans;

(ii) leases of school trust lands;

(iii) royalty agreements on school trust lands;

(iv) land sales and exchanges;

(v) cost certification; and

(vi) revenue generating options;

(5) propose to the Legislative Permanent School Fund Commission legislative changes that will improve the asset allocation of the school trust lands;

(6) develop a ten-year strategic plan and a 25-year framework for management of school trust lands, in conjunction with the commissioner of natural resources, that is updated every five years and implemented by the commissioner, with goals to:

(i) retain core real estate assets;

(ii) increase the value of the real estate assets and the cash flow from those assets;

(iii) rebalance the portfolio in assets with high performance potential and the strategic disposal of selected assets;

(iv) establish priorities for management actions; and

(v) balance revenue enhancement and resource stewardship;

(7) submit to the Legislative Permanent School Fund Commission for review an annual budget and management plan for the director; and

(8) keep the beneficiaries, governor, legislature, and the public informed about the work of the director by reporting to the Legislative Permanent School Fund Commission in a public meeting at least once during each calendar quarter.

(b) In carrying out the duties under paragraph (a), the school trust lands director shall have the authority to:

(1) direct and control money appropriated to the director;

(2) establish job descriptions and employ up to five employees in the unclassified service, within the limitations of money appropriated to the director;

(3) enter into interdepartmental agreements with any other state agency; and

(4) submit recommendations on strategies for school trust land leases, sales, or exchanges to the commissioner of natural resources and the Legislative Permanent School Fund Commission.