State of Minnesota

HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. 976

02/28/2013 Authored by Wagenius, Atkins, Hansen and Poppe
The bill was read for the first time and referred to the Committee on Rules and Legislative Administration
03/06/2013 Adoption of Report: Pass and re-referred to the Committee on Environment, Natural Resources and Agriculture Finance
04/11/2013 Adoption of Report: Pass as Amended and re-referred to the Committee on Ways and Means
04/15/2013 Adoption of Report: Pass as Amended and Read Second Time

A bill for an act

relating to state government; appropriating money for environment, natural resources, and agriculture; modifying and providing for certain fees; modifying and providing for disposition of certain revenue; creating accounts; modifying payment of certain costs; modifying grant programs; providing for agricultural water quality certification; modifying Minnesota Noxious Weed Law; modifying pesticide control; modifying animal waste technician provisions; modifying certain renewable energy and biofuel provisions; modifying bonding requirements for grain buyers and grain storage; making technical changes; modifying certain permit requirements; providing for federal law compliance; providing for certain easements; establishing pollinator habitat program; modifying state trails; providing for donations to grant-in-aid trail programs; modifying all-terrain vehicle operating provisions; modifying State Timber Act; modifying water use requirements; modifying certain park boundaries; modifying reporting requirements; modifying Petroleum Tank Release Cleanup Act; providing for silica sand mining model standards and technical assistance; establishing criteria for wastewater treatment system projects; providing for wastewater laboratory certification; providing for product stewardship programs; modifying Minnesota Power Plant Siting Act; providing for sanitary districts; requiring rulemaking; amending Minnesota Statutes 2012, sections 17.03, subdivision 3; 17.1015; 17.118, subdivision 2; 18.77, subdivisions 3, 4, 10, 12; 18.78, subdivision 3; 18.79, subdivisions 6, 13; 18.82, subdivision 1; 18.91, subdivisions 1, 2; 18B.01, by adding a subdivision; 18B.065, subdivision 2a; 18B.07, subdivisions 4, 5, 7; 18B.26, subdivision 3; 18B.305; 18B.316, subdivisions 1, 3, 4, 8, 9; 18B.37, subdivision 4; 18C.430; 18C.433, subdivision 1; 31.94; 41A.10, subdivision 2, by adding a subdivision; 41A.105, subdivisions 1a, 3, 5; 41A.12, by adding a subdivision; 41B.04, subdivision 9; 41D.01, subdivision 4; 84.027, by adding a subdivision; 84.788, by adding a subdivision; 84.794, subdivision 1; 84.798, by adding a subdivision; 84.803, subdivision 1; 84.82, by adding subdivisions; 84.83, subdivision 2; 84.922, by adding subdivisions; 84.9256, subdivision 1; 84.928, subdivision 1; 84D.108, subdivision 2; 85.015, subdivision 13; 85.052, subdivision 6; 85.054, by adding a subdivision; 85.055, subdivisions 1, 2; 85.41, by adding a subdivision; 85.42; 85.43; 85.46, subdivision 6, by adding a subdivision; 89.0385; 89.17; 90.01, subdivisions 4, 5, 6, 8, 11; 90.031, subdivision 4; 90.041, subdivisions 2, 5, 6, 9, by adding subdivisions; 90.045; 90.061, subdivision 8; 90.101, subdivision 1; 90.121; 90.145; 90.151, subdivisions 1, 2, 3, 4, 6, 7, 8, 9; 90.161; 90.162; 90.171; 90.181, subdivision 2; 90.191, subdivision 1; 90.193; 90.195; 90.201, subdivision 2a; 90.211; 90.221; 90.252, subdivision 1; 90.301, subdivisions 2, 4; 90.41, subdivision 1; 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; 97A.401, subdivision 3; 103G.265, subdivisions 2, 3; 103G.271, subdivision 6; 103G.282; 103G.287, subdivisions 1, 5; 103G.615, subdivision 2; 103I.205, subdivision 1; 103I.601, by adding a subdivision; 114D.50, subdivision 4; 115A.1320, subdivision 1; 115B.20, subdivision 6; 115B.28, subdivision 1; 115C.02, subdivision 4; 115C.08, subdivision 4, by adding a subdivision; 115D.10; 116.48, subdivision 6; 116C.03, subdivisions 2, 4, 5; 116D.04, by adding a subdivision; 116J.437, subdivision 1; 168.1296, subdivision 1; 216E.12, subdivision 4; 223.17, by adding a subdivision; 232.22, by adding a subdivision; 239.051, by adding subdivisions; 239.791, subdivisions 1, 2a, 2b; 239.7911; 275.066; 296A.01, subdivision 19, by adding a subdivision; 473.846; Laws 2012, chapter 249, section 11; proposing coding for new law in Minnesota Statutes, chapters 17; 18; 84; 90; 93; 115; 115A; 116C; proposing coding for new law as Minnesota Statutes, chapter 442A; repealing Minnesota Statutes 2012, sections 18.91, subdivisions 3, 5; 18B.07, subdivision 6; 90.163; 90.173; 90.41, subdivision 2; 103G.265, subdivision 2a; 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; 239.791, subdivision 1a; Minnesota Rules, parts 7021.0010, subparts 1, 2, 4, 5; 7021.0020; 7021.0030; 7021.0040; 7021.0050, subpart 5; 9210.0300; 9210.0310; 9210.0320; 9210.0330; 9210.0340; 9210.0350; 9210.0360; 9210.0370; 9210.0380; 9220.0530, subpart 6.

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

ARTICLE 1

AGRICULTURE 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	$	39,504,000	$	39,646,000	$	79,150,000
Agricultural	$	1,240,000	$	1,240,000	$	2,480,000
Remediation	$	388,000	$	388,000	$	776,000
Total	**$**	**41,132,000**	**$**	**41,274,000**	**$**	**82,406,000**

Sec. 2. **AGRICULTURE APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "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 Available for the Year Ending June 30	
		2014	2015
Sec. 3. **DEPARTMENT OF AGRICULTURE.**			
Subdivision 1. **Total Appropriation**	$	33,620,000	$ 33,736,000

Appropriations by Fund

	2014	2015
General	31,992,000	32,102,000
Agricultural	1,240,000	1,240,000
Remediation	388,000	388,000

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

Subd. 2. **Protection Services**	12,883,000	12,883,000

Appropriations by Fund

	2014	2015
General	12,055,000	12,055,000
Agricultural	440,000	440,000
Remediation	388,000	388,000

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

$75,000 the first year and $75,000 the second year are for compensation for destroyed or crippled animals under Minnesota Statutes, section 3.737. If the amount in the first year is insufficient, the amount in the second year is available in the first year.

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

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

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

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

$25,000 the first year and $25,000 the second year are for training manuals for licensure related to commercial manure application.

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

The commissioner may spend up to $10,000 of the amount appropriated each year under this subdivision to administer the agricultural water quality certification program.

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

Notwithstanding Minnesota Statutes, section 18B.05, $100,000 the first year and $100,000 the second year are from the pesticide regulatory account in the agricultural fund to update and modify applicator education and training materials. No later than January 15,

2015, the commissioner must report to the legislative committees with jurisdiction over agriculture finance regarding the agency's progress and a schedule of activities the commissioner will accomplish to update and modify additional materials by December 31, 2017.

Notwithstanding Minnesota Statutes, section 18B.05, $100,000 the first year and $100,000 the second year are from the pesticide regulatory account in the agricultural fund to monitor pesticides and pesticide degradates in surface water and groundwater in areas vulnerable to surface water impairments and groundwater degradation and to use data collected to improve pesticide use practices. This is a onetime appropriation.

Notwithstanding Minnesota Statutes, section 18B.05, $150,000 the first year and $150,000 the second year are from the pesticide regulatory account in the agricultural fund for transfer to the commissioner of natural resources for pollinator habitat restoration that is visible to the public, along state trails, and located in various parts of the state and that includes an appropriate diversity of native species selected to provide habitat for pollinators throughout the growing season. The commissioner of natural resources may use up to $25,000 each year for pollinator habitat signage and public awareness. This is a onetime appropriation.

Subd. 3. **Agricultural Marketing and Development** 3,152,000 3,152,000

$186,000 the first year and $186,000 the second year are for transfer to the Minnesota

grown account and may be used as grants for Minnesota grown promotion under Minnesota Statutes, section 17.102. Grants may be made for one year. Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered under contract on or before June 30, 2015, for Minnesota grown grants in this paragraph are available until June 30, 2017.

$190,000 the first year and $190,000 the second year are for grants to farmers for demonstration projects involving sustainable agriculture as authorized in Minnesota Statutes, section 17.116, and for grants to small or transitioning farmers. Of the amount for grants, up to $20,000 may be used for dissemination of information about demonstration projects. Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered under contract on or before June 30, 2015, for sustainable agriculture grants in this paragraph are available until June 30, 2017.

The commissioner may use funds appropriated in this subdivision for annual cost-share payments to resident farmers or entities that sell, process, or package agricultural products in this state for the costs of organic certification. Annual cost-share payments must be two-thirds of the cost of the certification or $350, whichever is less. A certified organic operation is eligible to receive annual cost-share payments for up to five years. In any year when federal organic cost-share program funds are available or when there is any excess appropriation in

either fiscal year, the commissioner may allocate these funds for organic market and program development, including organic producer education efforts, assistance for persons transitioning from conventional to organic agriculture, or sustainable agriculture demonstration grants authorized under Minnesota Statutes, section 17.116, and pertaining to organic research or demonstration. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

The commissioner may spend up to $25,000 of the amount appropriated each year under this subdivision for pollinator habitat education and outreach efforts.

Subd. 4. **Bioenergy and Value-Added Agriculture** 10,235,000 10,235,000

$10,235,000 the first year and $10,235,000 the second year are for the agricultural growth, research, and innovation program in Minnesota Statutes, section 41A.12. The commissioner shall consider creating a competitive grant program for small renewable energy projects for rural residents. No later than February 1, 2014, and February 1, 2015, the commissioner must report to the legislative committees with jurisdiction over agriculture policy and finance regarding the commissioner's accomplishments and anticipated accomplishments in the following areas: developing new markets for Minnesota farmers by providing more fruits and vegetables for Minnesota school children; facilitating the start-up, modernization, or expansion of livestock operations

including beginning and transitioning livestock operations; facilitating the start-up, modernization, or expansion of other beginning and transitioning farms; research on conventional and cover crops; and biofuel and other renewable energy development including small renewable energy projects for rural residents.

The commissioner may use up to 4.5 percent of this appropriation for costs incurred to administer the program. Any unencumbered balance does not cancel at the end of the first year and is available for the second year. Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered under contract on or before June 30, 2015, for agricultural growth, research, and innovation grants in this subdivision are available until June 30, 2017.

Funds in this appropriation may be used for bioenergy grants. The NextGen Energy Board, established in Minnesota Statutes, section 41A.105, shall make recommendations to the commissioner on grants for owners of Minnesota facilities producing bioenergy; for organizations that provide for on-station, on-farm field scale research and outreach to develop and test the agronomic and economic requirements of diverse stands of prairie plants and other perennials for bioenergy systems; or for certain nongovernmental entities. For the purposes of this paragraph, "bioenergy" includes transportation fuels derived from cellulosic material, as well as the generation of energy for commercial heat, industrial

process heat, or electrical power from cellulosic materials via gasification or other processes. Grants are limited to 50 percent of the cost of research, technical assistance, or equipment related to bioenergy production or $500,000, whichever is less. Grants to nongovernmental entities for the development of business plans and structures related to community ownership of eligible bioenergy facilities together may not exceed $150,000. The board shall make a good-faith effort to select projects that have merit and, when taken together, represent a variety of bioenergy technologies, biomass feedstocks, and geographic regions of the state. Projects must have a qualified engineer provide certification on the technology and fuel source. Grantees must provide reports at the request of the commissioner. No later than February 1, 2014, and February 1, 2015, the commissioner shall report on the projects funded under this appropriation to the legislative committees with jurisdiction over agriculture policy and finance.

Subd. 5. **Administration and Financial Assistance** 7,350,000 7,460,000

Appropriations by Fund

	2014	2015
General	6,550,000	6,660,000
Agricultural	800,000	800,000

$634,000 the first year and $634,000 the second year are for continuation of the dairy development and profitability enhancement and dairy business planning grant programs established under Laws 1997, chapter 216, section 7, subdivision 2, and Laws

2001, First Special Session chapter 2, section 9, subdivision 2. The commissioner may allocate the available sums among permissible activities, including efforts to improve the quality of milk produced in the state in the proportions that the commissioner deems most beneficial to Minnesota's dairy farmers. The commissioner must submit a detailed accomplishment report and a work plan detailing future plans for, and anticipated accomplishments from, expenditures under this program to the chairs and ranking minority members of the legislative committees with jurisdiction over agricultural policy and finance on or before the start of each fiscal year. If significant changes are made to the plans in the course of the year, the commissioner must notify the chairs and ranking minority members.

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

$18,000 the first year and $18,000 the second year are for a grant to the Minnesota Livestock Breeders' Association.

$235,000 the first year and $235,000 the second year are for grants to the Minnesota Agriculture Education Leadership Council for programs of the council under Minnesota Statutes, chapter 41D.

$474,000 the first year and $474,000 the second year are for payments to county and district agricultural societies and associations under Minnesota Statutes, section 38.02,

subdivision 1. Aid payments to county and district agricultural societies and associations shall be disbursed no later than July 15 of each year. These payments are the amount of aid from the state for an annual fair held in the previous calendar year.

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

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

$500,000 the first year and $500,000 the second year are for grants to Second Harvest Heartland on behalf of Minnesota's six Second Harvest food banks for the purchase of milk for distribution to Minnesota's food shelves and other charitable organizations that are eligible to receive food from the food banks. Milk purchased under the grants must be acquired from Minnesota milk processors and based on low-cost bids. The milk must be allocated to each Second Harvest food bank serving Minnesota according to the formula used in the distribution of United States Department of Agriculture commodities

under The Emergency Food Assistance Program (TEFAP). Second Harvest Heartland must submit quarterly reports to the commissioner on forms prescribed by the commissioner. The reports must include, but are not limited to, information on the expenditure of funds, the amount of milk purchased, and the organizations to which the milk was distributed. Second Harvest Heartland may enter into contracts or agreements with food banks for shared funding or reimbursement of the direct purchase of milk. Each food bank receiving money from this appropriation may use up to two percent of the grant for administrative expenses.

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

$17,000 the first year and $17,000 the second year are for grants to the Minnesota State Horticultural Society.

Notwithstanding Minnesota Statutes, section 18C.131, $800,000 the first year and $800,000 the second year are from the fertilizer inspection account in the agricultural fund for grants for fertilizer research as awarded by the Minnesota Agricultural Fertilizer Research and Education Council under Minnesota Statutes,

section 18C.71. The amount appropriated in either fiscal year must not exceed 57 percent of the inspection fee revenue collected under Minnesota Statutes, section 18C.425, subdivision 6, during the previous fiscal year. No later than February 1, 2015, the commissioner shall report to the legislative committees with jurisdiction over agriculture finance. The report must include the progress and outcome of funded projects as well as the sentiment of the council concerning the need for additional research funds.

Sec. 4. **BOARD OF ANIMAL HEALTH** **$ 4,869,000 $ 4,901,000**

Sec. 5. **AGRICULTURAL UTILIZATION RESEARCH INSTITUTE** **$ 2,643,000 $ 2,643,000**

Money in this appropriation is available for technical assistance and technology transfer to bioenergy crop producers and users.

ARTICLE 2

AGRICULTURE POLICY

Section 1. Minnesota Statutes 2012, section 17.03, subdivision 3, is amended to read:

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

(b) The commissioner may apply for, receive, and disburse federal funds made available to the state by federal law or regulation for any purpose related to the powers and duties of the commissioner. All money received by the commissioner under this paragraph shall be deposited in the state treasury and is appropriated to the commissioner for the purposes for which it was received. Money made available under this paragraph may be paid pursuant to applicable federal regulations and rate structures. Money received

under this paragraph does not cancel and is available for expenditure according to federal law. The commissioner may contract with and enter into grant agreements with persons, organizations, educational institutions, firms, corporations, other state agencies, and any agency or instrumentality of the federal government to carry out agreements made with the federal government relating to the expenditure of money under this paragraph. Bid requirements under chapter 16C do not apply to contracts under this paragraph.

Sec. 2. Minnesota Statutes 2012, section 17.1015, is amended to read:

17.1015 PROMOTIONAL EXPENDITURES.

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

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

Sec. 3. Minnesota Statutes 2012, section 17.118, subdivision 2, is amended to read:

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

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

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

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

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

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

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

(iii) livestock stream crossing stabilization; and

(iv) fences; or

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

(i) freestall barns;

(ii) watering facilities;

(iii) feed storage and handling equipment;

(iv) milking parlors;

(v) robotic equipment;

(vi) scales;

(vii) milk storage and cooling facilities;

(viii) bulk tanks;

(ix) computer hardware and software and associated equipment used to monitor the productivity and feeding of livestock;

(x) manure pumping and storage facilities;

(xi) swine farrowing facilities;

(xii) swine and cattle finishing barns;

(xiii) calving facilities;

(xiv) digesters;

(xv) equipment used to produce energy;

(xvi) on-farm processing facilities equipment;

(xvii) fences; and

(xviii) livestock pens and corrals and sorting, restraining, and loading chutes.

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

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

Sec. 4. **[17.9891] PURPOSE.**

The commissioner, in consultation with the commissioner of natural resources, commissioner of the Pollution Control Agency, and Board of Water and Soil Resources, may implement a Minnesota agricultural water quality certification program whereby a producer who demonstrates practices and management sufficient to protect water quality is certified for up to ten years and presumed to be contributing the producer's share of

any targeted reduction of water pollutants during the certification period. The program is voluntary. The program will first be piloted in selected watersheds across the state, until such time as the commissioner, in consultation with the commissioner of natural resources, commissioner of the Pollution Control Agency, and Board of Water and Soil Resources, determines the program is ready for expansion.

Sec. 5. **[17.9892] DEFINITIONS.**

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

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

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

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

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

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

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

Sec. 6. **[17.9893] CERTIFICATION INSTRUMENT.**

The commissioner, in consultation with the commissioner of natural resources, commissioner of the Pollution Control Agency, and Board of Water and Soil Resources, shall develop an analytical instrument to assess the water quality practices and management of agricultural operations. This instrument shall be used to certify that the water quality practices and management of an agricultural operation are consistent with

state water quality goals and standards. The commissioner shall define a satisfactory score for certification purposes. The certification instrument tool shall:

(1) integrate applicable existing regulatory requirements;

(2) utilize technology and prioritize ease of use;

(3) utilize a water quality index or score applicable to the landscape;

(4) incorporate a process for updates and revisions as practices, management, and technology changes become established and approved; and

(5) comprehensively address water quality impacts.

Sec. 7. **[17.9894] CERTIFYING AGENT LICENSE.**

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

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

(1) be an agricultural conservation professional employed by the state of Minnesota, a soil and water conservation district, or the Natural Resources Conservation Service or a Minnesota certified crop advisor as recognized by the American Society of Agronomy;

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

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

Sec. 8. **[17.9895] DUTIES OF A CERTIFYING AGENT.**

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

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

(b) If the commissioner suspends or revokes a license, the certifying agent has ten days from the date of suspension or revocation to appeal. If a certifying agent appeals, the commissioner shall hold an administrative hearing within 30 days of the suspension or revocation of the license, or longer by agreement of the parties, to determine whether the license is revoked or suspended. The commissioner shall issue an opinion within 30 days. If a person notifies the commissioner that the person intends to contest the commissioner's opinion, the Office of Administrative Hearings shall conduct a hearing in accordance with the applicable provisions of chapter 14 for hearings in contested cases.

Sec. 9. **[17.9896] CERTIFICATION PROCEDURES.**

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

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

Subd. 3. **Violations.** (a) The commissioner may revoke a certification if the producer fails to obtain certification on any additional land for which the producer obtains effective control.

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

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

Sec. 10. **[17.9897] CERTIFICATION CERTAINTY.**

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

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

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

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

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

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

Sec. 11. **[17.9898] AUDITS.**

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

Sec. 12. **[17.9899] DATA.**

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

Sec. 13. **[17.991] RULEMAKING.**

The commissioner may adopt rules to implement the program.

Sec. 14. **[17.992] REPORTS.**

The commissioner, in consultation with the commissioner of natural resources, commissioner of the Pollution Control Agency, and Board of Water and Soil Resources, shall issue a biennial report to the chairs and ranking minority members of the legislative committees with jurisdiction over agricultural policy on the status of the program.

Sec. 15. **[17.993] FINANCIAL ASSISTANCE.**

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

Sec. 16. Minnesota Statutes 2012, section 18.77, subdivision 3, is amended to read:

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

Sec. 17. Minnesota Statutes 2012, section 18.77, subdivision 4, is amended to read:

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

Sec. 18. Minnesota Statutes 2012, section 18.77, subdivision 10, is amended to read:

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

Sec. 19. Minnesota Statutes 2012, section 18.77, subdivision 12, is amended to read:

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

Sec. 20. **[18.771] NOXIOUS WEED CATEGORIES.**

(a) For purposes of this section, noxious weed category includes each of the following categories.

(b) "Prohibited noxious weeds" includes noxious weeds that must be controlled or eradicated on all lands within the state. Transportation of a prohibited noxious weed's propagating parts is restricted by permit except as allowed by section 18.82. Prohibited

noxious weeds may not be sold or propagated in Minnesota. There are two regulatory listings for prohibited noxious weeds in Minnesota:

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

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

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

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

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

Sec. 21. Minnesota Statutes 2012, section 18.78, subdivision 3, is amended to read:

Subd. 3. **~~Cooperative~~ Weed control agreement.** The commissioner, municipality, or county agricultural inspector or county-designated employee may enter into a ~~cooperative~~ weed control agreement with a landowner or weed management area group to establish a mutually agreed-upon noxious weed management plan for up to three years duration, whereby a noxious weed problem will be controlled without

additional enforcement action. If a property owner fails to comply with the noxious weed management plan, an individual notice may be served.

Sec. 22. Minnesota Statutes 2012, section 18.79, subdivision 6, is amended to read:

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

Sec. 23. Minnesota Statutes 2012, section 18.79, subdivision 13, is amended to read:

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

Sec. 24. Minnesota Statutes 2012, section 18.82, subdivision 1, is amended to read:

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

Anyone transporting noxious weed propagating parts for this purpose shall ensure that all materials are contained in a manner that prevents escape during transport.

Sec. 25. Minnesota Statutes 2012, section 18.91, subdivision 1, is amended to read:

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

Sec. 26. Minnesota Statutes 2012, section 18.91, subdivision 2, is amended to read:

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

(1) horticultural science, agronomy, and forestry at the University of Minnesota;

(2) the nursery and landscape industry in Minnesota;

(3) the seed industry in Minnesota;

(4) the Department of Agriculture;

(5) the Department of Natural Resources;

(6) a conservation organization;

(7) an environmental organization;

(8) at least two farm organizations;

(9) the county agricultural inspectors;

(10) city, township, and county governments;

(11) the Department of Transportation;

(12) ~~the~~ University of Minnesota Extension;

(13) the timber and forestry industry in Minnesota;

(14) the Board of Water and Soil Resources; ~~and~~

(15) soil and water conservation districts~~.~~;

(16) Minnesota Association of County Land Commissioners; and

(17) members as needed.

Sec. 27. Minnesota Statutes 2012, section 18B.01, is amended by adding a subdivision to read:

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

Sec. 28. Minnesota Statutes 2012, section 18B.065, subdivision 2a, is amended to read:

Subd. 2a. **Disposal site requirement.** (a) For agricultural waste pesticides, the commissioner must designate a place in each county of the state that is available at least every other year for persons to dispose of unused portions of agricultural pesticides. The commissioner shall consult with the person responsible for solid waste management and disposal in each county to determine an appropriate location and to advertise each collection event. The commissioner may provide a collection opportunity in a county more frequently if the commissioner determines that a collection is warranted.

(b) For nonagricultural waste pesticides, the commissioner must provide a disposal opportunity each year in each county or enter into a contract with a group of counties under a joint powers agreement or contract for household hazardous waste disposal.

(c) As provided under subdivision 7, the commissioner may enter into cooperative agreements with local units of government to provide the collections required under paragraph (a) or (b) and shall provide a local unit of government, as part of the cooperative agreement, with funding for reasonable costs incurred including, but not limited to, related supplies, transportation, advertising, and disposal costs as well as reasonable overhead costs.

(d) A person who collects waste pesticide under this section shall, on a form provided or in a method approved by the commissioner, record information on each waste pesticide product collected including, but not limited to, the quantity collected and either the product name and its active ingredient or ingredients or the United States Environmental Protection Agency registration number. The person must submit this information to the commissioner at least annually by January 30.

(e) Notwithstanding the recording and reporting requirements of paragraph (d), persons are not required to record or report agricultural or nonagricultural waste pesticide collected in the remainder of 2013, 2014, and 2015. The commissioner shall analyze existing collection data to identify trends that will inform future collection strategies to better meet the needs and nature of current waste pesticide streams. By January 15, 2015,

the commissioner shall report analysis, recommendations, and proposed policy changes to this program to legislative committees with jurisdiction over agriculture finance and policy.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to waste pesticide collected on or after that date through the end of 2015.

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

Subd. 4. **Pesticide storage safeguards ~~at application sites.~~** A person may not allow a pesticide, rinsate, or unrinsed pesticide container to be stored, kept, or to remain in or on any site without safeguards adequate to prevent an incident. Pesticides may not be stored in any location with an open drain.

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

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

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

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

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

Subd. 7. ~~**Cleaning equipment in or near surface water**~~ **Pesticide handling restrictions.** (a) A person may not~~:~~ fill or clean pesticide application equipment where pesticides or materials contaminated with pesticides could enter ditches, surface water, groundwater, wells, drains, or sewers. For wells, the setbacks established in Minnesota Rules, part 4725.4450, apply.

~~(1) clean pesticide application equipment in surface waters of the state; or~~

~~(2) fill or clean pesticide application equipment adjacent to surface waters, ditches, or wells where, because of the slope or other conditions, pesticides or materials contaminated with pesticides could enter or contaminate the surface waters, groundwater, or wells, as a result of overflow, leakage, or other causes.~~

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

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

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

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

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

(d) In those cases where a registrant first sells an agricultural pesticide in or into the state to a pesticide end user, the registrant must first obtain an agricultural pesticide dealer license and is responsible for payment of the annual gross sales fee under paragraph (c), record keeping under paragraph (i), and all other requirements of section 18B.316.

(e) If the total annual revenue from fees collected in fiscal year 2011, 2012, or 2013, by the commissioner on the registration and sale of pesticides is less than $6,600,000, the

commissioner, after a public hearing, may increase proportionally the pesticide sales and product registration fees under this chapter by the amount necessary to ensure this level of revenue is achieved. The authority under this section expires on June 30, 2014. The commissioner shall report any fee increases under this paragraph 60 days before the fee change is effective to the senate and house of representatives agriculture budget divisions.

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

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

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

(i) A person who registers a pesticide with the commissioner under paragraph (b), or a registrant under paragraph (d), shall keep accurate records for five years detailing all distribution or sales transactions into the state or in the state and subject to a fee and surcharge under this section.

(j) The records are subject to inspection, copying, and audit by the commissioner and must clearly demonstrate proof of payment of all applicable fees and surcharges for each registered pesticide product sold for use in this state. A person who is located

outside of this state must maintain and make available records required by this subdivision in this state or pay all costs incurred by the commissioner in the inspecting, copying, or auditing of the records.

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

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

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

18B.305 PESTICIDE EDUCATION AND TRAINING.

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

(1) water quality protection;

(2) endangered species protection;

(3) minimizing pesticide residues in food and water;

(4) worker protection and applicator safety;

(5) chronic toxicity;

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

(7) pesticide disposal;

(8) pesticide drift;

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

(10) current science and technology updates.

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

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

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

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

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

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

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

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

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

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

(1) a registered office; and

(2) a registered agent, who may be either a resident of this state whose business office or residence is identical with the registered office under clause (1), a domestic corporation or limited liability company, or a foreign corporation of limited liability company authorized to transact business in this state and having a business office identical with the registered office.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 40. Minnesota Statutes 2012, section 18C.430, is amended to read:

18C.430 COMMERCIAL ANIMAL WASTE TECHNICIAN.

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

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

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

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

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

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

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

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

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

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

(2) is not transferable to another person; and

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 41. Minnesota Statutes 2012, section 18C.433, subdivision 1, is amended to read:

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

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

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

Sec. 42. Minnesota Statutes 2012, section 31.94, is amended to read:

31.94 COMMISSIONER DUTIES.

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

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

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

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

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

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

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

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

(1) three organic farmers ~~using organic agriculture methods~~;

(2) one wholesaler or distributor of organic products;

(3) one representative of organic certification agencies;

(4) two organic processors;

(5) one representative from University of Minnesota Extension;

(6) one University of Minnesota faculty member;

(7) one representative from a nonprofit organization representing producers;

(8) two public members;

(9) one representative from the United States Department of Agriculture;

(10) one retailer of organic products; and

(11) one organic consumer representative.

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

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

(d) For the purposes of expanding, improving, and developing production and marketing of the organic products of Minnesota agriculture, the commissioner may receive funds from state and federal sources and spend them, including through grants or contracts, to assist producers and processors to achieve certification, to conduct education or marketing activities, to enter into research and development partnerships, or to address production or marketing obstacles to the growth and well-being of the industry.

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

Sec. 43. Minnesota Statutes 2012, section 41A.10, subdivision 2, is amended to read:

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

Sec. 44. Minnesota Statutes 2012, section 41A.10, is amended by adding a subdivision to read:

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

Sec. 45. Minnesota Statutes 2012, section 41A.105, subdivision 1a, is amended to read:

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

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

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

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

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

Sec. 46. Minnesota Statutes 2012, section 41A.105, subdivision 3, is amended to read:

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

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

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

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

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

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

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

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

Sec. 47. Minnesota Statutes 2012, section 41A.105, subdivision 5, is amended to read:

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

Sec. 48. Minnesota Statutes 2012, section 41A.12, is amended by adding a subdivision to read:

Subd. 3a. **Grant awards.** Grant projects may continue for up to three years. Multiyear projects must be reevaluated by the commissioner before second- and third-year funding is approved. A project is limited to one grant for its funding.

Sec. 49. Minnesota Statutes 2012, section 41B.04, subdivision 9, is amended to read:

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

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

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

(1) deferred interest on secondary principal;

(2) secondary principal;

(3) deferred interest on primary principal;

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

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

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

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

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

Sec. 50. Minnesota Statutes 2012, section 41D.01, subdivision 4, is amended to read:

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

Sec. 51. Minnesota Statutes 2012, section 116J.437, subdivision 1, is amended to read:

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

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

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

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

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

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

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

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

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

Sec. 52. Minnesota Statutes 2012, section 216E.12, subdivision 4, is amended to read:

Subd. 4. **Contiguous land.** (a) When private real property that is an agricultural or nonagricultural homestead, nonhomestead agricultural land, rental residential property, and both commercial and noncommercial seasonal residential recreational property, as those terms are defined in section 273.13 is proposed to be acquired for the construction of a site or route for a high-voltage transmission line with a capacity of 200 kilovolts or more by eminent domain proceedings, the ~~fee~~ owner~~, or when applicable, the fee owner with the written consent of the contract for deed vendee, or the contract for deed vendee with the~~

~~written consent of the fee owner,~~ shall have the option to require the utility to condemn a fee interest in any amount of contiguous~~, commercially viable~~ land which the owner ~~or vendee~~ wholly owns ~~or has contracted to own~~ in undivided fee and elects in writing to transfer to the utility within 60 days after receipt of the notice of the objects of the petition filed pursuant to section 117.055. ~~Commercial viability shall be determined without regard to the presence of the utility route or site.~~ Within 60 days after receipt by the utility of an owner's election to exercise this option, the utility shall provide written notice to the owner of any objection the utility has to the owner's election, and if no objection is made within that time, any objection shall be deemed waived. Within 90 days of the service of an objection by the utility, the district court having jurisdiction over the eminent domain proceeding shall hold a hearing to determine whether the utility's objection is upheld or rejected. The owner ~~or, when applicable, the contract vendee~~ shall have only one such option and may not expand or otherwise modify an election without the consent of the utility. The required acquisition of land pursuant to this subdivision shall be considered an acquisition for a public purpose and for use in the utility's business, for purposes of chapter 117 and section 500.24, respectively; provided that a utility shall divest itself completely of all such lands used for farming or capable of being used for farming not later than the time it can receive the market value paid at the time of acquisition of lands less any diminution in value by reason of the presence of the utility route or site. Upon the owner's election made under this subdivision, the easement interest over and adjacent to the lands designated by the owner to be acquired in fee, sought in the condemnation petition for a right-of-way for a high-voltage transmission line with a capacity of 200 kilovolts or more shall automatically be converted into a fee taking.

(b) All rights and protections provided to an owner under chapter 117, including in particular sections 117.031, 117.036, 117.186, and 117.52, apply to acquisition of land or an interest in land under this section.

(c) Within 90 days of an owner's election under this subdivision to require the utility to acquire land, or 90 days after a district court decision overruling a utility objection to an election made pursuant to paragraph (a), the utility must make a written offer to acquire that land and amend its condemnation petition to include the additional land.

(d) For purposes of this subdivision, "owner" means the fee owner or, when applicable, the fee owner with the written consent of the contract for deed vendee or the contract for deed vendee with the written consent of the fee owner.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to eminent domain proceedings or actions pending or commenced on or after

that date. "Commenced" means when service of notice of the petition under Minnesota Statutes, section 117.055, is made.

Sec. 53. Minnesota Statutes 2012, section 223.17, is amended by adding a subdivision to read:

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

Sec. 54. Minnesota Statutes 2012, section 232.22, is amended by adding a subdivision to read:

Subd. 6a. **Bond determinations.** If a public grain warehouse operator is licensed under both this chapter and chapter 223, the warehouse shall have its bond determined by its gross annual grain purchase amount or its annual average grain storage value, whichever is greater. For those entities licensed under this chapter and chapter 223, the entire bond shall be available to any claims against the bond for claims filed under this chapter and chapter 223.

Sec. 55. Minnesota Statutes 2012, section 239.051, is amended by adding a subdivision to read:

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

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

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

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

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

Sec. 58. Minnesota Statutes 2012, section 239.791, subdivision 1, is amended to read:

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

(1) the greater of:

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

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

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

(b) For purposes of enforcing the ~~minimum ethanol~~ requirement of paragraph (a), clause (1), item (i), or clause (2), a ~~gasoline/ethanol~~ gasoline/biofuel blend will be construed to be in compliance if the ~~ethanol~~ biofuel content, exclusive of denaturants and other permitted components, comprises not less than 9.2 percent by volume and not more than 10.0 percent by volume of the blend as determined by an appropriate United States Environmental Protection Agency or American Society of Testing Materials standard method of analysis ~~of alcohol/ether content in engine fuels~~.

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

(1)	July 1, 2013	90 percent
(2)	January 1, 2015	80 percent
(3)	January 1, 2017	70 percent
(4)	January 1, 2020	60 percent
(5)	January 1, 2025	no minimum

Sec. 59. Minnesota Statutes 2012, section 239.791, subdivision 2a, is amended to read:

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

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

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

(b) The minimum ~~ethanol~~ biofuel requirement in subdivision 1, paragraph (a), clause (2), ~~or subdivision 1a, paragraph (a), clause (2),~~ shall, upon the grant of the federal waiver or authority specified in United States Code, title 42, section 7545, that allows for greater blends of gasoline and biofuel in this state, be effective the day after the commissioner of commerce publishes notice in the State Register. In making this determination, the commissioner shall consider the amount of time required by refiners, retailers, pipeline and distribution terminal companies, and other fuel suppliers, acting expeditiously, to make the operational and logistical changes required to supply fuel in compliance with the minimum ~~ethanol~~ biofuel requirement.

Sec. 60. Minnesota Statutes 2012, section 239.791, subdivision 2b, is amended to read:

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

Sec. 61. Minnesota Statutes 2012, section 239.7911, is amended to read:

239.7911 PETROLEUM REPLACEMENT PROMOTION.

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

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

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

(1)	2015	14 percent
(2)	2017	18 percent
(3)	2020	25 percent
(4)	2025	30 percent

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

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

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

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

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

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

(5) working to maintain an affordable retail price for liquid fuels;

(6) facilitating the production and use of advanced biofuels in this state; and

(7) developing procedures for reporting the amount and type of biofuel under subdivision 1 and section 239.791, subdivision 1, paragraph (c).

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

Sec. 62. Minnesota Statutes 2012, section 296A.01, is amended by adding a subdivision to read:

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

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

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

(i) visually free of sediment and suspended matter;

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

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

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

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

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

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

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

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

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

Sec. 63. Minnesota Statutes 2012, section 296A.01, subdivision 19, is amended to read:

Subd. 19. **E85.** "E85" means a petroleum product that is a blend of agriculturally derived denatured ethanol and gasoline or natural gasoline that ~~typically~~ contains not more than 85 percent ethanol by volume, but at a minimum must contain ~~60~~ 51 percent ethanol by volume. For the purposes of this chapter, the energy content of E85 will be considered to be

82,000 BTUs per gallon. E85 produced for use as a motor fuel in alternative fuel vehicles as defined in subdivision 5 must comply with ASTM specification ~~D5798-07~~ D5798-11.

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

Sec. 64. **REVISOR'S INSTRUCTION.**

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

Sec. 65. **REPEALER.**

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

ARTICLE 3

ENVIRONMENT AND NATURAL RESOURCES 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	$	87,464,000	$	87,843,000	$	175,307,000
State Government Special Revenue		75,000		75,000		150,000
Environmental		68,680,000		68,825,000		137,505,000
Natural Resources		91,724,000		94,184,000		185,908,000
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
Special Revenue		1,422,000		1,377,000		2,799,000
Total	**$**	**351,533,000**	**$**	**354,472,000**	**$**	**706,005,000**

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**	$	85,806,000	$ 85,931,000

Appropriations by Fund

	2014	2015
General	5,133,000	5,158,000
State Government Special Revenue	75,000	75,000
Special Revenue	1,422,000	1,377,000
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. By January 15, 2016, the commissioner shall submit a report detailing the results achieved with this appropriation to the chairs and ranking minority members of the senate and house

of representatives committees and divisions with jurisdiction over environment and natural resources policy and finance. 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.

A county receiving a grant from this appropriation shall submit a report detailing the results achieved with the grant to the commissioner. The county is not eligible for funds from the second year appropriation until the commissioner receives the report. 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.

$50,000 the first year is from the environmental fund for providing technical assistance to local units of government to address the water quality impacts from polycyclic aromatic hydrocarbons resulting from the use of coal tar products as regulated under Minnesota Statutes, section 116.201.

$313,000 the first year and $313,000 the second year are from the environmental fund to be transferred to the commissioner of health to continue perfluorochemical biomonitoring in eastern metropolitan communities, as recommended by the Environmental Health Tracking and Biomonitoring Advisory Panel.

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.

$360,000 the first year and $360,000 the second year are from the environmental fund for systematic, localized monitoring efforts in the state that:

(1) sample ambient air for a period of one to three months at various sites;

(2) analyze the samples and compare the data to the agency's fixed air monitoring sites; and

(3) determine whether significant localized differences exist.

The commissioner, when selecting areas to monitor, shall give priority to areas where low income, indigenous American Indians, and communities of color are disproportionately impacted by pollution from highway traffic, air traffic, and industrial sources to assist with efforts to ensure environmental justice

for those areas. For the purposes of this paragraph, "environmental justice" means the fair treatment of people of all races, cultures, and income levels in the development, adoption, implementation, and enforcement of environmental laws and policies.

$540,000 the first year and $540,000 the second year are from the environmental fund for emission reduction 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** 28,271,000 28,201,000

Appropriations by Fund

	2014	2015
Special Revenue	1,422,000	1,377,000
Environmental	25,848,000	25,823,000
General	1,001,000	1,001,000

$14,450,000 the first year and $14,450,000 the second year are from the environmental fund for SCORE grants to counties. Of this amount, $14,250,000 each year is for SCORE block grants and $200,000 each year is for competitive grants.

$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.

$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.

$1,422,000 the first year and $1,377,000 the second year are from the special revenue fund for the Environmental Quality Board to lead an interagency team to provide technical assistance regarding the mining, processing, and transporting of silica sand and develop the model standards and criteria required under Minnesota Statutes, section 116C.99. Of this amount, $266,000 the first year and $263,000 the second year are for transfer to the commissioner of health, $447,000 the first year and $420,000 the second year are for transfer to the commissioner of natural resources, $5,000 the first year and $10,000

the second year are for transfer to the Board of Water and Soil Resources, and $150,000 the first year and $140,000 the second year are for transfer to the commissioner of transportation.

$5,000 the first year is from the environmental fund to prepare and submit a report to the chairs and ranking minority members of the senate and house of representatives committees and divisions with jurisdiction over the environment and natural resources, by December 1, 2013, with recommendations for a statewide recycling refund program for beverage containers that achieves an 80 percent recycling rate.

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** 395,000 420,000

The commissioner shall submit the agency's budget for fiscal years 2016 and 2017 to the legislature in a manner that allows the legislature and public to understand the outcomes that will be achieved with the appropriations. The budget must be structured so that a significantly larger portion of the revenues from solid waste taxes are spent on solid waste activities.

Sec. 4. **NATURAL RESOURCES**

Subdivision 1. **Total Appropriation** **$ 236,483,000 $ 239,514,000**

Appropriations by Fund

	2014	2015
General	59,707,000	59,978,000
Natural Resources	85,104,000	87,864,000
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** 6,073,000 6,073,000

Appropriations by Fund

	2014	2015
General	722,000	722,000
Natural Resources	3,700,000	3,700,000
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 long-term economic return from the school trust lands consistent with fiduciary responsibilities and sound natural resources conservation and management principles.

$145,000 the first year and $145,000 the second year are from the minerals management account in the natural resources

fund for transfer to the commissioner of administration for the school trust lands director.

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

Subd. 3. **Ecological and Water Resources** 28,227,000 30,987,000

Appropriations by Fund

	2014	2015
General	11,262,000	11,262,000
Natural Resources	12,902,000	15,662,000
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. Of this

amount, $190,000 the first year and $170,000 the second year are for enhancements to the online system for water appropriation permits to account for preliminary approval requirements and related water appropriation permit activities.

$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. By January 15, 2016, the board shall submit a report detailing the results achieved with this appropriation to the commissioner and the chairs and ranking minority members of the senate and house of representatives committees and divisions with jurisdiction over environment and natural resources policy and finance.

$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 by January 15, 2015, 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.

$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.

$2,500,000 the first year and $5,260,000 the second year are from the water management account in the natural resources fund for the following activities:

(1) installation of additional groundwater monitoring wells;

(2) increased financial reimbursement and technical support to soil and water conservation districts or other local units of government for groundwater level monitoring;

(3) additional surface water monitoring and analysis, including installation of monitoring gauges;

(4) additional groundwater analysis to assist with water appropriation permitting decisions;

(5) additional permit application review incorporating surface water and groundwater technical analysis;

(6) enhancement of precipitation data and analysis to improve the use of irrigation;

(7) enhanced information technology, including electronic permitting and integrated data systems; and

(8) increased compliance and monitoring.

$1,000,000 the first year and $1,000,000 the second year are for grants to local units of government and tribes to prevent the spread of aquatic invasive species, including inspection and decontamination programs.

Subd. 4. **Forest Management** 34,310,000 34,260,000

Appropriations by Fund

	2014	2015
General	21,900,000	21,850,000
Natural Resources	11,123,000	11,123,000
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 of representatives 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.

$11,123,000 the first year and $11,123,000 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.

$50,000 the first year is for development of a plan and recommendations, in consultation with the University of Minnesota, Department of Forest Resources, on utilizing the state forest nurseries to: ensure the long-term availability of ecologically

appropriate and genetically diverse native forest seed and seedlings to support state conservation projects and initiatives; protect the genetic fitness and resilience of native forest ecosystems; and support tree improvement research to address evolving pressures such as invasive species and climate change. By December 31, 2013, the commissioner shall submit a report with the plan and recommendations to the chairs and ranking minority members of the senate and house of representatives committees and divisions with jurisdiction over natural resources. The report shall address funding to improve state forest nursery and tree improvement capabilities. The report shall also provide updated recommendations from those contained in the budget and financial plan required under Laws 2011, First Special Session chapter 2, article 4, section 30.

Subd. 5. **Parks and Trails Management** 68,202,000 67,902,000

Appropriations by Fund

	2014	2015
General	20,130,000	20,130,000
Natural Resources	45,813,000	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. This appropriation is not available until the commissioner develops and implements design standards and best management practices for public water access sites that maintain and improve water quality by avoiding shoreline erosion and runoff.

$300,000 the first year is from the water recreation account in the natural resources fund for construction of restroom facilities at the public water access for Crane Lake on Handberg Road. This is a onetime appropriation and is available until the construction is completed.

$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.

$350,000 the first year and $350,000 the second year are for prairie restorations in state parks and trails located in various parts of the state that are visible to the public under the pollinator habitat program established under Minnesota Statutes, section 84.973.

$250,000 the first year and $250,000 the second year are from the state land and water conservation account (LAWCON) in the natural resources fund for priorities established by the commissioner for eligible state projects and administrative and planning activities consistent with Minnesota Statutes, section 84.0264, and the federal Land and Water Conservation Fund Act. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

The appropriation in Laws 2009, chapter 37, article 1, section 4, subdivision 5, from the natural resources fund from the revenue deposited under Minnesota Statutes, section

297A.94, paragraph (e), clause (4), for local grants is available until June 30, 2014.

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 activities that emphasize the recruitment and retention of underrepresented groups.

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** 36,558,000 36,558,000

Appropriations by Fund

	2014	2015
General	5,375,000	5,375,000
Natural Resources	9,640,000	9,640,000
Game and Fish	21,443,000	21,443,000
Remediation	100,000	100,000

$1,638,000 the first year and $1,638,000 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.

$719,000 the first year and $719,000 the second year are for development and maintenance of a records management system capable of providing real time data with global positioning system information. Of this amount, $480,000 each year is from the general fund, $119,000 each year is from the game and fish fund, and $120,000 each year is from the heritage enhancement account in the game and fish fund.

Subd. 8. **Operations Support** 638,000 959,000

Appropriations by Fund

	2014	2015
General Fund	318,000	639,000
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** **$ 13,472,000 $ 13,502,000**

$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 site that publishes, at a minimum, its annual report, annual audit, annual budget, and meeting notices and minutes.

$1,602,000 the first year and $1,662,000 the second year are for the following cost-share programs:

(1) $302,000 each year is for feedlot water quality grants for feedlots under 300 animal units in areas where there are impaired waters;

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

(3) $100,000 each year is for county cooperative weed management programs and to restore native plants in selected invasive species management sites by providing local native seeds and plants to landowners for implementation.

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

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

$166,000 the first year and $166,000 the second year are to provide technical 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. This appropriation must be matched by nonstate funds. If the appropriation in either year is insufficient, the appropriation in the other year is available for it.

$120,000 the first year and $60,000 the second year are for grants to Area II Minnesota River Basin Projects for floodplain management. The area shall transition to a watershed district by July 1, 2015.

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.

$310,000 the first year and $310,000 the second year are to evaluate performance,

financial, and activity information for local water management entities as prescribed in Minnesota Statutes, section 103B.102.

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** **$ 8,890,000 $ 8,890,000**

Appropriations by Fund

	2014	2015
General	3,220,000	3,220,000
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).

$350,000 the first year and $350,000 the second year are for grants to implementing agencies to acquire and install solar energy panels made in Minnesota in metropolitan regional parks and trails. An implementing agency receiving a grant under this appropriation shall provide signage near the solar equipment installed that provides education on solar energy.

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** **$ 5,637,000 $ 5,690,000**

Appropriations by Fund

	2014	2015
General	5,477,000	5,530,000
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).

ARTICLE 4

ENVIRONMENT AND NATURAL RESOURCES POLICY

Section 1. Minnesota Statutes 2012, section 84.027, is amended by adding a subdivision to read:

Subd. 19. **Federal law compliance.** Notwithstanding any law to the contrary, the commissioner may establish, by written order, policies for the use and operation of other power-driven mobility devices, as defined under Code of Federal Regulations, title 28, section 35.104, on lands and in facilities administered by the commissioner for the purposes of implementing the Americans with Disabilities Act, United States Code, title 42, section 12101 et seq. These policies are exempt from the rulemaking provisions of chapter 14 and section 14.386 does not apply.

Sec. 2. **[84.633] EXCHANGE OF ROAD EASEMENTS.**

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

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

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

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

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

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

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

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

(b) Any fee paid under subdivision 6 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 preparing and issuing the state road easement and accepting the road easement from the private landowner or governmental entity.

Sec. 3. Minnesota Statutes 2012, section 84.788, is amended by adding a subdivision to read:

Subd. 13. **Grant-in-aid donations.** (a) At the time of registration, a person may agree to add a donation of any amount to the off-highway motorcycle registration fee for grant-in-aid off-highway motorcycle trails. An additional commission may not be assessed on the donation. The commissioner shall offer the opportunity to make a donation under this subdivision to all registrants and shall issue a recognition grant-in-aid trail sticker to registrants contributing $20 or more.

(b) Money donated under this subdivision shall be deposited in the off-highway motorcycle account in the natural resources fund and shall be used for the grant-in-aid program as provided under section 84.794, subdivision 2, paragraph (a), clause (3).

Sec. 4. Minnesota Statutes 2012, section 84.794, subdivision 1, is amended to read:

Subdivision 1. **Registration revenue.** Fees from the registration of off-highway motorcycles, donations received under section 84.788, subdivision 13, and the unrefunded gasoline tax attributable to off-highway motorcycle use under section 296A.18 must be deposited in the state treasury and credited to the off-highway motorcycle account in the natural resources fund.

Sec. 5. Minnesota Statutes 2012, section 84.798, is amended by adding a subdivision to read:

Subd. 11. **Grant-in-aid trail donations.** (a) At the time of registration, a person may agree to add a donation of any amount to the off-road vehicle registration fee for grant-in-aid off-road vehicle trails. An additional commission may not be assessed on the donation. The commissioner shall offer the opportunity to make a donation under this subdivision to all registrants and shall issue a recognition grant-in-aid trail sticker to registrants contributing $20 or more.

(b) Money donated under this subdivision shall be deposited in the off-road vehicle account in the natural resources fund and shall be used for the grant-in-aid program as provided under section 84.803, subdivision 2, clause (3).

Sec. 6. Minnesota Statutes 2012, section 84.803, subdivision 1, is amended to read:

Subdivision 1. **Registration revenue.** Fees from the registration of off-road vehicles, donations received under section 84.798, subdivision 11, and unrefunded gasoline tax attributable to off-road vehicle use under section 296A.18 must be deposited in the state treasury and credited to the off-road vehicle account in the natural resources fund.

Sec. 7. Minnesota Statutes 2012, section 84.82, is amended by adding a subdivision to read:

Subd. 2a. **Limited nontrail use registration.** A snowmobile may be registered for limited nontrail use. A snowmobile registered under this subdivision may be used solely for transportation on the frozen surface of public water for purposes of ice fishing and may not otherwise be operated on a state or grant-in-aid snowmobile trail. The fee for a limited nontrail use registration is $45 for three years. A limited nontrail use registration is not transferable. In addition to other penalties prescribed by law, the penalty for violation of this subdivision is immediate revocation of the limited nontrail use registration. The commissioner shall ensure that the registration sticker provided for limited nontrail use is of a different color and is distinguishable from other snowmobile registration and state trail stickers provided.

Sec. 8. Minnesota Statutes 2012, section 84.82, is amended by adding a subdivision to read:

Subd. 12. **Grant-in-aid trail donations.** (a) At the time of registration, a person may agree to add a donation of any amount to the snowmobile registration fee for grant-in-aid snowmobile trails. An additional commission may not be assessed on the donation. The commissioner shall offer the opportunity to make a donation under this subdivision to all registrants and shall issue a recognition grant-in-aid trail sticker to registrants contributing $20 or more.

(b) Money donated under this subdivision shall be deposited in the snowmobile trails and enforcement account in the natural resources fund and shall be used for the grant-in-aid program as provided under section 84.83, subdivision 3, paragraph (a), clause (1).

Sec. 9. Minnesota Statutes 2012, section 84.83, subdivision 2, is amended to read:

Subd. 2. **Money deposited in the account.** Fees from the registration of snowmobiles and from the issuance of snowmobile state trail stickers, donations received under section 84.82, subdivision 12, and the unrefunded gasoline tax attributable to snowmobile use pursuant to section 296A.18 shall be deposited in the state treasury and credited to the snowmobile trails and enforcement account.

Sec. 10. Minnesota Statutes 2012, section 84.922, is amended by adding a subdivision to read:

Subd. 13. **Grant-in-aid trail contributions.** (a) At the time of registration, the commissioner shall offer a registrant the opportunity to make a contribution for grant-in-aid trails. The commissioner shall issue a recognition grant-in-aid trail sticker to registrants contributing $20 or more.

(b) Money contributed under this subdivision shall be deposited in the state treasury and credited to the all-terrain vehicle account and is dedicated for the grant-in-aid trail program.

Sec. 11. Minnesota Statutes 2012, section 84.922, is amended by adding a subdivision to read:

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

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

Sec. 12. Minnesota Statutes 2012, section 84.9256, subdivision 1, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 13. Minnesota Statutes 2012, section 84.928, subdivision 1, is amended to read:

Subdivision 1. **Operation on roads and rights-of-way.** (a) Unless otherwise allowed in sections 84.92 to 84.928, a person shall not operate an all-terrain vehicle in

this state along or on the roadway, shoulder, or inside bank or slope of a public road right-of-way of a trunk, county state-aid, or county highway.

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

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

(1) within the public road right-of-way of a county state-aid or county highway on the extreme right-hand side of the road and left turns may be made from any part of the road if it is safe to do so under the prevailing conditions, unless prohibited under paragraph (d) or (f).;

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

(3) ~~A person may operate a class 2 all-terrain vehicle~~ on the bank or ditch of a public road right-of-way:

(i) on a designated class 2 all-terrain vehicle trail.; or

(ii) to access businesses or make trail connections when operation within the public road right-of-way is unsafe.

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

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

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

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

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

(1) degradation of vegetation on adjacent public property;

(2) siltation of waters of the state;

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

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

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

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

(h) A person shall not operate an all-terrain vehicle within the public road right-of-way of a trunk, county state-aid, or county highway from April 1 to August 1 in the agricultural zone unless the vehicle is being used exclusively as transportation to and from work on agricultural lands. This paragraph does not apply to an agent or employee of a road authority, as defined in section 160.02, subdivision 25, or the Department of Natural Resources when performing or exercising official duties or powers.

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

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

Sec. 14. **[84.973] POLLINATOR HABITAT PROGRAM.**

(a) The commissioner shall develop best management practices and habitat restoration guidelines for pollinator habitat enhancement. Best management practices and guidelines developed under this section must be used for all projects on state lands and must be a condition of any contract for habitat enhancement or restoration of lands under the commissioner's control.

(b) Prairie restorations must include an appropriate diversity of native species selected to provide habitat for pollinators throughout the growing season.

Sec. 15. Minnesota Statutes 2012, section 84D.108, subdivision 2, is amended to read:

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

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

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

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

Sec. 16. Minnesota Statutes 2012, section 85.015, subdivision 13, is amended to read:

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

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

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

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

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

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

Sec. 17. 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. 18. 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 overnight or day-use area.

Sec. 19. Minnesota Statutes 2012, section 85.055, subdivision 1, is amended to read:

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

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

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

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

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

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

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

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

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

Sec. 20. 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. 21. Minnesota Statutes 2012, section 85.41, is amended by adding a subdivision to read:

Subd. 6. **Grant-in-aid trail donations.** (a) At the time of purchasing the pass required under subdivision 1, a person may agree to add a donation of any amount to the cross-country ski pass fee for grant-in-aid cross-country ski trails. An additional commission may not be assessed on the donation. The commissioner shall offer the opportunity to make a donation under this subdivision to all pass purchasers and shall issue a recognition grant-in-aid trail sticker to a person contributing $20 or more.

(b) Money donated under this subdivision shall be deposited in the cross-country ski account in the natural resources fund and shall be used for the grant-in-aid program as provided under section 85.43, paragraph (a), clause (1).

Sec. 22. Minnesota Statutes 2012, section 85.42, is amended to read:

85.42 USER FEE; VALIDITY.

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

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

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

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

Sec. 23. Minnesota Statutes 2012, section 85.43, is amended to read:

85.43 DISPOSITION OF RECEIPTS; PURPOSE.

(a) Fees from cross-country ski passes and donations received under section 85.41, subdivision 6, shall be deposited in the state treasury and credited to a cross-country ski account in the natural resources fund and, except for the electronic licensing system commission established by the commissioner under section 84.027, subdivision 15, are appropriated to the commissioner of natural resources for the following purposes:

(1) grants-in-aid for cross-country ski trails to:

(i) counties and municipalities for construction and maintenance of cross-country ski trails; and

(ii) special park districts as provided in section 85.44 for construction and maintenance of cross-country ski trails; and

(2) administration of the cross-country ski trail grant-in-aid program.

(b) Development and maintenance of state cross-country ski trails are eligible for funding from the cross-country ski account if the money is appropriated by law.

Sec. 24. Minnesota Statutes 2012, section 85.46, subdivision 6, is amended to read:

Subd. 6. **Disposition of receipts.** Fees and donations collected under this section, except for the issuing fee, shall be deposited in the state treasury and credited to the horse pass account in the natural resources fund. Except for the electronic licensing system commission established by the commissioner under section 84.027, subdivision 15, the fees are appropriated to the commissioner of natural resources for trail acquisition, trail and facility development, and maintenance, enforcement, and rehabilitation of horse trails or trails authorized for horse use, whether for riding, leading, or driving, on land administered by the commissioner.

Sec. 25. Minnesota Statutes 2012, section 85.46, is amended by adding a subdivision to read:

Subd. 8. **Trail donations.** At the time of purchasing the pass required under subdivision 1, a person may agree to add a donation of any amount to the horse pass fee for horse trails. An additional commission may not be assessed on the donation. The commissioner shall offer the opportunity to make a donation under this subdivision to all pass purchasers and shall issue a recognition trail sticker to a person contributing $20 or more.

Sec. 26. 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. 27. 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. 28. Minnesota Statutes 2012, section 90.01, subdivision 4, is amended to read:

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

Sec. 29. Minnesota Statutes 2012, section 90.01, subdivision 5, is amended to read:

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

Sec. 30. Minnesota Statutes 2012, section 90.01, subdivision 6, is amended to read:

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

Sec. 31. Minnesota Statutes 2012, section 90.01, subdivision 8, is amended to read:

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

Sec. 32. Minnesota Statutes 2012, section 90.01, subdivision 11, is amended to read:

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

Sec. 33. Minnesota Statutes 2012, section 90.031, subdivision 4, is amended to read:

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

Sec. 34. Minnesota Statutes 2012, section 90.041, subdivision 2, is amended to read:

Subd. 2. **Trespass on state lands.** The commissioner may compromise and settle, with ~~the approval of~~ notification to the attorney general, upon terms the commissioner deems just, any claim of the state for casual and involuntary trespass upon state lands or timber; provided that no claim shall be settled for less than the full value of all timber

or other materials taken in casual trespass or the full amount of all actual damage or loss suffered by the state as a result. Upon request, the commissioner shall advise the Executive Council of any information acquired by the commissioner concerning any trespass on state lands, giving all details and names of witnesses and all compromises and settlements made under this subdivision.

Sec. 35. Minnesota Statutes 2012, section 90.041, subdivision 5, is amended to read:

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

Sec. 36. Minnesota Statutes 2012, section 90.041, subdivision 6, is amended to read:

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

Sec. 37. Minnesota Statutes 2012, section 90.041, subdivision 9, is amended to read:

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

Sec. 38. Minnesota Statutes 2012, section 90.041, is amended by adding a subdivision to read:

Subd. 10. **Fees.** (a) The commissioner may establish a fee schedule that covers the commissioner's cost of issuing, administering, and processing various permits, permit modifications, transfers, assignments, amendments, and other transactions necessary to the administration of activities under this chapter.

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

Sec. 39. Minnesota Statutes 2012, section 90.041, is amended by adding a subdivision to read:

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

Sec. 40. Minnesota Statutes 2012, section 90.045, is amended to read:

90.045 APPRAISAL STANDARDS.

By July 1, 1983, the commissioner shall establish specific timber appraisal standards according to which all timber appraisals will be conducted under this chapter. The standards shall include a specification of the maximum allowable appraisal sampling error, ~~and~~ including the procedures for tree defect allowance, tract area estimation, product volume estimation, and product value determination. The timber appraisal standards shall be included in each edition of the timber sales manual published by the commissioner. In addition to the duties pursuant to section 90.061, every state appraiser shall work within

the guidelines of the timber appraisal standards. The standards shall not be subject to the rulemaking provisions of chapter 14.

Sec. 41. Minnesota Statutes 2012, section 90.061, subdivision 8, is amended to read:

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

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

Sec. 42. Minnesota Statutes 2012, section 90.101, subdivision 1, is amended to read:

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

Sec. 43. Minnesota Statutes 2012, section 90.121, is amended to read:

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

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

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

(2) no bidder may be awarded more than 25 percent of the total tracts offered at the first round of bidding unless fewer than four tracts are offered, in which case not more than one tract shall be awarded to one bidder. Any tract not sold at public auction may be offered for private sale as authorized by section 90.101, subdivision 1, 30 days after the auction to ~~persons~~ responsible bidders eligible under this section at the appraised value; and

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

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

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

Sec. 44. Minnesota Statutes 2012, section 90.145, is amended to read:

90.145 PURCHASER QUALIFICATIONS ~~AND~~, REGISTRATION, AND REQUIREMENTS.

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

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

(c) The purchaser ~~and~~ or the purchaser's agents, subcontractors, and assigns conducting logging operations on the timber permit must comply with the mandatory

insurance requirements of chapter 176. The commissioner ~~shall~~ may require a purchaser to provide a copy of the proof of insurance required by section 176.130 before the start of harvesting operations on any permit.

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

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

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

Sec. 45. Minnesota Statutes 2012, section 90.151, subdivision 1, is amended to read:

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

(b) The permit shall expire no later than five years after the date of sale as the commissioner shall specify or as specified under section 90.191, and the timber shall be cut and removed within the time specified therein. ~~All cut timber, equipment, and~~

~~buildings not removed from the land within 90 days after expiration of the permit shall become the property of the state.~~ If additional time is needed, the permit holder must request, prior to the expiration date, and may be granted, for good and sufficient reasons, up to 90 additional days for the completion of skidding, hauling, and removing all equipment and buildings. All cut timber, equipment, and buildings not removed from the land after expiration of the permit becomes the property of the state.

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

Sec. 46. Minnesota Statutes 2012, section 90.151, subdivision 2, is amended to read:

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

Sec. 47. Minnesota Statutes 2012, section 90.151, subdivision 3, is amended to read:

Subd. 3. **Security provisions.** The permit shall contain such provisions as may be necessary to secure to the state the title of all timber cut thereunder wherever found until full payment therefor and until all provisions of the permit have been fully complied with. The permit shall provide that from the date ~~the same becomes effective~~ cutting commences until the expiration ~~thereof~~ of the permit, including all extensions, the purchaser and successors in interest shall be liable to the state for the full permit price of all timber covered thereby, notwithstanding any subsequent damage or injury thereto or trespass thereon or theft thereof, and without prejudice to the right of the state to pursue such timber and recover the value thereof anywhere prior to the payment therefor in full to the state. If an effective permit is forfeited prior to any cutting activity, the purchaser is liable to the state for a sum equal to the down payment and bid guarantee. Upon recovery

from any person other than the permit holder, the permit holder shall be deemed released to the extent of the net amount, after deducting all expenses of collecting same, recovered by the state from such other person.

Sec. 48. Minnesota Statutes 2012, section 90.151, subdivision 4, is amended to read:

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

Sec. 49. Minnesota Statutes 2012, section 90.151, subdivision 6, is amended to read:

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

Sec. 50. Minnesota Statutes 2012, section 90.151, subdivision 7, is amended to read:

Subd. 7. **Liability for timber cut in trespass.** The permit shall provide that the permit holder shall pay the permit price value for any timber sold which is negligently destroyed or damaged by the permit holder in cutting or removing other timber sold. If the permit holder shall cut or remove or negligently destroy or damage any timber upon the land described, not sold under the permit, except such timber as it may be necessary to cut and remove in the construction of necessary logging roads and landings approved as to location and route by the commissioner, such timber shall be deemed to have been cut in

trespass. The permit holder shall be liable for any such timber and recourse may be had upon the ~~bond~~ security deposit.

Sec. 51. Minnesota Statutes 2012, section 90.151, subdivision 8, is amended to read:

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

Sec. 52. Minnesota Statutes 2012, section 90.151, subdivision 9, is amended to read:

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

Sec. 53. Minnesota Statutes 2012, section 90.161, is amended to read:

90.161 ~~SURETY BONDS FOR AUCTION~~ SECURITY DEPOSITS REQUIRED FOR EFFECTIVE TIMBER PERMITS.

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

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

(c) ~~In the alternative to cash and bond requirements, but upon the same conditions,~~ A purchaser may post bond for 100 percent of the purchase price and request refund of the amount of any payments pursuant to ~~sections~~ section 90.14 ~~and 90.163~~. The commissioner may credit the refund to any other permit held by the same permit holder if the permit is delinquent as provided in section 90.181, subdivision 2, or may credit the refund to any other permit to which the permit holder requests that it be credited.

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

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

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

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

Subd. 3. **Subrogation.** ~~In case of default~~ When security is provided by surety bond and the permit holder defaults in payment ~~by the permit holder~~, the surety upon the bond shall make payment in full to the state of all sums of money due under such permit; and thereupon such surety shall be deemed immediately subrogated to all the rights of the state in the timber so paid for; and such subrogated party may pursue the timber and

recover therefor, or have any other appropriate relief in relation thereto which the state might or could have had if such surety had not made such payment. No assignment or other writing on the part of the state shall be necessary to make such subrogation effective, but the certificate signed by and bearing the official seal of the commissioner, showing the amount of such timber, the lands from which it was cut or upon which it stood, and the amount paid therefor, shall be prima facie evidence of such facts.

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

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

Sec. 54. Minnesota Statutes 2012, section 90.162, is amended to read:

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

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

Sec. 55. **[90.164] TIMBER PERMIT DEVELOPMENT OPTION.**

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

Sec. 56. Minnesota Statutes 2012, section 90.171, is amended to read:

90.171 ASSIGNMENT OF AUCTION TIMBER PERMITS.

Any permit sold at public auction may be assigned upon written approval of the commissioner. The assignment of any permit shall be signed and acknowledged by the permit holder. The commissioner shall not approve any assignment until the assignee has been determined to meet the qualifications of a responsible bidder and has given to the state a ~~bond~~ security deposit which shall be substantially in the form of, and shall be deemed of the same effect as, the ~~bond~~ security deposit required of the original purchaser. The commissioner may accept ~~the~~ an agreement of the assignee and any corporate surety upon ~~such~~ an original bond, substituting the assignee in the place of ~~such~~ the original purchaser and continuing ~~such~~ the original bond in full force and effect, as to the assignee. Thereupon but not otherwise the permit holder making the assignment shall be released from all liability arising or accruing from actions taken after the assignment became effective.

Sec. 57. Minnesota Statutes 2012, section 90.181, subdivision 2, is amended to read:

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

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

Sec. 58. Minnesota Statutes 2012, section 90.191, subdivision 1, is amended to read:

Subdivision 1. **Sale requirements.** The commissioner may sell the timber on any tract of state land in lots not exceeding 500 cords in volume, without formalities but for not less than the full appraised value thereof, to any person. No sale shall be made under this section to any person holding ~~two~~ more than four permits issued hereunder which are

still in effect;. ~~except that (1) a partnership as defined in chapter 323, which may include spouses but which shall provide evidence that a partnership exists, may be holding two permits for each of not more than three partners who are actively engaged in the business of logging or who are the spouses of persons who are actively engaged in the business of logging with that partnership; and (2) a corporation, a majority of whose shares and voting power are owned by natural persons related to each other within the fourth degree of kindred according to the rules of the civil law or their spouses or estates, may be holding two permits for each of not more than three shareholders who are actively engaged in the business of logging or who are the spouses of persons who are actively engaged in the business of logging with that corporation.~~

Sec. 59. Minnesota Statutes 2012, section 90.193, is amended to read:

90.193 EXTENSION OF TIMBER PERMITS.

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

Sec. 60. Minnesota Statutes 2012, section 90.195, is amended to read:

90.195 SPECIAL USE AND PRODUCT PERMIT.

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

(b) The commissioner may issue a special product permit under section 89.42 for commercial use, which may include incidental volumes of boughs, gravel, hay, biomass, and other products derived from forest management activities. The value of the products is the current market value of the products that are being sold in the area. The permit may

be issued for a period not to exceed one year and the commissioner shall charge a fee for the permit as provided under section 90.041, subdivision 10.

(c) The commissioner may issue a special use permit for incidental volumes of timber from approved right-of-way road clearing across state land for the purpose of accessing a state timber permit. The permit shall include the volume and value of timber to be cleared and may be issued for a period not to exceed one year. A presale conference as required under section 90.151, subdivision 6, must be completed before the start of any activities under the permit.

Sec. 61. Minnesota Statutes 2012, section 90.201, subdivision 2a, is amended to read:

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

Sec. 62. Minnesota Statutes 2012, section 90.211, is amended to read:

90.211 PURCHASE MONEY, WHEN FORFEITED.

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

Sec. 63. Minnesota Statutes 2012, section 90.221, is amended to read:

90.221 TIMBER SALES RECORDS.

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

Sec. 64. Minnesota Statutes 2012, section 90.252, subdivision 1, is amended to read:

Subdivision 1. **Consumer scaling.** The commissioner may enter into an agreement with either a timber sale permittee, or the purchaser of the cut products, or both, so that the scaling of the cut timber and the collection of the payment for the same can be consummated by the ~~consumer~~ state. Such an agreement shall be approved as to form and content by the attorney general and shall provide for a bond or cash in lieu of a bond and such other safeguards as are necessary to protect the interests of the state. The scaling and payment collection procedure may be used for any state timber sale, except that no permittee who is also the consumer shall both cut and scale the timber sold unless such scaling is supervised by a state scaler.

Sec. 65. Minnesota Statutes 2012, section 90.301, subdivision 2, is amended to read:

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

Sec. 66. Minnesota Statutes 2012, section 90.301, subdivision 4, is amended to read:

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

Sec. 67. Minnesota Statutes 2012, section 90.41, subdivision 1, is amended to read:

Subdivision 1. **Violations and penalty.** (a) Any state scaler or state appraiser who shall accept any compensation or gratuity for services as such from any other source except the state of Minnesota, or any state scaler, or other person authorized to scale state timber, or state appraiser, who shall make any false report, or insert in any such report any false statement, or shall make any such report without having examined the land embraced therein or without having actually been upon the land, or omit from any such report any statement required by law to be made therein, or who shall fail to report any known trespass committed upon state lands, or who shall conspire with any other person in any manner, by act or omission or otherwise, to defraud or unlawfully deprive the state of Minnesota of any land or timber, or the value thereof, shall be guilty of a felony. Any material discrepancy between the facts and the scale returned by any such person scaling timber for the state shall be considered prima facie evidence that such person is guilty of violating this statute.

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

Sec. 68. 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. 69. 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. 70. 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. 71. 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. 72. 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. 73. 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. 74. 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. 75. 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. 76. 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. 77. 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. 78. 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. 79. **[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. 80. **[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. 81. **[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. 82. **[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. 83. Minnesota Statutes 2012, section 97A.401, subdivision 3, is amended to read:

Subd. 3. **Taking, possessing, and transporting wild animals for certain purposes.** (a) Except as provided in paragraph (b), special permits may be issued without a fee to take, possess, and transport wild animals as pets and for scientific, educational, rehabilitative, wildlife disease prevention and control, and exhibition purposes. The commissioner shall prescribe the conditions for taking, possessing, transporting, and disposing of the wild animals.

(b) A special permit may not be issued to take or possess wild or native deer for exhibition, propagation, or as pets.

(c) Notwithstanding rules adopted under this section relating to wildlife rehabilitation permits, nonresident professional wildlife rehabilitators with a federal rehabilitation permit may possess and transport wildlife affected by oil spills.

Sec. 84. Minnesota Statutes 2012, section 103G.265, subdivision 2, is amended to read:

Subd. 2. **Diversion greater than 2,000,000 gallons per day.** A water use permit or a plan that requires a permit or the commissioner's approval, involving a diversion of waters of the state of more than 2,000,000 gallons per day average in a 30-day period, to a place outside of this state or from the basin of origin within this state may not be granted or approved until~~:~~

~~(1)~~ a determination is made by the commissioner that the ~~water remaining in the basin of origin will be adequate to meet the basin's water resources needs during the specified life of the diversion project~~ diversion is sustainable and meets the applicable standards under section 103G.287, subdivision 5~~; and~~

~~(2) approval of the diversion is given by the legislature~~.

Sec. 85. Minnesota Statutes 2012, section 103G.265, subdivision 3, is amended to read:

Subd. 3. **Consumptive use of more than 2,000,000 gallons per day.** ~~(a) Except as provided in paragraph (b),~~ A water use permit or a plan that requires a permit or the commissioner's approval, involving a consumptive use of more than 2,000,000 gallons per day average in a 30-day period, may not be granted or approved until~~:~~

~~(1)~~ a determination is made by the commissioner that the ~~water remaining in the basin of origin will be adequate to meet the basin's water resources needs during the specified life of the~~ consumptive use is sustainable and meets the applicable standards under section 103G.287, subdivision 5~~; and~~

~~(2) approval of the consumptive use is given by the legislature~~.

~~(b) Legislative approval under paragraph (a), clause (2), is not required for a consumptive use in excess of 2,000,000 gallons per day average in a 30-day period for:~~

~~(1) a domestic water supply, excluding industrial and commercial uses of a municipal water supply;~~

~~(2) agricultural irrigation and processing of agricultural products;~~

~~(3) construction and mine land dewatering;~~

~~(4) pollution abatement or remediation; and~~

~~(5) fish and wildlife enhancement projects using surface water sources.~~

Sec. 86. Minnesota Statutes 2012, section 103G.271, subdivision 6, is amended to read:

Subd. 6. **Water use permit processing fee.** (a) Except as described in paragraphs (b) to (f), a water use permit processing fee must be prescribed by the commissioner in accordance with the schedule of fees in this subdivision for each water use permit in force at any time during the year. Fees collected under this paragraph are credited to the water management account in the natural resources fund. The schedule is as follows, with the stated fee in each clause applied to the total amount appropriated:

(1) ~~$140 for amounts not exceeding 50,000,000 gallons per year;~~

~~(2) $3.50~~ for residential use, $15 per 1,000,000 gallons ~~for amounts greater than 50,000,000 gallons but less than 100,000,000 gallons per year~~;

~~(3) $4~~ (2) for use for metallic mine dewatering, mineral processing, and wood products processing, $8 per 1,000,000 gallons ~~for amounts greater than 100,000,000 gallons but less than 150,000,000 gallons per year~~;

~~(4) $4.50~~ (3) for use for agricultural irrigation, including sod farms, orchards, and nurseries, and for livestock watering, $22 per 1,000,000 gallons ~~for amounts greater than 150,000,000 gallons but less than 200,000,000 gallons per year~~;

~~(5) $5~~ (4) for nonagricultural irrigation, $70 per 1,000,000 gallons ~~for amounts greater than 200,000,000 gallons but less than 250,000,000 gallons per year~~; and

~~(6) $5.50~~ (5) for all other uses, $30 per 1,000,000 gallons ~~for amounts greater than 250,000,000 gallons but less than 300,000,000 gallons per year;~~

~~(7) $6 per 1,000,000 gallons for amounts greater than 300,000,000 gallons but less than 350,000,000 gallons per year;~~

~~(8) $6.50 per 1,000,000 gallons for amounts greater than 350,000,000 gallons but less than 400,000,000 gallons per year;~~

~~(9) $7 per 1,000,000 gallons for amounts greater than 400,000,000 gallons but less than 450,000,000 gallons per year;~~

~~(10) $7.50 per 1,000,000 gallons for amounts greater than 450,000,000 gallons but less than 500,000,000 gallons per year; and~~

~~(11) $8 per 1,000,000 gallons for amounts greater than 500,000,000 gallons per year~~.

(b) For once-through cooling systems, a water use processing fee must be prescribed by the commissioner in accordance with the following schedule of fees for each water use permit in force at any time during the year:

(1) for nonprofit corporations and school districts, $200 per 1,000,000 gallons; and

(2) for all other users, $420 per 1,000,000 gallons.

(c) The fee is payable based on the amount of water appropriated during the year and, except as provided in paragraph (f), the minimum fee is ~~$100~~ $140.

(d) For water use processing fees other than once-through cooling systems:

(1) the fee for a city of the first class may not exceed ~~$250,000~~ $275,000 per year;

(2) the fee for other entities for any permitted use may not exceed:

(i) ~~$60,000~~ $66,000 per year for an entity holding three or fewer permits;

(ii) ~~$90,000~~ $99,000 per year for an entity holding four or five permits; or

(iii) ~~$300,000~~ $330,000 per year for an entity holding more than five permits;

(3) the fee for ~~agricultural~~ wild rice irrigation may not exceed $750 per year;

(4) the fee for a municipality that furnishes electric service and cogenerates steam for home heating may not exceed $10,000 for its permit for water use related to the cogeneration of electricity and steam; and

(5) no fee is required for a project involving the appropriation of surface water to prevent flood damage or to remove flood waters during a period of flooding, as determined by the commissioner.

(e) Failure to pay the fee is sufficient cause for revoking a permit. A penalty of two percent per month calculated from the original due date must be imposed on the unpaid balance of fees remaining 30 days after the sending of a second notice of fees due. A fee may not be imposed on an agency, as defined in section 16B.01, subdivision 2, or federal governmental agency holding a water appropriation permit.

(f) The minimum water use processing fee for a permit issued for irrigation of agricultural land is $20 for years in which:

(1) there is no appropriation of water under the permit; or

(2) the permit is suspended for more than seven consecutive days between May 1 and October 1.

(g) A surcharge of ~~$30~~ $75 per million gallons in addition to the fee prescribed in paragraph (a) shall be applied to the volume of water used in each of the months of May, June, July, ~~and~~ August, and September that exceeds the volume of water used in January for municipal water use~~, irrigation of golf courses, and landscape irrigation~~. The surcharge for municipalities with more than one permit shall be determined based on the total appropriations from all permits that supply a common distribution system.

EFFECTIVE DATE. This section is effective January 1, 2014.

Sec. 87. Minnesota Statutes 2012, section 103G.282, is amended to read:

103G.282 MONITORING TO EVALUATE IMPACTS FROM APPROPRIATIONS.

Subdivision 1. **Monitoring equipment.** The commissioner may ~~require the installation and maintenance of~~ install and maintain monitoring equipment to evaluate water resource impacts from permitted appropriations and proposed projects that require a permit. ~~Monitoring for water resources that supply more than one appropriator must be designed to minimize costs to individual appropriators. The cost of drilling additional monitoring wells must be shared proportionally by all permit holders that are directly affecting a particular water resources feature.~~ The commissioner may require a permit holder or a proposer of a project to install and maintain monitoring equipment to evaluate water resource impacts when the commissioner determines that the permitted or proposed water use is or has the potential to be the primary source of water resource impacts in an area.

Subd. 2. **Measuring devices required.** Monitoring installations ~~required~~ established under subdivision 1 must be equipped with automated measuring devices to measure water levels, flows, or conditions. The commissioner may require a permit holder or a proposer of a project to perform water measurements. The commissioner may determine the frequency of measurements and other measuring methods based on the quantity of water appropriated or used, the source of water, potential connections to other water resources, the method of appropriating or using water, seasonal and long-term changes in water levels, and any other facts supplied to the commissioner.

Subd. 3. **Reports and costs.** (a) Records of water measurements under subdivision 2 must be kept for each installation. The measurements must be reported annually to the commissioner on or before February 15 of the following year in a format or on forms prescribed by the commissioner.

(b) The ~~owner or person~~ permit holder or project proposer in charge of an installation for appropriating or using waters of the state or a proposal that requires a permit is responsible for all costs related to establishing and maintaining monitoring installations and to measuring and reporting data. ~~Monitoring costs for water resources that supply more than one appropriator may be distributed among all users within a monitoring area determined by the commissioner and assessed based on volumes of water appropriated and proximity to resources of concern.~~ The commissioner may require a permit holder or project proposer utilizing monitoring equipment installed by the commissioner to meet water measurement requirements to cover the costs related to measuring and reporting data.

Sec. 88. Minnesota Statutes 2012, section 103G.287, subdivision 1, is amended to read:

Subdivision 1. **Applications for groundwater appropriations; preliminary well construction approval.** (a) Groundwater use permit applications are not complete until the applicant has supplied:

(1) a water well record as required by section 103I.205, subdivision 9, information on the subsurface geologic formations penetrated by the well and the formation or aquifer that will serve as the water source, and geologic information from test holes drilled to locate the site of the production well;

(2) the maximum daily, seasonal, and annual pumpage rates and volumes being requested;

(3) information on groundwater quality in terms of the measures of quality commonly specified for the proposed water use and details on water treatment necessary for the proposed use;

(4) an inventory of existing wells within 1-1/2 miles of the proposed production well or within the area of influence, as determined by the commissioner. The inventory must include information on well locations, depths, geologic formations, depth of the pump or intake, pumping and nonpumping water levels, and details of well construction; ~~and~~

(5) the results of an aquifer test completed according to specifications approved by the commissioner. The test must be conducted at the maximum pumping rate requested in the application and for a length of time adequate to assess or predict impacts to other wells and surface water and groundwater resources. The permit applicant is responsible for all costs related to the aquifer test, including the construction of groundwater and

surface water monitoring installations, and water level readings before, during, and after the aquifer test; and

(6) the results of any assessments conducted by the commissioner under paragraph (c).

(b) The commissioner may waive an application requirement in this subdivision if the information provided with the application is adequate to determine whether the proposed appropriation and use of water is sustainable and will protect ecosystems, water quality, and the ability of future generations to meet their own needs.

(c) The commissioner shall provide an assessment of a proposed well needing a groundwater appropriation permit. The commissioner shall evaluate the information submitted as required under section 103I.205, subdivision 1, paragraph (f), and determine whether the anticipated appropriation request is likely to meet the applicable requirements of this chapter. If the appropriation request is likely to meet applicable requirements, the commissioner shall provide the person submitting the information with a letter providing preliminary approval to construct the well.

Sec. 89. Minnesota Statutes 2012, section 103G.287, subdivision 5, is amended to read:

Subd. 5. ~~**Interference with other wells**~~ **Sustainability standard.** The commissioner may issue water use permits for appropriation from groundwater only if the commissioner determines that the groundwater use is sustainable to supply the needs of future generations and the proposed use will not harm ecosystems, degrade water, or reduce water levels beyond the reach of public water supply and private domestic wells constructed according to Minnesota Rules, chapter 4725.

Sec. 90. 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. 91. Minnesota Statutes 2012, section 103I.205, subdivision 1, is amended to read:

Subdivision 1. **Notification required.** (a) Except as provided in paragraphs (d) and (e), a person may not construct a well until a notification of the proposed well on a form prescribed by the commissioner is filed with the commissioner with the filing fee in section 103I.208, and, when applicable, the person has met the requirements of paragraph (f). If after filing the well notification an attempt to construct a well is unsuccessful, a new notification is not required unless the information relating to the successful well has substantially changed.

(b) The property owner, the property owner's agent, or the well contractor where a well is to be located must file the well notification with the commissioner.

(c) The well notification under this subdivision preempts local permits and notifications, and counties or home rule charter or statutory cities may not require a permit or notification for wells unless the commissioner has delegated the permitting or notification authority under section 103I.111.

(d) A person who is an individual that constructs a drive point well on property owned or leased by the individual for farming or agricultural purposes or as the individual's place of abode must notify the commissioner of the installation and location of the well. The person must complete the notification form prescribed by the commissioner and mail it to the commissioner by ten days after the well is completed. A fee may not be charged for the notification. A person who sells drive point wells at retail must provide buyers with notification forms and informational materials including requirements regarding wells, their location, construction, and disclosure. The commissioner must provide the notification forms and informational materials to the sellers.

(e) A person may not construct a monitoring well until a permit is issued by the commissioner for the construction. If after obtaining a permit an attempt to construct a well is unsuccessful, a new permit is not required as long as the initial permit is modified to indicate the location of the successful well.

(f) When the operation of a well will require an appropriation permit from the commissioner of natural resources, a person may not begin construction of the well until the person submits the following information to the commissioner of natural resources:

(1) the location of the well;

(2) the formation or aquifer that will serve as the water source;

(3) the maximum daily, seasonal, and annual pumpage rates and volumes that will be requested in the appropriation permit; and

(4) other information requested by the commissioner of natural resources that is necessary to conduct the preliminary assessment required under section 103G.287, subdivision 1, paragraph (c).

The person may begin construction after receiving preliminary approval from the commissioner of natural resources.

Sec. 92. 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. 93. Minnesota Statutes 2012, section 114D.50, subdivision 4, is amended to read:

Subd. 4. **Expenditures; accountability.** (a) A project receiving funding from the clean water fund must meet or exceed the constitutional requirements to protect, enhance, and restore water quality in lakes, rivers, and streams and to protect groundwater and drinking water from degradation. Priority may be given to projects that meet more than one of these requirements. A project receiving funding from the clean water fund shall include measurable outcomes, as defined in section 3.303, subdivision 10, and a plan for measuring and evaluating the results. A project must be consistent with current science and incorporate state-of-the-art technology.

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

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

classified as not public under section 13D.05, subdivision 3, paragraph (d), is not required to be placed on the Web site.

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

(e) Money from the clean water fund may only be spent on projects that benefit Minnesota waters.

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

(g) Future eligibility for money from the clean water fund is contingent upon a state agency or other recipient satisfying all applicable requirements in this section, as well as any additional requirements contained in applicable session law.

(h) Money from the clean water fund may be used to leverage federal funds through execution of formal project partnership agreements with federal agencies consistent with respective federal agency partnership agreement requirements.

Sec. 94. **[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 that submit data to the agency must register by submitting registration

information required by the agency or be certified or accredited by a recognized authority, such as the commissioner of health under sections 144.97 to 144.99, for the analytical methods required by the agency.

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 from laboratories registering with the agency but not accredited by the commissioner of health under sections 144.97 to 144.99, 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. 95. Minnesota Statutes 2012, section 115A.1320, subdivision 1, is amended to read:

Subdivision 1. **Duties of the agency.** (a) The agency shall administer sections 115A.1310 to 115A.1330.

(b) The agency shall establish procedures for:

(1) receipt and maintenance of the registration statements and certifications filed with the agency under section 115A.1312; and

(2) making the statements and certifications easily available to manufacturers, retailers, and members of the public.

(c) The agency shall annually review the value of the following variables that are part of the formula used to calculate a manufacturer's annual registration fee under section 115A.1314, subdivision 1:

(1) the proportion of sales of video display devices sold to households that manufacturers are required to recycle;

(2) the estimated per-pound price of recycling covered electronic devices sold to households;

(3) the base registration fee; and

(4) the multiplier established for the weight of covered electronic devices collected in section 115A.1314, subdivision 1, paragraph (d). If the agency determines that any of these values must be changed in order to improve the efficiency or effectiveness of the activities regulated under sections 115A.1312 to 115A.1330, the agency shall submit recommended changes and the reasons for them to the chairs of the senate and house of representatives committees with jurisdiction over solid waste policy.

(d) By January 15 each year, beginning in 2008, the agency shall calculate estimated sales of video display devices sold to households by each manufacturer during the preceding program year, based on national sales data, and forward the estimates to the department.

(e) The agency shall provide a report to the governor and the legislature on the implementation of sections 115A.1310 to 115A.1330. For each program year, the report must discuss the total weight of covered electronic devices recycled and a summary of information in the reports submitted by manufacturers and recyclers under section 115A.1316. The report must also discuss the various collection programs used by manufacturers to collect covered electronic devices; information regarding covered electronic devices that are being collected by persons other than registered manufacturers, collectors, and recyclers; and information about covered electronic devices, if any, being disposed of in landfills in this state. The report must include a description of enforcement actions under sections 115A.1310 to 115A.1330. The agency may include in its report other information received by the agency regarding the implementation of sections 115A.1312 to 115A.1330. The report must be done in conjunction with the report required under section ~~115D.10~~ 115A.121.

(f) The agency shall promote public participation in the activities regulated under sections 115A.1312 to 115A.1330 through public education and outreach efforts.

(g) The agency shall enforce sections 115A.1310 to 115A.1330 in the manner provided by sections 115.071, subdivisions 1, 3, 4, 5, and 6; and 116.072, except for those provisions enforced by the department, as provided in subdivision 2. The agency may revoke a registration of a collector or recycler found to have violated sections 115A.1310 to 115A.1330.

(h) The agency shall facilitate communication between counties, collection and recycling centers, and manufacturers to ensure that manufacturers are aware of video display devices available for recycling.

(i) The agency shall develop a form retailers must use to report information to manufacturers under section 115A.1318 and post it on the agency's Web site.

(j) The agency shall post on its Web site the contact information provided by each manufacturer under section 115A.1318, paragraph (e).

Sec. 96. **[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 by certifying that election in writing to the commissioner;

(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 July 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 the seven-county metropolitan area initially and expanding to areas outside of the seven-county metropolitan area starting July 1, 2016;

(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 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;

(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 near 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 for at least 30 days and made available at the agency's headquarters for public review and comment.

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 July 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 ensure that the full amount of the stewardship assessment added to the cost of carpet by producers under subdivision 10 is included in 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 October 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. **Sales information.** Sales information provided to the commissioner under this section is classified as private or nonpublic data, as specified in section 115A.06, subdivision 13.

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 for the first year of the program 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 an annual administrative fee to the commissioner. 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) Prior to July 1, 2015, and before July 1 annually thereafter, the agency shall identify the costs it incurs under this section. 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 reimburse the agency's full costs of administering this section. The total amount of annual fees collected under this subdivision must not exceed the amount necessary to reimburse costs incurred by the agency to administer this section.

(c) 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, 2015 and annually thereafter. Each year after the initial payment, the annual administrative fee may not exceed five percent of the aggregate stewardship assessment added to the cost of all carpet sold by producers in the state for the preceding calendar year.

(d) All fees received under this section shall be deposited to the state treasury and credited to a product stewardship account in the Special Revenue Fund. Money in the account is appropriated to the commissioner for the purpose of reimbursing the agency's costs incurred to administer this section.

Sec. 97. **[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 by certifying that election in writing to the commissioner;

(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 and a discussion of how the existing household hazardous waste infrastructure will be considered when selecting collection sites;

(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 for at least 30 days and made available at the agency's headquarters for public review and comment.

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 ensure that the full amount of the stewardship assessment added to the cost of paint by producers under subdivision 10 is included in 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. **Sales information.** Sales information provided to the commissioner under this section is classified as private or nonpublic data, as specified in section 115A.06, subdivision 13.

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 for the first year of the program 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 an annual administrative fee to the commissioner. 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) Prior to July 1, 2014, and before July 1 annually thereafter, the agency shall identify the costs it incurs under this section. 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 reimburse the agency's full costs of administering this section. The total amount of annual fees collected under this subdivision must not exceed the amount necessary to reimburse costs incurred by the agency to administer this section.

(c) 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, 2014 and annually thereafter. Each year after the initial payment, the annual administrative fee may not exceed five percent of the aggregate stewardship assessment added to the cost of all architectural paint sold by producers in the state for the preceding calendar year.

(d) All fees received under this section shall be deposited to the state treasury and credited to a product stewardship account in the Special Revenue Fund. Money in the account is appropriated to the commissioner for the purpose of reimbursing the agency's costs incurred to administer this section.

Sec. 98. **[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 a battery weighing two kilograms or less that is not designed to be electrically recharged, including, but not limited to, alkaline manganese, carbon zinc, lithium, silver oxide, and zinc air batteries. Nonremovable batteries and medical devices as defined in the federal Food, Drug, and Cosmetic Act, United States Code, title 21, section 321, paragraph (h), as amended, are exempted from this definition.

(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 by certifying that election in writing to the commissioner;

(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) "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;

(8) "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

(9) "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 recycling, and providing for negotiation and execution of agreements to collect, transport, and process primary batteries for end-of-life recycling.

Subd. 3. **Requirement for sale.** (a) On and after December 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 August 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 discarded primary 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 primary 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 primary 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 recycle the discarded primary 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 primary 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 primary batteries that will be collected and recycled 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;

(iv) actual collection data from other existing stewardship programs; and

(v) the market share of the producers participating in the plan.

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 for at least 30 days and made available at the agency's headquarters for public review and comment.

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 December 1, 2014, 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 discarded primary batteries collected in the state by method of disposition, including 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 of the stewardship organization.

Subd. 12. **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. 13. **Sales information.** Sales information provided to the commissioner under this section is classified as private or nonpublic data, as specified in section 115A.06, subdivision 13.

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 for the first year of the program 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 an annual administrative fee to the commissioner. 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) Prior to July 1, 2015, and before July 1 annually thereafter, the agency shall identify the costs it incurs under this section. 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 reimburse the agency's full costs of administering this section. The total amount of annual fees collected under this subdivision must not exceed the amount necessary to reimburse costs incurred by the agency to administer this section.

(c) 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, 2015 and annually thereafter.

(d) All fees received under this section shall be deposited to the state treasury and credited to a product stewardship account in the Special Revenue Fund. Money in the account is appropriated to the commissioner for the purpose of reimbursing the agency's costs incurred to administer this section.

Subd. 16. **Exemption; medical device.** The requirements of this section do not apply to a medical device as defined in the Food, Drug, and Cosmetic Act, United States Code, title 21, section 321, paragraph (h).

Subd. 17. **Private enforcement.** (a) The operator of a statewide product stewardship program established under subdivision 2 that incurs costs exceeding $5,000 to collect, handle, recycle, or properly dispose of discarded primary batteries sold or offered for sale in Minnesota by a producer who does not implement its own program or participate in a program implemented by a stewardship organization, may bring a civil action or actions to recover costs and fees as specified in paragraph (b) from each nonimplementing or nonparticipating producer who can reasonably be identified from a brand or marking on a used consumer battery or from other information.

(b) An action under paragraph (a) may be brought against one or more primary battery producers, provided that no such action may be commenced:

(1) prior to 60 days after written notice of the operator's intention to file suit has been provided to the agency and the defendant or defendants; or

(2) if the agency has commenced enforcement actions under subdivision 10 and is diligently pursuing such actions.

(c) In any action under paragraph (b), the plaintiff operator may recover from a defendant nonimplementing or nonparticipating primary battery producer costs the plaintiff incurred to collect, handle, recycle, or properly dispose of primary batteries reasonably identified as having originated from the defendant, plus the plaintiff's attorney fees and litigation costs.

Sec. 99. **[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. 100. Minnesota Statutes 2012, section 115B.20, subdivision 6, is amended to read:

Subd. 6. **Report to legislature.** ~~Each year~~ By January 31 of each odd-numbered year, the commissioner of agriculture and the agency shall submit to the senate Finance Committee, the house of representatives Ways and Means Committee, the Environment and Natural Resources Committees of the senate and house of representatives, the Finance Division of the senate Committee on Environment and Natural Resources, and the house of representatives Committee on Environment and Natural Resources Finance, and the Environmental Quality Board a report detailing the activities for which money has been spent pursuant to this section during the previous fiscal year.

EFFECTIVE DATE. This section is effective July 1, 2013.

Sec. 101. Minnesota Statutes 2012, section 115B.28, subdivision 1, is amended to read:

Subdivision 1. **Duties.** In addition to performing duties specified in sections 115B.25 to 115B.37 or in other law, and subject to the limitations on disclosure contained in section 115B.35, the agency shall:

(1) adopt rules, including rules governing practice and procedure before the agency, the form and procedure for applications for compensation, and procedures for claims investigations;

(2) publicize the availability of compensation and application procedures on a statewide basis with special emphasis on geographical areas surrounding sites identified

by the agency as having releases from a facility where a harmful substance was placed or came to be located prior to July 1, 1983;

(3) collect, analyze, and make available to the public, in consultation with the Department of Health, the Pollution Control Agency, the University of Minnesota Medical and Public Health Schools, and the medical community, data regarding injuries relating to exposure to harmful substances; and

(4) prepare and transmit ~~by December 31 of each year to the governor and~~ the ~~legislature an annual~~ legislative report required under section 115B.20, subdivision 6, to include (i) a summary of agency activity under clause (3); (ii) data determined by the agency from actual cases, including but not limited to number of cases, actual compensation received by each claimant, types of cases, and types of injuries compensated, as they relate to types of harmful substances as well as length of exposure, but excluding identification of the claimants; (iii) all administrative costs associated with the business of the agency; and (iv) agency recommendations for legislative changes, further study, or any other recommendation aimed at improving the system of compensation.

Sec. 102. Minnesota Statutes 2012, section 115C.02, subdivision 4, is amended to read:

Subd. 4. **Corrective action.** "Corrective action" means an action taken to minimize, eliminate, or clean up a release to protect the public health and welfare or the environment. Corrective action may include environmental covenants pursuant to chapter 114E, an affidavit required under section 116.48, subdivision 6, or similar notice of a release recorded with real property records.

Sec. 103. Minnesota Statutes 2012, section 115C.08, subdivision 4, is amended to read:

Subd. 4. **Expenditures.** (a) Money in the fund may only be spent:

(1) to administer the petroleum tank release cleanup program established in this chapter;

(2) for agency administrative costs under sections 116.46 to 116.50, sections 115C.03 to 115C.06, and costs of corrective action taken by the agency under section 115C.03, including investigations;

(3) for costs of recovering expenses of corrective actions under section 115C.04;

(4) for training, certification, and rulemaking under sections 116.46 to 116.50;

(5) for agency administrative costs of enforcing rules governing the construction, installation, operation, and closure of aboveground and underground petroleum storage tanks;

(6) for reimbursement of the environmental response, compensation, and compliance account under subdivision 5 and section 115B.26, subdivision 4;

(7) for administrative and staff costs as set by the board to administer the petroleum tank release program established in this chapter;

(8) for corrective action performance audits under section 115C.093;

(9) for contamination cleanup grants, as provided in paragraph (c);

(10) to assess and remove abandoned underground storage tanks under section 115C.094 and, if a release is discovered, to pay for the specific consultant and contractor services costs necessary to complete the tank removal project, including, but not limited to, excavation soil sampling, groundwater sampling, soil disposal, and completion of an excavation report; and

(11) ~~for property acquisition by the agency when the agency has determined that purchasing a property where a release has occurred is the most appropriate corrective action. The~~ to acquire interests in real or personal property, including easements, environmental covenants under chapter 114E, and leases, that the agency determines are necessary for corrective actions or to ensure the protectiveness of corrective actions. A donation of an interest in real property to the agency is not effective until the agency executes a certificate of acceptance. The state is not liable under this chapter solely as a result of acquiring an interest in real property under this clause. Agency approval of an environmental covenant under chapter 114E is sufficient evidence of acceptance of an interest in real property when the agency is expressly identified as a holder in the covenant. Acquisition of ~~all properties~~ real property under this clause, except environmental covenants under chapter 114E, is subject to approval by the board.

(b) Except as provided in paragraph (c), money in the fund is appropriated to the board to make reimbursements or payments under this section.

(c) In fiscal years 2010 and 2011, $3,700,000 is annually appropriated from the fund to the commissioner of employment and economic development for contamination cleanup grants under section 116J.554. Beginning in fiscal year 2012 and each year thereafter, $6,200,000 is annually appropriated from the fund to the commissioner of employment and economic development for contamination cleanup grants under section 116J.554. Of this amount, the commissioner may spend up to $225,000 annually for administration of the contamination cleanup grant program. The appropriation does not cancel and is available until expended. The appropriation shall not be withdrawn from the fund nor the fund balance reduced until the funds are requested by the commissioner of employment and economic development. The commissioner shall schedule requests for withdrawals

from the fund to minimize the necessity to impose the fee authorized by subdivision 2. Unless otherwise provided, the appropriation in this paragraph may be used for:

(1) project costs at a qualifying site if a portion of the cleanup costs are attributable to petroleum contamination or new and used tar and tar-like substances, including but not limited to bitumen and asphalt, but excluding bituminous or asphalt pavement, that consist primarily of hydrocarbons and are found in natural deposits in the earth or are distillates, fractions, or residues from the processing of petroleum crude or petroleum products as defined in section 296A.01; and

(2) the costs of performing contamination investigation if there is a reasonable basis to suspect the contamination is attributable to petroleum or new and used tar and tar-like substances, including but not limited to bitumen and asphalt, but excluding bituminous or asphalt pavement, that consist primarily of hydrocarbons and are found in natural deposits in the earth or are distillates, fractions, or residues from the processing of petroleum crude or petroleum products as defined in section 296A.01.

Sec. 104. Minnesota Statutes 2012, section 115C.08, is amended by adding a subdivision to read:

Subd. 6. **Disposition of property acquired for corrective action.** (a) If the commissioner determines that real or personal property acquired by the agency for a corrective action is no longer needed for corrective action purposes, the commissioner may:

(1) request the commissioner of administration to dispose of the property according to sections 16B.281 to 16B.287, subject to conditions the commissioner of the Pollution Control Agency determines necessary to protect the public health and welfare and the environment or to comply with federal law;

(2) transfer the property to another state agency, a political subdivision, or a special purpose district as provided in paragraph (b); or

(3) if required by federal law, take actions and dispose of the property according to federal law.

(b) If the commissioner determines that real or personal property acquired by the agency for a corrective action must be operated, maintained, or monitored after completion of other phases of the corrective action, the commissioner may transfer ownership of the property to another state agency, a political subdivision, or a special purpose district that agrees to accept the property. A state agency, political subdivision, or special purpose district may accept and implement terms and conditions of a transfer under this paragraph. The commissioner may set terms and conditions for the transfer that the commissioner considers reasonable and necessary to ensure proper operation,

maintenance, and monitoring of corrective actions; protect the public health and welfare and the environment; and comply with applicable federal and state laws and regulations. The state agency, political subdivision, or special purpose district to which the property is transferred is not liable under this chapter solely as a result of acquiring the property or acting in accordance with the terms and conditions of transfer.

(c) The proceeds of a sale or other transfer of property under this subdivision by the commissioner or by the commissioner of administration shall be deposited in the petroleum tank fund or other appropriate fund. Any share of the proceeds that the agency is required by federal law or regulation to reimburse to the federal government is appropriated from the fund to the agency for the purpose. Section 16B.287, subdivision 1, does not apply to real property that is sold by the commissioner of administration and that was acquired under subdivision 4, clause (11).

Sec. 105. Minnesota Statutes 2012, section 115D.10, is amended to read:

115D.10 TOXIC POLLUTION PREVENTION EVALUATION REPORT.

The commissioner, in cooperation with the commission, shall report to the Environment and Natural Resources Committees of the senate and house of representatives, the Finance Division of the senate Committee on Environment and Natural Resources, and the house of representatives Committee on Environment and Natural Resources Finance on progress being made in achieving the objectives of sections 115D.01 to 115D.12. The report must be ~~submitted by February 1 of each even-numbered year~~ done in conjunction with the report required under section 115A.121.

Sec. 106. Minnesota Statutes 2012, section 116.48, subdivision 6, is amended to read:

Subd. 6. **Affidavit.** (a) Before transferring ownership of property that the owner knows contains an underground or aboveground storage tank or contained an underground or aboveground storage tank that had a release for which no corrective action was taken or if required by the agency as a condition of a corrective action under chapter 115C, the owner shall record with the county recorder or registrar of titles of the county in which the property is located an affidavit containing:

(1) a legal description of the property where the tank is located;

(2) a description of the tank, of the location of the tank, and of any known release from the tank of a regulated substance to the full extent known or reasonably ascertainable;

(3) a description of any restrictions currently in force on the use of the property resulting from any release; and

(4) the name of the owner.

(b) The county recorder shall record the affidavits in a manner that will insure their disclosure in the ordinary course of a title search of the subject property. Before transferring ownership of property that the owner knows contains an underground or aboveground storage tank, the owner shall deliver to the purchaser a copy of the affidavit and any additional information necessary to make the facts in the affidavit accurate as of the date of transfer of ownership.

(c) Failure to record an affidavit as provided in this subdivision does not affect or prevent any transfer of ownership of the property.

Sec. 107. Minnesota Statutes 2012, section 116C.03, subdivision 2, is amended to read:

Subd. 2. **Membership.** The members of the board are the ~~director of the Office of Strategic and Long-Range Planning~~ commissioner of administration, the commissioner of commerce, the commissioner of the Pollution Control Agency, the commissioner of natural resources, the commissioner of agriculture, the commissioner of health, the commissioner of employment and economic development, the commissioner of transportation, the chair of the Board of Water and Soil Resources, and a representative of the governor's office designated by the governor. The governor shall appoint five members from the general public to the board, subject to the advice and consent of the senate. At least two of the five public members must have knowledge of and be conversant in water management issues in the state. Notwithstanding the provisions of section 15.06, subdivision 6, members of the board may not delegate their powers and responsibilities as board members to any other person.

Sec. 108. Minnesota Statutes 2012, section 116C.03, subdivision 4, is amended to read:

Subd. 4. **Support.** Staff and consultant support for board activities shall be provided by the ~~Office of Strategic and Long-Range Planning~~ Pollution Control Agency. This support shall be provided based upon an annual budget and work program developed by the board and certified to the commissioner by the chair of the board. The board shall have the authority to request and require staff support from all other agencies of state government as needed for the execution of the responsibilities of the board.

Sec. 109. Minnesota Statutes 2012, section 116C.03, subdivision 5, is amended to read:

Subd. 5. **Administration.** The board shall contract with the ~~Office of Strategic and Long-Range Planning~~ Pollution Control Agency for administrative services necessary to the board's activities. The services shall include personnel, budget, payroll and contract administration.

Sec. 110. **[116C.99] SILICA SAND MINING MODEL STANDARDS AND CRITERIA.**

Subdivision 1. **Definitions.** The definitions in this subdivision apply to this section.

(a) "Local unit of government" means a county, statutory or home rule charter city, or town.

(b) "Mining" means excavating and mining silica sand by any process, including digging, excavating, mining, drilling, blasting, tunneling, dredging, stripping, or by shaft.

(c) "Processing" means washing, cleaning, screening, crushing, filtering, sorting, processing, stockpiling, and storing silica sand, either at the mining site or at any other site.

(d) "Silica sand" means well-rounded, sand-sized grains of quartz (silicon dioxide), with very little impurities in terms of other minerals. Specifically, the silica sand for the purposes of this section is commercially valuable for use in the hydraulic fracturing of shale to obtain oil and natural gas. Silica sand does not include common rock, stone, aggregate, gravel, sand with a low quartz level, or silica compounds recovered as a by-product of metallic mining.

(e) "Silica sand project" means the excavation and mining and processing of silica sand; the washing, cleaning, screening, crushing, filtering, drying, sorting, stockpiling, and storing of silica sand, either at the mining site or at any other site; the hauling and transporting of silica sand; or a facility for transporting silica sand to destinations by rail, barge, truck, or other means of transportation.

(f) "Temporary storage" means the storage of stock piles of silica sand that have been transported and await further transport.

(g) "Transporting" means hauling and transporting silica sand, by any carrier:

(1) from the mining site to a processing or transfer site; or

(2) from a processing or storage site to a rail, barge, or transfer site for transporting to destinations.

Subd. 2. **Standards and criteria.** (a) By October 1, 2013, the Environmental Quality Board, in consultation with local units of government, shall develop model standards and criteria for mining, processing, and transporting silica sand. These standards and criteria may be used by local units of government in developing local ordinances. The standards and criteria must include:

(1) recommendations for setbacks or buffers for mining operation and processing, including:

(i) any residence or residential zoning district boundary;

(ii) any property line or right-of-way line of any existing or proposed street or highway;

(iii) ordinary high water levels of public waters;

(iv) bluffs;

(v) designated trout streams, Class 2A water as designated in the rules of the Pollution Control Agency, or any perennially flowing tributary of a designated trout stream or Class 2A water;

(vi) calcareous fens;

(vii) wellhead protection areas as defined in section 103I.005;

(viii) critical natural habitat acquired by the commissioner of natural resources under section 84.944; and

(ix) a natural resource easement paid wholly or in part by public funds;

(2) standards for hours of operation;

(3) groundwater and surface water quality and quantity monitoring and mitigation plan requirements, including:

(i) applicable groundwater and surface water appropriation permit requirements;

(ii) well sealing requirements;

(iii) annual submission of monitoring well data; and

(iv) storm water runoff rate limits not to exceed two-, ten-, and 100-year storm events;

(4) air monitoring and data submission requirements;

(5) dust control requirements;

(6) noise testing and mitigation plan requirements;

(7) blast monitoring plan requirements;

(8) lighting requirements;

(9) inspection requirements;

(10) containment requirements for silica sand in temporary storage to protect air and water quality;

(11) containment requirements for chemicals used in processing;

(12) financial assurance requirements;

(13) road and bridge impacts and requirements; and

(14) reclamation plan requirements as required under the rules adopted by the commissioner of natural resources.

Subd. 3. **Silica sand technical assistance team.** By October 1, 2013, the Environmental Quality Board shall assemble a silica sand technical assistance team to provide local units of government, at their request, with assistance with ordinance development, zoning, environmental review and permitting, monitoring, or other issues arising from silica sand mining and processing operations. The technical assistance team shall be comprised of up to seven members, and shall be chosen from the following

entities: the Department of Natural Resources, the Pollution Control Agency, the Board of Water and Soil Resources, the Department of Health, the Department of Transportation, the University of Minnesota, and the Minnesota State Colleges and Universities. A majority of the members must be from a state agency and have expertise in one or more of the following areas: silica sand mining, hydrology, air quality, water quality, land use, or other areas related to silica sand mining.

Subd. 4. **Consideration of technical assistance team recommendations.** (a) When the technical assistance team, at the request of the local unit of government, assembles findings or makes a recommendation related to a proposed silica sand project for the protection of human health and the environment, a local government unit must consider the findings or recommendations of the technical assistance team in its approval or denial of a silica sand project. If the local government unit does not agree with the technical assistance team's findings and recommendations, the detailed reasons for the disagreement must be part of the local government unit's record of decision.

(b) Silica sand project proposers must cooperate in providing local government unit staff, and members of the technical assistance team with information regarding the project.

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

Sec. 111. **[116C.991] TECHNICAL ASSISTANCE, ORDINANCE, AND PERMIT LIBRARY.**

By October 1, 2013, the Environmental Quality Board, in consultation with local units of government, shall create and maintain a library on local government ordinances and local government permits that have been approved for regulation of silica sand projects for reference by local governments.

Sec. 112. Minnesota Statutes 2012, section 116D.04, is amended by adding a subdivision to read:

Subd. 16. **Groundwater; environmental assessment worksheets.** When an environmental assessment worksheet is required for a proposed action that has the potential to require a groundwater appropriation permit from the commissioner of natural resources, the board shall require that the environmental assessment worksheet include an assessment of the water resources available for appropriation.

Sec. 113. 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. 114. Minnesota Statutes 2012, section 473.846, is amended to read:

473.846 ~~REPORTS~~ REPORT TO LEGISLATURE.

The agency shall submit to the senate and house of representatives committees having jurisdiction over environment and natural resources ~~separate reports~~ a report describing the activities for which money for landfill abatement has been spent under ~~sections~~ section 473.844 ~~and 473.845~~. The report ~~for section 473.844 expenditures~~ shall be included in the report required by section 115A.411, and shall include recommendations on the future management and use of the metropolitan landfill abatement account. ~~By December 31 of each year, the commissioner shall submit the report for section 473.845 on contingency action trust fund activities.~~

Sec. 115. Laws 2012, chapter 249, section 11, is amended to read:

Sec. 11. **COSTS OF SCHOOL TRUST LANDS DIRECTOR AND LEGISLATIVE PERMANENT SCHOOL FUND COMMISSION.**

(a) The costs of the school trust lands director, including the costs of hiring staff, and the Legislative Permanent School Fund Commission for fiscal years 2014 and 2015 shall be from the ~~state forest development account under Minnesota Statutes, section~~

~~16A.125, and from the~~ minerals management account under Minnesota Statutes, section 93.2236, as appropriated by the legislature.

(b) The school trust lands director and the Legislative Permanent School Fund Commission shall submit to the 2014 legislature a proposal to fund the operational costs of the Legislative Permanent School Fund Commission and school trust lands director and staff with a cost certification method using revenues generated by the permanent school fund lands.

EFFECTIVE DATE. This section is effective July 1, 2013.

Sec. 116. **NORTH MISSISSIPPI REGIONAL PARK.**

(a) The boundaries of the North Mississippi Regional Park are extended to include the approximately 20.82 acres of land adjacent to the existing park known as Webber Park and that part of Shingle Creek that flows through Webber Park and continues through North Mississippi Regional Park into the Mississippi River.

(b) Funds appropriated for North Mississippi Regional Park may be expended to provide for visitor amenities, including construction of a natural filtration swimming pool and a building for park users.

EFFECTIVE DATE. This section is effective the day after the governing body of the Minneapolis Park and Recreation Board and its chief clerical officer timely complete their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 117. **WASTEWATER TREATMENT SYSTEMS; BENEFICIAL USE.**

The Pollution Control Agency shall apply the following criteria to wastewater treatment system projects:

(1) 30 points shall be assigned if a project will result in an agency approved beneficial use of treated wastewater to reduce or replace an existing or proposed use of surface water or ground water, not including land discharge; and

(2) 30 points shall be assigned if a project will result in the beneficial use of treated wastewater to reduce or replace an existing or proposed use of surface water or ground water, not including land discharge.

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

Sec. 118. **PERMIT CANCELLATION.**

Upon written request submitted by a permit holder to the commissioner of natural resources on or before June 1, 2015, the commissioner shall cancel any provision in a

timber sale permit sold prior to September 1, 2012, that requires the security payment for or removal of all or part of the balsam fir when the permit contains at least 50 cords of balsam fir. The remaining provisions of the permit remain in effect. The permit holder may be required to fell or pile the balsam fir to meet management objectives.

Sec. 119. **RULEMAKING; POSSESSION AND TRANSPORTATION OF WILDLIFE.**

The commissioner of natural resources may use the good cause exemption under Minnesota Statutes, section 14.388, subdivision 1, clause (3), to adopt rules to conform with the changes to Minnesota Statutes 2012, section 97A.401, subdivision 3 contained in this article, and Minnesota Statutes, section 14.386, does not apply except as provided under Minnesota Statutes, section 14.388.

Sec. 120. **RULEMAKING; DISPLAY OF PADDLE BOARD LICENSE NUMBERS.**

(a) The commissioner of natural resources shall amend Minnesota Rules, parts 6110.0200, 6110.0300, and 6110.0400, to exempt paddle boards from the requirement to display license certificates and license numbers, in the same manner as other nonmotorized watercraft such as canoes and kayaks.

(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. 121. **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 the changes to Minnesota Statutes, section 93.25, subdivision 2 contained in this article. Minnesota Statutes, section 14.386, does not apply except as provided under Minnesota Statutes, section 14.388.

Sec. 122. **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 the changes to Minnesota Statutes, section 93.46 contained in this article. Minnesota Statutes, section 14.386, does not apply except as provided under Minnesota Statutes, section 14.388.

Sec. 123. **RULEMAKING; SILICA SAND.**

(a) The commissioner of the Pollution Control Agency shall adopt rules pertaining to the control of particulate emissions from silica sand mines. The commissioner shall consider and incorporate, as appropriate to the conditions of this state, Wisconsin Administrative Code NR 415, in effect as of January 1, 2012, pertaining to industrial sand mines.

(b) The commissioner of natural resources shall adopt rules pertaining to the reclamation of silica sand mines. The commissioner shall consider and incorporate, as appropriate to the conditions of this state, Wisconsin Administrative Code NR 135, in effect as of January 1, 2012, pertaining to reclamation of industrial sand mines.

(c) By January 1, 2014, the Department of Health shall adopt an air quality health advisory for silica sand.

Sec. 124. **RULEMAKING; FUGITIVE EMISSIONS.**

(a) The commissioner of the Pollution Control Agency shall amend Minnesota Rules, part 7005.0100, subpart 35a, to read:

""Potential emissions" or "potential to emit" means the maximum capacity while operating at the maximum hours of operation of an emissions unit, emission facility, or stationary source to emit a pollutant under its physical and operational design. Any physical or operational limitation on the capacity of the stationary source to emit a pollutant, including air pollution control equipment and restriction on hours of operation or on the type or amount of material combusted, stored, or processed, must be treated as part of its design if the limitation or the effect it would have on emissions is federally enforceable.

Secondary emissions must not be counted in determining the potential to emit of an emissions unit, emission facility, or stationary source. Fugitive emissions shall not be counted when determining potential to emit, unless required under Minnesota Rules, part 7007.0200, subpart 2, item B, or applicable federal regulation."

(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. 125. **REPEALER.**

Minnesota Statutes 2012, sections 90.163; 90.173; 90.41, subdivision 2; and 103G.265, subdivision 2a, and Minnesota Rules, parts 7021.0010, subparts 1, 2, 4, and 5; 7021.0020; 7021.0030; 7021.0040; 7021.0050, subpart 5; 9210.0300; 9210.0310; 9210.0320; 9210.0330; 9210.0340; 9210.0350; 9210.0360; 9210.0370; 9210.0380; and 9220.0530, subpart 6, are repealed.

ARTICLE 5

SANITARY DISTRICTS

Section 1. 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. 2. **[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. **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. 3. **[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. 4. **[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 that are reasonably necessary to carry out the duties and powers imposed upon the chief administrative law judge under this chapter. The chief administrative law judge may initially adopt rules according to section 14.386. 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. **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. 10. **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. 5. **[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. 6. **[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. A sanitary district is administratively feasible under this section if the district has the financial and managerial resources needed to deliver adequate and efficient sanitary sewer services within the proposed 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 under subdivision 1, paragraph (a);

(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. 7. **[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. A sanitary district is administratively feasible under this section if the district has the financial and managerial resources needed to deliver adequate and efficient sanitary sewer services within the proposed district.

(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 under subdivision 1, paragraph (b);

(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. 8. **[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. 9. **[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. 10. **[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. 11. **[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. 12. **[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. 13. **[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. 14. **[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. 15. **[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. 16. **[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. 17. **[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. 18. **[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. 19. **[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. 20. **[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. 21. **[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. 22. **[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. 23. **[442A.21] GENERAL AND MUNICIPALITY 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 municipalities 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 municipalities and matters pertaining thereto, so far as applicable, with like force and effect, except as otherwise provided.

Sec. 24. **[442A.22] ADVISORY COMMITTEE.**

A district board of managers may appoint an advisory committee with membership and duties as the board prescribes.

Sec. 25. **[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 municipality with respect to similar municipal 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 municipality. 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 municipality, 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 municipal 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. 26. **[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. 27. **[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. 28. **[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. 29. **[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. 30. **[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. 31. **[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. 32. **REPEALER.**

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.

Sec. 33. **EFFECTIVE DATE.**

Unless otherwise provided in this article, sections 1 to 32 are effective August 1, 2013.

APPENDIX
Article locations in H0976-2

18.91 ADVISORY COMMITTEE; MEMBERSHIP.

Subd. 3. **Additional duties.** The committee shall conduct evaluations of terrestrial plant species to recommend if they need to be designated as noxious weeds and into which noxious weed classification they should be designated, advise the commissioner on the implementation of the Minnesota Noxious Weed Law, and assist the commissioner in the development of management criteria for each noxious weed category.

Subd. 5. **Expiration.** Notwithstanding section 15.059, subdivision 5, the committee expires June 30, 2013.

18B.07 PESTICIDE USE, APPLICATION, AND EQUIPMENT CLEANING.

Subd. 6. **Use of public waters for filling equipment.** (a) A person may not fill pesticide application equipment directly from public or other waters of the state, as defined in section 103G.005, subdivision 15, unless the equipment contains proper and functioning anti-backsiphoning mechanisms. The person may not introduce pesticides into the application equipment until after filling the equipment from the public waters.

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

90.163 PERFORMANCE DEPOSIT OPTION.

In lieu of the bond or cash deposit equal to the value of all timber covered by the permit as required by section 90.161 or 90.173, a purchaser of any state timber may pay to the commissioner a performance deposit of ten percent of the appraised value of the permit for the express purpose of entering on the land to clear building sites or logging roads in advance of cutting state timber. No cutting of state timber, except that incidental to the clearing of building sites or logging roads, is allowed until the purchaser has met all of the requirements of section 90.161 or 90.173.

90.173 PURCHASER'S OR ASSIGNEE'S CASH DEPOSIT IN LIEU OF BOND.

(a) In lieu of filing the bond required by section 90.161 or 90.171, as security for the issuance or assignment of a timber permit, the person required to file the bond may deposit with the commissioner cash; a certified check; a cashier's check; a personal check; a postal, bank, or express money order; or an irrevocable bank letter of credit in the same amount as would be required for a bond. All of the conditions of the timber sale bond shall equally apply to the alternatives in lieu of bond. In the event of a default the state may take from the deposit the sum of money to which it is entitled; the remainder, if any, shall be returned to the person making the deposit. When cash is deposited for a bond, it shall be applied to the amount due when a statement is prepared and transmitted to the permit holder pursuant to section 90.181. Any balance due to the state shall be shown on the statement and shall be paid as provided in section 90.181. Any amount of the deposit in excess of the amount determined to be due pursuant to section 90.181 shall be returned to the permit holder when a final statement is transmitted pursuant to that section. All or part of a cash bond may be withheld from application to an amount due on a nonfinal statement if it appears that the total amount due on the permit will exceed the bid price.

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

(c) If cash; a certified check; a cashier's check; a personal check; or a postal, bank, or express money order is provided as security under paragraph (a) and no cutting of state timber has taken place on the permit, the commissioner may credit the security provided, less any deposit required by sections 90.14 and 90.163, to any other permit to which the permit holder requests in writing that it be credited.

90.41 STATE APPRAISER AND SCALER; VIOLATIONS, PENALTIES.

Subd. 2. **Penalty.** Every person who shall cut timber on state lands and fail to mark the same, as provided by law, and the permit under which the same was cut, shall be guilty of a gross misdemeanor.

103G.265 WATER SUPPLY MANAGEMENT.

Subd. 2a. **Legislative approval for diversion.** Legislative approval required in subdivision 2, clause (2), shall be based on the following considerations:

(1) the requested diversion of waters of the state is reasonable;

(2) the diversion is not contrary to the conservation and use of waters of the state; and

(3) the diversion is not otherwise detrimental to the public welfare.

115.18 SANITARY DISTRICTS; DEFINITIONS.

Subdivision 1. **Applicability.** As used in sections 115.18 to 115.37, the terms defined in this section have the meanings given them except as otherwise provided or indicated by the context.

Subd. 3. **Additional terms.** The terms defined in section 115.01, as now in force or hereafter amended, have the meanings given them therein.

Subd. 4. **Agency.** "Agency" means the Minnesota Pollution Control Agency.

Subd. 5. **Board.** "Board" means the board of managers of a sanitary district.

Subd. 6. **District.** "District" means a sanitary district created under the provisions of sections 115.18 to 115.37.

Subd. 7. **Municipality.** "Municipality" means a city, however organized.

Subd. 8. **Related governmental subdivision or body.** "Related governmental subdivision" means a municipality or organized town wherein there is a territorial unit of a district, or, in the case of an unorganized area, the county. "Related governing body" means the governing body of a related governmental subdivision, and, in the case of an organized town, means the town board.

Subd. 9. **Statutory city.** "Statutory city" means a city organized as provided by chapter 412, under the plan other than optional.

Subd. 10. **Territorial unit.** "Territorial unit" means all that part of the territory of a district situated within a single municipality, a single organized town outside of any municipality, or, in the case of an unorganized area, within a single county.

115.19 CREATION; PURPOSE; EXCEPTIONS.

A sanitary district may be created under the provisions of sections 115.18 to 115.37 for any territory embracing an area or a group of two or more adjacent areas, whether contiguous or separate, but not situated entirely within the limits of a single municipality, for the purpose of promoting the public health and welfare by providing an adequate and efficient system and means of collecting, conveying, pumping, treating and disposing of domestic sewage and garbage and industrial wastes within the district, in any case where the agency finds that there is need throughout the territory for the accomplishment of these purposes, that these purposes can be effectively accomplished on an equitable basis by a district if created, and that the creation and maintenance of such a district will be administratively feasible and in furtherance of the public health, safety, and welfare; but subject to the following exceptions:

No district shall be created within 25 miles of the boundary of any city of the first class without the approval of the governing body thereof and the approval of the governing body of each and every municipality in the proposed district by resolution filed with the agency.

115.20 PROCEEDING TO CREATE DISTRICT.

Subdivision 1. **Petition required.** (a) A proceeding for the creation of a district may be initiated by a petition to the agency, filed with its secretary, containing the following:

(1) a request for creation of the proposed district;

(2) the name proposed for the district, to include the words "sanitary district";

(3) a description of the territory of the proposed district;

(4) a statement showing the existence in such territory of the conditions requisite for creation of a district as prescribed in section 115.19;

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

(6) the post office address of each signer, given under the signer's signature. A petition may consist of separate writings of like effect, each signed by one or more qualified persons, and all such writings, when filed, shall be considered together as a single petition.

(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.

239.791 OXYGENATED GASOLINE.

Subd. 1a. **Minimum ethanol content required.** (a) Except as provided in subdivisions 10 to 14, on August 30, 2015, and thereafter, a person responsible for the product shall ensure that all gasoline sold or offered for sale in Minnesota must contain at least the quantity of ethanol required by clause (1) or (2), whichever is greater:

(1) 20 percent denatured ethanol by volume; or

(2) the maximum percent of denatured ethanol by volume authorized in a waiver granted by the United States Environmental Protection Agency.

(b) For purposes of enforcing the minimum ethanol requirement of paragraph (a), clause (1), a gasoline/ethanol blend will be construed to be in compliance if the ethanol content,

exclusive of denaturants and other permitted components, comprises not less than 18.4 percent by volume and not more than 20 percent by volume of the blend as determined by an appropriate United States Environmental Protection Agency or American Society of Testing Materials standard method of analysis of alcohol content in motor fuels.

(c) This subdivision expires on December 31, 2014, if by that date:

(1) the commissioner of agriculture certifies and publishes the certification in the State Register that at least 20 percent of the volume of gasoline sold in the state is denatured ethanol; or

(2) federal approval has not been granted under paragraph (a), clause (1). The United States Environmental Protection Agency's failure to act on an application shall not be deemed approval under paragraph (a), clause (1), or a waiver under section 211(f)(4) of the Clean Air Act, United States Code, title 42, section 7545, subsection (f), paragraph (4).

7021.0010 DEFINITIONS.

Subpart 1. **Scope.** The definitions in part 7005.0100 apply to the terms used in parts 7021.0010 to 7021.0050 unless the terms are defined in this part.

7021.0010 DEFINITIONS.

Subp. 2. **Electric utility.** "Electric utility" means persons, corporations, or other legal entities, their lessees, trustees, and receivers operating, maintaining, or controlling in Minnesota facilities used for the generation of electricity.

7021.0010 DEFINITIONS.

Subp. 4. **Reasonably available control technology (RACT).** "Reasonably available control technology (RACT)" means the lowest emission limit that a particular source is capable of meeting by the application of control technology that is reasonably available considering technological and economic feasibility.

7021.0010 DEFINITIONS.

Subp. 5. **Sensitive areas.** "Sensitive areas" means the areas listed by the agency pursuant to Minnesota Statutes, section 116.44 because the agency has determined these areas contain natural resources sensitive to the impacts of acid deposition.

7021.0020 APPLICABILITY.

The acid deposition standard established in part 7021.0030 applies only in sensitive areas.

7021.0030 ACID DEPOSITION STANDARD.

The acid deposition standard is an annual average of 11 kilograms of wet sulfate deposition per hectare.

7021.0040 MEASUREMENT METHODOLOGY FOR SULFATE.

Subpart 1. **Incorporation by reference.** Quality Assurance Handbook for Air Pollution Measurement Systems (EPA-600/4-82-042 a & b), as amended, is incorporated by reference. This publication is available from the United States Environmental Protection Agency, Office of Research and Development, 26 West St. Clair, Cincinnati, Ohio 45268 and can be found at the offices of the agency, 1935 West County Road B-2, Roseville, Minnesota 55113, the Government Documents Section, Room 409, Wilson Library, University of Minnesota, 309 19th Avenue South, Minneapolis, Minnesota 55454, and the State of Minnesota Law Library, 25 Rev. Dr. Martin Luther King Jr. Blvd., St. Paul, Minnesota 55155. This document is not subject to frequent change.

Subp. 2. **Measurement procedure.** For sulfate, measurements made to determine compliance with the standard contained in part 7021.0030 shall be performed in accordance with the Quality Assurance Handbook for Air Pollution Measurement Systems: Volume V, Manual for Precipitation Measurement Systems (EPA-600/4-82-042 a & b). A person seeking to make measurements to determine compliance with the acid deposition standard shall develop and submit to the commissioner for approval a quality assurance plan containing equipment specifications and procedures for operation, maintenance, and internal quality control of the measurement system.

7021.0050 ACID DEPOSITION CONTROL REQUIREMENTS IN MINNESOTA.

Subp. 5. **Requirement for application of reasonably available control technology.** On and after January 1, 1990, the owner or operator of any electric generating facility that contains indirect heating equipment with a rated heat input of greater than 5,000 million BTU per hour shall reduce sulfur dioxide emissions at the facility to a level consistent with RACT.

9210.0300 DEFINITIONS.

Subpart 1. **Scope.** For the purposes of parts 9210.0300 to 9210.0380, the following terms have the meanings given them, unless the context requires otherwise.

Subp. 2. **Agency.** "Agency" means the Minnesota Pollution Control Agency.

Subp. 3. **Commissioner.** "Commissioner" means the commissioner of the Minnesota Pollution Control Agency.

Subp. 4. **Cities.** "Cities" has the meaning given it in Minnesota Statutes, section 115A.03, subdivision 4.

Subp. 5. **Comprehensive solid waste management plan.** "Comprehensive solid waste management plan" means a written plan prepared under Minnesota Statutes, section 115A.46.

Subp. 6. **Disposal.** "Disposal" has the meaning given it in Minnesota Statutes, section 115A.03, subdivision 9.

Subp. 7. **Final design and engineering/architectural plans.** "Final design and engineering/architectural plans" means those engineering drawings and specifications used to secure bids for construction or equipment.

Subp. 8. **Institutional arrangements.** "Institutional arrangements" means methods of financing, marketing, procurement, securing the waste supply, or joint efforts by more than one local government unit.

Subp. 9. **Mixed municipal solid waste.** "Mixed municipal solid waste" has the meaning given it in Minnesota Statutes, section 115A.03, subdivision 21.

Subp. 10. **On-site utilities.** "On-site utilities" means gas, electrical, water, and sewer facilities within the geographic boundaries of the waste processing facility.

Subp. 11. **Preliminary design and engineering/architectural plans.** "Preliminary design and engineering/architectural plans" means conceptual plans adequate to obtain preconstruction permits and to meet the needs of an environmental assessment.

Subp. 12. **Processing.** "Processing" has the meaning given it in Minnesota Statutes, section 115A.03, subdivision 25.

Subp. 13. **Project.** "Project" means a processing facility, together with any transfer stations, transmission facilities, and other related and appurtenant facilities primarily serving the processing facility.

Subp. 14. **Recipient.** "Recipient" means an applicant who has received a grant or loan under the solid waste processing facilities demonstration program.

Subp. 15. **Recyclable materials.** "Recyclable materials" has the meaning given it in Minnesota Statutes, section 115A.03, subdivision 25a.

Subp. 16. **Recycling.** "Recycling" has the meaning given it in Minnesota Statutes, section 115A.03, subdivision 25b.

Subp. 17. **Resource recovery.** "Resource recovery" has the meaning given it in Minnesota Statutes, section 115A.03, subdivision 27.

Subp. 18. **Resource recovery facility.** "Resource recovery facility" has the meaning given it in Minnesota Statutes, section 115A.03, subdivision 28.

Subp. 19. **Solid waste.** "Solid waste" has the meaning given it in Minnesota Statutes, section 116.06, subdivision 22.

Subp. 20. **Solid waste disposal facilities and equipment.** "Solid waste disposal facilities and equipment" means structures, machinery, or devices at a disposal site necessary for efficient land disposal of solid wastes, including machinery or devices designed to move earth during burial of wastes or to increase the density of wastes buried or to be buried, and facilities in which solid waste is temporarily stored and concentrated prior to transport to a disposal site.

Subp. 21. **Solid waste management district.** "Solid waste management district" has the meaning given it in Minnesota Statutes, section 115A.03, subdivision 32.

Subp. 22. **Special waste stream.** "Special waste stream" means materials that are normally found in the solid waste stream in sufficient quantity to be recovered for subsequent use, if separated from the solid waste stream and processed separately. Examples of special waste streams include waste tires, wood wastes, and agricultural wastes.

Subp. 23. **Transfer station.** "Transfer station" has the meaning given it in Minnesota Statutes, section 115A.03, subdivision 33.

Subp. 24. **Waste processing equipment.** "Waste processing equipment" means machinery or devices acquired and used as an integral component of a waste processing facility.

Subp. 25. **Waste processing facility.** "Waste processing facility" means structures and equipment singly or in combination, designed, constructed, and used to separate, modify, convert, heat, prepare, or otherwise process solid waste so that materials, substances, or energy contained within the waste may be recovered for subsequent use.

9210.0310 SOLID WASTE PROCESSING FACILITIES DEMONSTRATION PROGRAM.

Parts 9210.0300 to 9210.0380 implement the solid waste processing facilities demonstration program created and described in Minnesota Statutes, sections 115A.49 to 115A.54, by establishing the substantive criteria and procedural conditions under which the agency may award grants and loans for capital costs of waste processing facilities.

9210.0320 ELIGIBILITY CRITERIA.

Subpart 1. **Eligible applicants.** Eligible applicants are limited to cities, counties, and solid waste management districts established pursuant to Minnesota Statutes, sections 115A.62 to 115A.72.

Subp. 2. **Eligible projects.** Only projects that demonstrate feasible and prudent alternatives to disposal are eligible for loans and grants. Three types of projects are eligible for loans and grants: materials recovery; chemical, physical, or biological modifications; and special waste streams. Eligible projects are limited to those in which the land, buildings, and equipment are publicly owned.

Subp. 3. **Eligible costs.** Except as provided in part 9210.0200, eligible costs under parts 9210.0300 to 9210.0380 shall be limited to the costs of land, waste processing equipment, structures necessary to house the waste processing equipment, appropriate and necessary on-site utilities, landscaping; on-site roads and parking; trailers, containers, and rolloff boxes necessary to transport products to market, or to transport residue from the processing facility to a solid waste land disposal facility, and final design and engineering/architectural plans.

Subp. 4. **Ineligible costs.** Except as provided in part 9210.0200, ineligible costs include any costs related to solid waste disposal facilities and equipment, structures for housing and maintenance of rolling stock, or any costs related to resource recovery studies, feasibility analyses, or preliminary design and engineering/architectural plans.

9210.0330 INFORMATION REQUIRED ON APPLICATION.

Applications for grants, loans, or grants and loans for waste processing facilities shall include the following information as required in the application forms supplied by the agency:

A. the name of each applicant making the application;

B. the name of each political subdivision affected by the project, located in the area studied in the project, or located in the area in which the project is intended to be implemented;

C. the name, qualifications, and address of the project manager;

D. the name and qualifications of the facility operator, if available;

E. the total capital cost of the project;

F. the total grant- or loan-eligible cost of the project;

G. the amount of grant, loan, or grant and loan funding requested;

H. the amount and sources of all other funding contributions, including the amount of funds to be contributed by the applicant;

I. the type of assistance applied for (grant, loan, or grant and loan together); and

J. the type of waste processing facility for which assistance is being requested: materials recovery; chemical, physical, or biological modification; or special waste stream.

9210.0340 SUPPORTING DOCUMENTATION REQUIRED TO BE SUBMITTED WITH APPLICATION.

Applications for grants or loans for waste processing facilities shall include the following supporting documentation:

A. a conceptual and technical feasibility report that includes at least the following: a detailed description of the proposed waste processing facility; a description of the institutional arrangements necessary for project implementation and operation; a description of the method of facility procurement; and an analysis of the waste stream for the facility;

B. a financial plan that contains:

(1) initial capital development costs and the method of financing those costs;

(2) annual operating and maintenance costs;

(3) projections of total facility costs and revenues over 20 years or for the term of the longest debt obligation, whichever is longer; and

(4) total capital costs per ton of installed daily capacity;

C. a comprehensive solid waste management plan;

D. preliminary design and engineering/architectural plans and equipment specifications of the proposed waste processing facility;

E. documentation that waste supplies will be committed to the project and that the applicant has the mechanism to commit the wastes;

F. a market analysis of recovered materials/energy, including documentation of market commitments such as letters of intent or contracts;

G. a report on the status of required permits from permitting agencies;

H. a report on time frames of project development;

I. resolutions that comply with Minnesota Statutes, section 115A.54, subdivision 3; and

J. if the applicant requests priority under Minnesota Statutes, section 115A.49, documentation:

(1) that the natural geologic and soil conditions are especially unsuitable for land disposal of solid waste;

(2) that the available capacity of existing solid waste disposal facilities is less than five years; or

(3) that the proposed project would serve more than one local government unit.

9210.0350 GRANT AND LOAN APPLICATION PROCEDURES.

Subpart 1. **Applications.** An application may be submitted to the agency when the applicant has met the information and documentation requirements in parts 9210.0330and 9210.0340. The applicant is encouraged to contact the commissioner and request a preapplication review of the proposed project.

Subp. 2. **Review of applications.** Upon receipt of an application, the commissioner or a designee shall conduct an initial review of the application under part 9210.0360. The agency shall evaluate projects and award grants and loans.

Subp. 3. **Applications accepted.** The agency shall accept applications for funds under the solid waste processing facilities demonstration program until all funds for the program are awarded or until three months before the expiration of the agency pursuant to law, whichever occurs first.

Subp. 4. **Legislative priorities.** The agency shall give priority to projects located in cities, counties, or districts in which:

A. the natural geologic and soil conditions are especially unsuitable for land disposal of solid waste;

B. the capacity of existing solid waste disposal facilities is less than five years; or

C. the project serves more than one local government unit.

9210.0360 REVIEW AND EVALUATION OF APPLICATIONS.

Subpart 1. **Determination of eligibility and completeness.** Upon receipt of an application, the commissioner or a designee shall determine the eligibility of the applicant, the eligibility of the costs specified in the application, the eligibility of the project specified in the application, and the completeness of the application.

Subp. 2. **Notice of determination of eligibility and completeness.** Within 14 days after receiving the application, the commissioner shall notify the applicant of the commissioner's determinations of eligibility and completeness. If the commissioner determines that the applicant or the project is ineligible, the commissioner shall reject the application, return it to the applicant, and notify the applicant of the reasons for the rejection. If the commissioner determines that any part of the project costs is ineligible or that the application is incomplete, the commissioner shall notify the applicant of the ineligible portion of the costs or of the deficiency. The applicant has 14 days after receiving the notice to correct inadequacies identified by the commissioner. If the inadequacies are corrected within the time allowed, the application will be further considered.

Subp. 3. **Evaluation of applications.** If the applicant, the costs, and the project are determined to be eligible and the application is complete, the agency shall evaluate the application to determine whether the documentation demonstrates:

A. that the project is conceptually and technically feasible;

B. that affected political subdivisions are committed to implementing the project, providing necessary local financing, and accepting and exercising the government powers necessary for project implementation and operation;

C. that operating revenues from the project, considering the availability and security of sources of solid waste and of markets for recovered resources together with any proposed federal, state, or local financial assistance, will be sufficient to pay all costs over the projected life of the project; and

D. that the applicant has evaluated the feasible and prudent alternatives to disposal and has compared and evaluated the costs of the alternatives, including capital and operating costs, the effects of the alternatives on the cost to generators, and the effects of the alternatives on the solid waste management and recycling industry within the project's service area.

Subp. 4. **Consultation with other agencies.** In its evaluation of the application, the agency shall consider any recommendations provided by the State Planning Agency and the appropriate regional development commission or the Metropolitan Council.

Subp. 5. **Agency determination.** If the agency determines that the application satisfies the requirements of subpart 3, the agency shall determine the amount of the grant, loan, or grant and loan award and the applicant shall be notified of the grant, loan, or grant and loan awarded. If the agency determines that the application fails to satisfy the requirements of subpart 3, the agency shall reject the application and the commissioner shall return the application to the applicant, together with a statement of the reasons for rejection.

9210.0370 AWARD OF GRANTS AND LOANS.

Subpart 1. **Maximum awards.** The maximum loan award shall be 50 percent of the eligible costs specified in the application or $400,000, whichever is less. Except as provided in part 9210.0200, the maximum grant award shall be 50 percent of the eligible costs specified in the application or $400,000, whichever is less. Except as provided in part 9210.0200, the maximum combined grant and loan award is $400,000.

Subp. 2. **Limitations.** The amount of the agency's grant, loan, or grant and loan award shall be limited to an amount needed to complete the project considering all sources of funding presently available to the applicant.

Grants and loans shall not be awarded to cover any cost associated with tasks performed before the award of a grant, loan, or grant and loan or after the expiration of the grant, loan, or grant and loan agreement.

Subp. 3. **Limitations on disbursal of funds.** No funds shall be disbursed until the agency has determined the total estimated capital cost of the project and ascertained that financing of the cost is assured by funds provided by the state, by an agency of the federal government within the amount of funds then appropriated to that agency and allocated by it to projects within the state, by any person, or by the appropriation of proceeds of bonds or other funds of the recipient to a fund for the construction of the project.

9210.0380 GRANT, LOAN, OR GRANT AND LOAN AGREEMENT.

Subpart 1. **Requirements.** A grant, loan, or grant and loan agreement shall:

A. include as attachments the resolutions required under Minnesota Statutes, section 115A.54, subdivision 3;

B. incorporate by reference the final application submitted to the agency in accordance with part 9210.0350;

C. establish the term of the grant, loan, or grant and loan. Grants awarded under parts 9210.0300 to 9210.0380 shall have a maximum term of two years. Loans awarded under parts 9210.0300 to 9210.0380 shall have a loan life determined by considering facility type, expected life of equipment, capital cost of the project, and loan amount;

D. in the case of a loan agreement, include schedules for the repayment of principal and interest;

E. allow the recipient to enter into contracts to complete the work specified in the agreement subject to any agency approval that may be required in the agreement;

F. provide that any cost overruns incurred in the development of the proposed facility shall be the sole responsibility of the recipients;

G. provide that the agency will not accept amendments requesting that additional funds be awarded to the recipient except as provided in part 9210.0200;

H. require that the recipient provide periodic reports to the agency on the developmental and operational history of the project so that knowledge and experience gained from the project may be made available to other communities in the state;

I. provide that if the recipient sells the facility to a private enterprise, all outstanding loan obligations to the agency shall become due and payable upon sale to the private enterprise;

J. require total repayment of the grant if the facility is sold to a private enterprise within three years of the effective date of the grant agreement. Beginning on the third anniversary of the grant, the amount of the grant that must be repaid shall be reduced ten percent each year. The sales agreement between the recipient and the private enterprise shall transfer the responsibilities outlined in item H to the private enterprise; and

K. require that the facility may only be sold to a private enterprise in accordance with the constitution of the state of Minnesota and any applicable Minnesota statutes and rules.

Subp. 2. **Rescission of grants and loans.** If projects are not completed and operational in accordance with the terms and conditions of the respective agreements, including time schedules, the grants and loans for those projects shall be rescinded, and the entire amount of grants and loans shall be repaid unless the agency determines that variances from the respective agreements are justified and that the original objectives of the project will be accomplished.

Subp. 3. **Disbursement.** The agency shall disburse grants in accordance with the payment schedule in the grant, loan, or grant and loan agreement.

Subp. 4. **Interest payments.** Interest payments on the loan shall be due annually and shall begin to accrue from the date the loan agreement is signed. The first repayment of the principal amount of the loan shall be due one year after the facility becomes operational or two years after the date the loan agreement is executed, whichever is earlier. The agency shall consider the facility operational at the point where the facility meets all vendor guaranteed operating specifications. Subsequent repayments of principal and interest shall be due annually on the anniversary date of the first repayment.

9220.0530 WASTE TIRE TRANSPORTATION.

Subp. 6. **Submittal of operating record.** Transporters shall submit to the commissioner an operating record that identifies the transporter by name and identification number, and that summarizes the information accumulated under subpart 5 for the three months preceding the month the record is to be submitted. This record must be submitted April 10, July 10, October 10, and January 10 of each year.