

1.1 CONFERENCE COMMITTEE REPORT ON S.F. No. 2096

1.2 A bill for an act

1.3 relating to state government; appropriating money for environmental, natural
1.4 resources, and energy purposes; establishing and modifying certain programs;
1.5 modifying rulemaking authority; providing for accounts, assessments, and fees;
1.6 amending Minnesota Statutes 2006, sections 84.025, subdivision 9; 84.026,
1.7 subdivision 1; 84.027, by adding a subdivision; 84.0855, subdivisions 1, 2;
1.8 84.780; 84.922, subdivisions 1a, 5; 84.927, subdivision 2; 84D.03, subdivision
1.9 1; 84D.12, subdivisions 1, 3; 84D.13, subdivision 7; 85.32, subdivision 1;
1.10 86B.415, subdivisions 1, 2, 3, 4, 5, 7; 86B.706, subdivision 2; 89A.11; 93.0015,
1.11 subdivision 3; 97A.045, by adding a subdivision; 97A.055, subdivision 4;
1.12 97A.065, by adding a subdivision; 97A.405, subdivision 2; 97A.411, subdivision
1.13 1; 97A.451, subdivision 3a; 97A.465, by adding subdivisions; 97A.473,
1.14 subdivisions 3, 5; 97A.475, subdivisions 3, 7, 11, 12, by adding a subdivision;
1.15 97B.601, subdivision 3; 97B.715, subdivision 1; 97B.801; 97C.081, subdivision
1.16 3; 97C.355, subdivision 2; 116C.779, subdivision 1; 216B.812, subdivisions 1,
1.17 2; 216C.051, subdivision 9; Laws 2003, chapter 128, article 1, section 169;
1.18 proposing coding for new law in Minnesota Statutes, chapters 84; 84D; 89; 103F;
1.19 144; 216B; 216C; 325E; repealing Minnesota Statutes 2006, section 93.2236.

1.20 May 4, 2007

1.21 The Honorable James P. Metzen
1.22 President of the Senate

1.23 The Honorable Margaret Anderson Kelliher
1.24 Speaker of the House of Representatives

1.25 We, the undersigned conferees for S.F. No. 2096 report that we have agreed upon
1.26 the items in dispute and recommend as follows:

1.27 That the House recede from its amendments and that S.F. No. 2096 be further
1.28 amended as follows:

1.29 Delete everything after the enacting clause and insert:

1.30 "ARTICLE 1

1.31 ENVIRONMENT AND NATURAL RESOURCES

1.32 Section 1. SUMMARY OF APPROPRIATIONS.

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

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3.1	<u>State Government</u>		
3.2	<u>Special Revenue</u>	<u>48,000</u>	<u>48,000</u>
3.3	<u>Environmental</u>	<u>19,349,000</u>	<u>19,279,000</u>

3.4 \$2,348,000 the first year and \$2,348,000
3.5 the second year are for the clean water
3.6 partnership program. Any balance remaining
3.7 in the first year does not cancel and
3.8 is available for the second year. This
3.9 appropriation may be used for grants to
3.10 local units of government for the purpose
3.11 of restoring impaired waters listed under
3.12 section 303(d) of the federal Clean Water
3.13 Act in accordance with adopted total
3.14 maximum daily loads (TMDLs), including
3.15 implementation of approved clean water
3.16 partnership diagnostic study work plans that
3.17 will assist in restoration of impaired waters,
3.18 in accordance with Minnesota Statutes,
3.19 chapter 114D.
3.20 \$2,324,000 the first year and \$2,324,000 the
3.21 second year must be distributed as grants to
3.22 delegated counties to administer the county
3.23 feedlot program. Distribution of funds
3.24 must be as provided in Laws 2005, First
3.25 Special Session chapter 1, article 2, section
3.26 2, subdivision 2. The commissioner, in
3.27 consultation with the Minnesota Association
3.28 of County Feedlot Officers executive team,
3.29 may use up to five percent of the annual
3.30 appropriation for initiatives to enhance
3.31 existing delegated county feedlot programs,
3.32 information and education, or technical
3.33 assistance to reduce feedlot-related pollution
3.34 hazards. Any money remaining after the first
3.35 year is available for the second year.

4.1 \$335,000 the first year and \$335,000 the
4.2 second year are for community technical
4.3 assistance and education, including grants
4.4 and technical assistance to communities for
4.5 local and basinwide water quality protection.
4.6 \$405,000 the first year and \$405,000 the
4.7 second year are for individual sewage
4.8 treatment system (ISTS) administration and
4.9 grants. Of this amount, \$86,000 each year
4.10 is for assistance to counties through grants
4.11 for ISTS program administration. Any
4.12 unexpended balance in the first year does not
4.13 cancel but is available in the second year.
4.14 \$480,000 the first year and \$480,000 the
4.15 second year are from the environmental
4.16 fund to address the need for continued
4.17 increased activity in the areas of new
4.18 technology review, technical assistance
4.19 for local governments, and enforcement
4.20 under Minnesota Statutes, sections 115.55
4.21 to 115.58, and to complete the requirements
4.22 of Laws 2003, chapter 128, article 1, section
4.23 165. Of this amount, \$48,000 each year is for
4.24 administration of individual septic tank fees.
4.25 \$31,009,000 the first year is to implement
4.26 the requirements of Minnesota Statutes,
4.27 chapter 114D. Of this amount, \$12,634,000
4.28 is for completion of 20 percent of the needed
4.29 statewide assessments of surface water
4.30 quality and trends and \$18,000,000 is to
4.31 develop TMDL's and TMDL implementation
4.32 plans for waters listed on the United States
4.33 Environmental Protection Agency approved
4.34 impaired waters list in accordance with
4.35 Minnesota Statutes, chapter 114D. The
4.36 agency shall complete an average of ten

5.1 percent of the TMDL's each year over the
5.2 biennium. The department shall monitor
5.3 and analyze endocrine disruptors in surface
5.4 waters in at least 20 additional sites. The data
5.5 must be placed on the agency's Web site.
5.6 \$1,035,000 the first year and \$1,035,000
5.7 the second year are from the environmental
5.8 fund to provide regulatory services to the
5.9 ethanol, mining, and other developing
5.10 economic sectors. Priority shall be for
5.11 permitting new and emerging bioenergy crop
5.12 utilization technologies. This is a onetime
5.13 appropriation.
5.14 \$88,000 the first year is for the endocrine
5.15 disruptors report required to be completed
5.16 under this article.
5.17 The commissioner shall transfer the
5.18 amount necessary, up to \$600,000, from
5.19 the remediation fund to the commissioner
5.20 of health to conduct an evaluation under
5.21 Minnesota Statutes, section 115B.17, of point
5.22 of use water treatment units at removing
5.23 perfluorooctanoic acid, perfluorooctane
5.24 sulfonate, and perfluorobutanoic acid from
5.25 known concentrations of these compounds
5.26 in drinking water. The evaluation shall be
5.27 completed by December 31, 2007, and the
5.28 commissioner of health may contract for
5.29 services to complete the evaluation.
5.30 By January 15, 2008, the commissioner shall
5.31 amend agency rules and, where legislative
5.32 action is necessary, provide recommendations
5.33 to the house of representatives and senate
5.34 divisions on environmental finance on
5.35 water and air fee changes that will result in
5.36 revenue to the environmental fund to pay for

6.1 regulatory services to the ethanol, mining,
 6.2 and other developing economic sectors.
 6.3 Notwithstanding Minnesota Statutes, section
 6.4 16A.28, the appropriations encumbered
 6.5 under contract on or before June 30, 2009,
 6.6 for clean water partnership, individual
 6.7 sewage treatment systems (ISTS), Minnesota
 6.8 River, total maximum daily loads (TMDL's),
 6.9 stormwater contracts or grants, and local and
 6.10 basinwide water quality protection contracts
 6.11 or grants in this subdivision are available
 6.12 until June 30, 2011.

6.13 <u>Subd. 3. Air</u>	<u>11,003,000</u>	<u>11,270,000</u>
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6.14 <u>Appropriations by Fund</u>		
6.15 <u>Environmental</u>	<u>11,003,000</u>	<u>11,270,000</u>

6.16 Up to \$150,000 the first year and \$150,000
 6.17 the second year may be transferred from the
 6.18 environmental fund to the small business
 6.19 environmental improvement loan account
 6.20 established in Minnesota Statutes, section
 6.21 116.993.
 6.22 \$200,000 the first year and \$200,000 the
 6.23 second year are from the environmental fund
 6.24 for a monitoring program under Minnesota
 6.25 Statutes, section 116.454.
 6.26 \$125,000 the first year and \$125,000 the
 6.27 second year are from the environmental fund
 6.28 for monitoring ambient air for hazardous
 6.29 pollutants in the metropolitan area.
 6.30 \$1,140,000 the first year and \$1,140,000
 6.31 the second year are from the environmental
 6.32 fund to provide regulatory services to the
 6.33 ethanol, mining, and other developing
 6.34 economic sectors. Priority shall be for
 6.35 permitting new and emerging bioenergy crop

7.1 utilization technologies. This is a onetime
 7.2 appropriation.

7.3 Subd. 4. Land 19,081,000 19,151,000

7.4	<u>Appropriations by Fund</u>		
7.5	<u>General</u>	<u>1,000,000</u>	<u>1,000,000</u>
7.6	<u>Environmental</u>	<u>7,065,000</u>	<u>7,065,000</u>
7.7	<u>Remediation</u>	<u>11,016,000</u>	<u>11,086,000</u>

7.8 All money for environmental response,
 7.9 compensation, and compliance in the
 7.10 remediation fund not otherwise appropriated
 7.11 is appropriated to the commissioners of the
 7.12 Pollution Control Agency and agriculture
 7.13 for purposes of Minnesota Statutes, section
 7.14 115B.20, subdivision 2, clauses (1), (2),
 7.15 (3), (6), and (7). At the beginning of each
 7.16 fiscal year, the two commissioners shall
 7.17 jointly submit an annual spending plan
 7.18 to the commissioner of finance and the
 7.19 house and senate chairs of environment and
 7.20 natural resources finance that maximizes the
 7.21 utilization of resources and appropriately
 7.22 allocates the money between the two
 7.23 departments. This appropriation is available
 7.24 until June 30, 2009.

7.25 \$3,616,000 the first year and \$3,616,000 the
 7.26 second year are from the petroleum tank fund
 7.27 to be transferred to the remediation fund for
 7.28 purposes of the leaking underground storage
 7.29 tank program to protect the land.

7.30 \$252,000 the first year and \$252,000 the
 7.31 second year are from the remediation fund to
 7.32 be transferred to the Department of Health for
 7.33 private water supply monitoring and health
 7.34 assessment costs in areas contaminated
 7.35 by unpermitted mixed municipal solid
 7.36 waste disposal facilities and drinking water

8.1 advisories and public information activities
 8.2 for areas contaminated by hazardous releases.
 8.3 \$1,000,000 each year is for environmental
 8.4 health tracking and biomonitoring. Of this
 8.5 amount, \$900,000 each year is for transfer
 8.6 to the Department of Health. The base
 8.7 appropriation for this program for fiscal year
 8.8 2010 and later is \$500,000.

8.9 Subd. 5. **Multimedia** 5,872,000 5,215,000

	<u>Appropriations by Fund</u>		
8.10			
8.11	<u>General</u>	<u>3,006,000</u>	<u>2,349,000</u>
8.12	<u>Environmental</u>	<u>2,866,000</u>	<u>2,866,000</u>

8.13 \$825,000 the first year and \$825,000 the
 8.14 second year are from the environmental
 8.15 fund to provide regulatory services to the
 8.16 ethanol, mining, and other developing
 8.17 economic sectors. Priority shall be for
 8.18 permitting new and emerging bioenergy crop
 8.19 utilization technologies. This is a onetime
 8.20 appropriation.
 8.21 \$400,000 the first year is a onetime
 8.22 appropriation for a grant to the Koochiching
 8.23 Economic Development Authority for
 8.24 a feasibility study for a plasma torch
 8.25 gasification facility that converts municipal
 8.26 solid waste into energy and slag.
 8.27 \$300,000 the first year is for the biomass
 8.28 gasification facilities air emissions study for
 8.29 the purpose of fully characterizing the air
 8.30 emissions exerted from biomass gasification
 8.31 facilities across a range of feedstocks. This
 8.32 is a onetime appropriation.
 8.33 Notwithstanding Minnesota Statutes, section
 8.34 16A.28, the appropriations encumbered
 8.35 under contract on or before June 30, 2009, for

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9.1 total maximum daily load (TMDL) contracts
9.2 or grants are available until June 30, 2011.

9.3 **Subd. 6. Environmental Assistance** 22,142,000 22,142,000

9.4 This appropriation is from the environmental
9.5 fund.

9.6 \$14,000,000 each year is from the
9.7 environmental fund for SCORE block grants
9.8 to counties.

9.9 Any unencumbered grant and loan balances
9.10 in the first year do not cancel but are available
9.11 for grants and loans in the second year.

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

9.18 \$119,000 the first year and \$119,000 the
9.19 second year are for environmental assistance
9.20 grants or loans under Minnesota Statutes,
9.21 section 115A.0716.

9.22 \$1,200,000 the first year and \$1,200,000
9.23 the second year are from the environmental
9.24 fund first to retrofit school buses statewide,
9.25 including buses for preschool children,
9.26 and, after completion, secondly for loans to
9.27 small trucking firms to install equipment to
9.28 reduce fuel consumption. This is a onetime
9.29 appropriation.

9.30 Notwithstanding Minnesota Statutes, section
9.31 16A.28, the appropriations encumbered
9.32 under contract on or before June 30,
9.33 2009, for environmental assistance grants
9.34 awarded under Minnesota Statutes, section
9.35 115A.0716, and for technical and research
9.36 assistance under Minnesota Statutes,

10.1 section 115A.152, technical assistance
 10.2 under Minnesota Statutes, section 115A.52,
 10.3 and pollution prevention assistance under
 10.4 Minnesota Statutes, section 115D.04, are
 10.5 available until June 30, 2011.

10.6 **Subd. 7. Administrative Support** 1,631,000 1,680,000

10.7 The commissioner may transfer money from
 10.8 the environmental fund to the remediation
 10.9 fund as necessary for the purposes of the
 10.10 remediation fund under Minnesota Statutes,
 10.11 section 116.155, subdivision 2.

10.12 **Sec. 4. NATURAL RESOURCES**

10.13 **Subdivision 1. Total Appropriation** **\$ 255,077,000** **\$ 252,416,000**

Appropriations by Fund

	<u>2008</u>	<u>2009</u>
<u>General</u>	<u>87,775,000</u>	<u>83,066,000</u>
<u>Natural Resources</u>	<u>77,014,000</u>	<u>77,103,000</u>
<u>Game and Fish</u>	<u>89,988,000</u>	<u>91,947,000</u>
<u>Remediation</u>	<u>100,000</u>	<u>100,000</u>
<u>Permanent School</u>	<u>200,000</u>	<u>200,000</u>

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

10.24 **Subd. 2. Land and Mineral Resources**
 10.25 **Management** 11,747,000 11,272,000

Appropriations by Fund

<u>General</u>	<u>6,633,000</u>	<u>6,230,000</u>
<u>Natural Resources</u>	<u>3,551,000</u>	<u>3,447,000</u>
<u>Game and Fish</u>	<u>1,363,000</u>	<u>1,395,000</u>
<u>Permanent School</u>	<u>200,000</u>	<u>200,000</u>

10.31 \$475,000 the first year and \$475,000 the
 10.32 second year are for iron ore cooperative
 10.33 research. Of this amount, \$200,000 each year
 10.34 is from the minerals management account in
 10.35 the natural resources fund and \$275,000 each
 10.36 year is from the general fund. \$237,500 the
 10.37 first year and \$237,500 the second year are
 10.38 available only as matched by \$1 of nonstate

11.1 money for each \$1 of state money. The
11.2 match may be cash or in-kind.
11.3 \$86,000 the first year and \$86,000 the
11.4 second year are for minerals cooperative
11.5 environmental research, of which \$43,000
11.6 the first year and \$43,000 the second year are
11.7 available only as matched by \$1 of nonstate
11.8 money for each \$1 of state money. The
11.9 match may be cash or in-kind.
11.10 \$2,800,000 the first year and \$2,696,000
11.11 the second year are from the minerals
11.12 management account in the natural resources
11.13 fund for use as provided in Minnesota
11.14 Statutes, section 93.2236, paragraph (c).
11.15 \$200,000 the first year and \$200,000 the
11.16 second year are from the state forest suspense
11.17 account in the permanent school fund to
11.18 accelerate land exchanges, land sales, and
11.19 commercial leasing of school trust lands and
11.20 to identify, evaluate, and lease construction
11.21 aggregate located on school trust lands. This
11.22 appropriation is to be used for securing
11.23 maximum long-term economic return
11.24 from the school trust lands consistent with
11.25 fiduciary responsibilities and sound natural
11.26 resources conservation and management
11.27 principles.
11.28 \$15,000 the first year is for a report
11.29 by February 1, 2008, to the house and
11.30 senate committees with jurisdiction over
11.31 environment and natural resources on
11.32 proposed minimum legal and conservation
11.33 standards that could be applied to
11.34 conservation easements acquired with public
11.35 money.

12.1 \$1,201,000 the first year and \$701,000 the
 12.2 second year are to support the land records
 12.3 management system. Of this amount,
 12.4 \$326,000 the first year and \$326,000 the
 12.5 second year are from the game and fish fund
 12.6 and \$375,000 the first year and \$375,000 the
 12.7 second year are from the natural resources
 12.8 fund. The commissioner must report to
 12.9 the legislative chairs on environmental
 12.10 finance on the outcomes of the land records
 12.11 management support.
 12.12 \$500,000 the first year and \$500,000 the
 12.13 second year are for land asset management.
 12.14 This is a onetime appropriation.

12.15 <u>Subd. 3. Water Resources Management</u>	<u>15,051,000</u>	<u>12,522,000</u>
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	<u>Appropriations by Fund</u>	
12.17 <u>General</u>	<u>14,771,000</u>	<u>12,242,000</u>
12.18 <u>Natural Resources</u>	<u>280,000</u>	<u>280,000</u>

12.19 \$310,000 the first year and \$310,000 the
 12.20 second year are for grants associated with the
 12.21 implementation of the Red River mediation
 12.22 agreement.
 12.23 \$65,000 the first year and \$65,000 the
 12.24 second year are for a grant to the Mississippi
 12.25 Headwaters Board for up to 50 percent of
 12.26 the cost of implementing the comprehensive
 12.27 plan for the upper Mississippi within areas
 12.28 under its jurisdiction.
 12.29 \$5,000 the first year and \$5,000 the second
 12.30 year are for payment to the Leech Lake Band
 12.31 of Chippewa Indians to implement its portion
 12.32 of the comprehensive plan for the upper
 12.33 Mississippi.
 12.34 \$200,000 the first year and \$200,000 the
 12.35 second year are for the construction of ring
 12.36 dikes under Minnesota Statutes, section

13.1 103F.161. The ring dikes may be publicly
 13.2 or privately owned. If the appropriation in
 13.3 either year is insufficient, the appropriation
 13.4 in the other year is available for it. The base
 13.5 appropriation for fiscal year 2010 and later
 13.6 is \$125,000.
 13.7 \$2,250,000 the first year is to support the
 13.8 identification of impaired waters and develop
 13.9 plans to address those impairments, as
 13.10 required by the federal Clean Water Act, in
 13.11 accordance with Minnesota Statutes, chapter
 13.12 114D. This is a onetime appropriation.
 13.13 By January 15, 2008, the commissioner shall
 13.14 commence rulemaking under Minnesota
 13.15 Statutes, chapter 14, to update the minimum
 13.16 shoreland standards in Minnesota Rules,
 13.17 chapter 6120.
 13.18 \$60,000 the first year is a onetime
 13.19 appropriation to the commissioner of natural
 13.20 resources to conduct a feasibility study
 13.21 in conjunction with U.S. Army Corps of
 13.22 Engineers on the foundation and hydraulics
 13.23 of the Rapidan Dam in Blue Earth County.
 13.24 This appropriation must be equally matched
 13.25 by Blue Earth County, and is available until
 13.26 expended.
 13.27 \$500,000 in fiscal year 2008 is for addressing
 13.28 surface and groundwater issues related to
 13.29 the development and expansion of ethanol
 13.30 production.

13.31	<u>Subd. 4. Forest Management</u>	<u>44,495,000</u>	<u>43,393,000</u>
13.32	<u>Appropriations by Fund</u>		
13.33	<u>General</u>	<u>24,755,000</u>	<u>24,836,000</u>
13.34	<u>Natural Resources</u>	<u>19,483,000</u>	<u>18,293,000</u>
13.35	<u>Game and Fish</u>	<u>257,000</u>	<u>264,000</u>

14.1 \$7,217,000 the first year and \$7,217,000
14.2 the second year are for prevention,
14.3 presuppression, and suppression costs of
14.4 emergency firefighting and other costs
14.5 incurred under Minnesota Statutes, section
14.6 88.12. If the appropriation for either
14.7 year is insufficient to cover all costs of
14.8 presuppression and suppression, the amount
14.9 necessary to pay for these costs during the
14.10 biennium is appropriated from the general
14.11 fund.
14.12 By November 15 of each year, the
14.13 commissioner of natural resources shall
14.14 submit a report to the chairs of the house
14.15 and senate committees and divisions having
14.16 jurisdiction over environment and natural
14.17 resources finance, identifying all firefighting
14.18 costs incurred and reimbursements received
14.19 in the prior fiscal year. These appropriations
14.20 may not be transferred. Any reimbursement
14.21 of firefighting expenditures made to the
14.22 commissioner from any source other than
14.23 federal mobilizations shall be deposited into
14.24 the general fund.
14.25 \$17,983,000 the first year and \$18,293,000
14.26 the second year are from the forest
14.27 management investment account in the
14.28 natural resources fund for only the purposes
14.29 specified in Minnesota Statutes, section
14.30 89.039, subdivision 2.
14.31 Of this amount:
14.32 (1) \$750,000 each year is for additional staff
14.33 to enhance timber sales;
14.34 (2) \$1,000,000 each year is for forest
14.35 improvements;

- 15.1 (3) \$1,100,000 each year is for forest road
15.2 maintenance;
15.3 (4) \$600,000 each year is for the ecological
15.4 classification system on state forest lands;
15.5 (5) \$350,000 each year is for the prevention
15.6 of invasive species on state forest lands; and
15.7 (6) \$400,000 each year is for the re-inventory
15.8 of state forest lands.
15.9 Money for forest road maintenance is
15.10 onetime.
15.11 \$780,000 the first year and \$780,000 the
15.12 second year are for the Forest Resources
15.13 Council for implementation of the
15.14 Sustainable Forest Resources Act.
15.15 \$40,000 the first year is for the Forest
15.16 Resources Council to provide a grant to
15.17 the University of Minnesota to prepare a
15.18 statewide plan to address the fragmentation
15.19 and parcelization of large blocks of forest
15.20 land in the state.
15.21 \$200,000 in fiscal year 2008 is for a grant
15.22 to the Forest Resources Research Advisory
15.23 Committee to provide direction on research
15.24 topics recommended by the governor's task
15.25 force on the competitiveness of Minnesota's
15.26 primary forest products industry.
15.27 \$350,000 the first year and \$350,000 the
15.28 second year are for the FORIST timber
15.29 management information system, other
15.30 information systems, and for increased
15.31 forestry management. The amount in the
15.32 second year is also available in the first year.
15.33 \$257,000 the first year and \$264,000 the
15.34 second year are from the game and fish
15.35 fund to implement ecological classification
15.36 systems (ECS) standards on forested

16.1 landscapes. This appropriation is from
16.2 revenue deposited in the game and fish fund
16.3 under Minnesota Statutes, section 297A.94,
16.4 paragraph (e), clause (1).
16.5 \$110,000 the first year is to develop and
16.6 implement a statewide information and
16.7 education campaign regarding the statewide
16.8 ban on the transport, storage, or use of
16.9 nonapproved firewood on state-administered
16.10 lands.
16.11 \$1,500,000 the first year is from the forest
16.12 management investment account in the
16.13 natural resources fund for the purposes of
16.14 section 157. This is a onetime appropriation.
16.15 \$75,000 the first year is to the Forest
16.16 Resources Council for a task force on
16.17 forest protection and \$75,000 the second
16.18 year is appropriated to the commissioner
16.19 for grants to cities, counties, townships,
16.20 special recreation areas, and park and
16.21 recreation boards in cities of the first class
16.22 for the identification, removal, disposal, and
16.23 replacement of dead or dying shade trees
16.24 lost to forest pests or disease. For purposes
16.25 of this section, "shade tree" means a woody
16.26 perennial grown primarily for aesthetic or
16.27 environmental purposes with minimal to
16.28 residual timber value. The commissioner
16.29 shall consult with municipalities; park and
16.30 recreation boards in cities of the first class;
16.31 nonprofit organizations; and other interested
16.32 parties in developing eligibility criteria.
16.33 \$200,000 in fiscal year 2008 is for a grant
16.34 to the Natural Resources Research Institute
16.35 for silvicultural research to improve the
16.36 quality and quantity of timber fiber. The

17.1 appropriation must be matched in the amount
 17.2 of \$200,000 in cash or in-kind contributions
 17.3 from the forest products industry members of
 17.4 the Minnesota Forest Productivity Research
 17.5 Cooperative.
 17.6 \$1,000,000 the first year and \$1,000,000
 17.7 the second year are to support additional
 17.8 technical and cost-share assistance to
 17.9 nonindustrial private forest (NIPF)
 17.10 landowners. The base appropriation in fiscal
 17.11 year 2010 and later is \$500,000.
 17.12 \$200,000 the first year and \$200,000 the
 17.13 second year are to address escalating
 17.14 land asset management demands, such as
 17.15 boundary disputes, access easements, and
 17.16 sale, exchange, and acquisition of forest
 17.17 lands.

17.18 **Subd. 5. Parks and Recreation Management** 35,324,000 36,319,000

<u>Appropriations by Fund</u>		
17.20 <u>General</u>	<u>20,743,000</u>	<u>21,283,000</u>
17.21 <u>Natural Resources</u>	<u>14,581,000</u>	<u>15,036,000</u>

17.22 \$640,000 the first year and \$640,000 the
 17.23 second year are from the water recreation
 17.24 account in the natural resources fund for state
 17.25 park water access projects.
 17.26 \$150,000 in the first year and \$150,000 in the
 17.27 second year are for additional interpretative
 17.28 services.
 17.29 \$3,996,000 the first year and \$3,996,000 the
 17.30 second year are from the natural resources
 17.31 fund for state park and recreation area
 17.32 operations. This appropriation is from the
 17.33 revenue deposited in the natural resources
 17.34 fund under Minnesota Statutes, section
 17.35 297A.94, paragraph (e), clause (2).

18.1 \$10,000 in the first year is for payment
 18.2 of expenses of the Cuyuna Country State
 18.3 Recreation Area Citizens Advisory Council.
 18.4 The appropriation in Laws 2003, chapter
 18.5 128, article 1, section 5, subdivision 6, from
 18.6 the water recreation account in the natural
 18.7 resources fund for a cooperative project with
 18.8 the United States Army Corps of Engineers
 18.9 to develop the Mississippi Whitewater Park
 18.10 is available until June 30, 2009. The project
 18.11 must be designed to prevent the spread of
 18.12 aquatic invasive species.
 18.13 \$500,000 the first year and \$750,000 the
 18.14 second year are from the natural resources
 18.15 fund for increased park maintenance
 18.16 work, resource management projects, and
 18.17 conservation education for park users.

18.18 **Subd. 6. Trails and Waterways Management** 30,257,000 30,492,000

<u>Appropriations by Fund</u>		
18.19 <u>General</u>	<u>2,538,000</u>	<u>2,568,000</u>
18.20 <u>Natural Resources</u>	<u>25,600,000</u>	<u>25,730,000</u>
18.21 <u>Game and Fish</u>	<u>2,119,000</u>	<u>2,194,000</u>

18.22 \$8,424,000 the first year and \$8,424,000
 18.23 the second year are from the snowmobile
 18.24 trails and enforcement account in the natural
 18.25 resources fund for snowmobile grants-in-aid.
 18.26 The additional money under this item may
 18.27 be used for new grant-in-aid trails. Any
 18.28 unencumbered balance does not cancel at the
 18.29 end of the first year and is available for the
 18.30 second year.
 18.31 \$1,175,000 the first year and \$1,325,000 the
 18.32 second year are from the natural resources
 18.33 fund for off-highway vehicle grants-in-aid.
 18.34 Of this amount, \$825,000 the first year and
 18.35 \$1,075,000 the second year are from the
 18.36

19.1 all-terrain vehicle account; \$150,000 each
19.2 year is from the off-highway motorcycle
19.3 account; and \$200,000 the first year and
19.4 \$100,000 the second year are from the
19.5 off-road vehicle account. Any unencumbered
19.6 balance does not cancel at the end of the first
19.7 year and is available for the second year.
19.8 \$261,000 the first year and \$261,000 the
19.9 second year are from the water recreation
19.10 account in the natural resources fund for a
19.11 safe harbor program on Lake Superior.
19.12 \$742,000 the first year and \$760,000
19.13 the second year are from the natural
19.14 resources fund for state trail operations
19.15 and maintenance. The money may be used
19.16 for trail maintenance, signage, mapping,
19.17 interpretation, native prairie restoration
19.18 using best management practices, and
19.19 maintenance of nonmotorized forest trails.
19.20 This appropriation is from the revenue
19.21 deposited in the natural resources fund
19.22 under Minnesota Statutes, section 297A.94,
19.23 paragraph (e), clause (2).
19.24 \$655,000 the first year and \$655,000 the
19.25 second year are from the natural resources
19.26 fund for trail grants to local units of
19.27 government on land to be maintained for
19.28 at least 20 years for the purposes of the
19.29 grant. This appropriation is from the revenue
19.30 deposited in the natural resources fund
19.31 under Minnesota Statutes, section 297A.94,
19.32 paragraph (e), clause (4).
19.33 \$150,000 the first year and \$150,000 the
19.34 second year are from the all-terrain vehicle
19.35 account for two all-terrain vehicle trail
19.36 specialists to assist and consult with on

20.1 all-terrain vehicle grant-in-aid education and
20.2 training for sustainable trail development and
20.3 maintenance, as well as providing training
20.4 for public and private sector trail monitoring.
20.5 The specialists may assist in the evaluation
20.6 of grant-in-aid trail proposals, but not in the
20.7 promotion of new trails.
20.8 \$1,965,000 the first year and \$2,040,000
20.9 the second year are from the game and fish
20.10 fund for expenditures on water access sites
20.11 according to the requirements of the federal
20.12 sport and fish restoration program.
20.13 Money appropriated under Laws 2005, First
20.14 Special Session chapter 1, article 2, section
20.15 11, subdivision 6, paragraph (h), for the Paul
20.16 Bunyan State Trail connection is available
20.17 until June 30, 2008.
20.18 \$400,000 each year is for operation and
20.19 maintenance of nonmotorized trails within
20.20 state forests. This is a onetime appropriation.
20.21 \$75,000 each year is for additional wild and
20.22 scenic rivers program activities.
20.23 \$120,000 the first year is from the
20.24 water recreation account in the natural
20.25 resources fund to cooperate with local
20.26 units of government in marking routes and
20.27 designating river accesses and campsites
20.28 under Minnesota Statutes, section 85.32.
20.29 This is a onetime appropriation and available
20.30 until spent.
20.31 The appropriation in Laws 2005, First
20.32 Special Session chapter 1, article 2, section
20.33 3, subdivision 6, from the lottery in lieu
20.34 account in the natural resources fund for
20.35 trail grants to local units of government, is
20.36 available until June 30, 2009.

S.F. No. 2096, Conference Committee Report - 85th Legislative Session (2007-2008)

21.1	<u>Subd. 7. Fish and Wildlife Management</u>	<u>67,191,000</u>	<u>68,533,000</u>
21.2	<u>Appropriations by Fund</u>		
21.3	<u>General</u>	<u>3,459,000</u>	<u>3,479,000</u>
21.4	<u>Natural Resources</u>	<u>1,876,000</u>	<u>1,876,000</u>
21.5	<u>Game and Fish</u>	<u>61,856,000</u>	<u>63,178,000</u>
21.6	<u>\$410,000 the first year and \$418,000 the</u>		
21.7	<u>second year are for resource population</u>		
21.8	<u>surveys in the 1837 treaty area. Of this</u>		
21.9	<u>amount, \$274,000 the first year and \$288,000</u>		
21.10	<u>the second year are from the game and fish</u>		
21.11	<u>fund.</u>		
21.12	<u>\$1,790,000 the first year and \$1,790,000 the</u>		
21.13	<u>second year are from the wildlife acquisition</u>		
21.14	<u>surcharge account for only the purposes of</u>		
21.15	<u>land costs as specified in Minnesota Statutes,</u>		
21.16	<u>section 97A.071, subdivision 2a. This</u>		
21.17	<u>appropriation is available until spent.</u>		
21.18	<u>\$8,061,000 the first year and \$8,167,000</u>		
21.19	<u>the second year are from the heritage</u>		
21.20	<u>enhancement account in the game and</u>		
21.21	<u>fish fund only for activities that improve,</u>		
21.22	<u>enhance, or protect fish and wildlife</u>		
21.23	<u>resources as specified in Minnesota Statutes,</u>		
21.24	<u>section 297A.94, paragraph (e), clause (1).</u>		
21.25	<u>Notwithstanding Minnesota Statutes, section</u>		
21.26	<u>297A.94, money under this paragraph may</u>		
21.27	<u>be used for expanding hunter and angler</u>		
21.28	<u>recruitment and retention and public land</u>		
21.29	<u>user facilities. Of this amount, \$1,175,000</u>		
21.30	<u>each year is for preserving, restoring, and</u>		
21.31	<u>enhancing grassland/wetland complexes.</u>		
21.32	<u>Notwithstanding Minnesota Statutes, section</u>		
21.33	<u>84.943, \$13,000 the first year and \$13,000</u>		
21.34	<u>the second year from the critical habitat</u>		
21.35	<u>private sector matching account may be used</u>		

22.1 to publicize the critical habitat license plate
22.2 match program.
22.3 \$830,000 the first year and \$830,000 the
22.4 second year are from the trout and salmon
22.5 management account for only the purposes
22.6 specified in Minnesota Statutes, section
22.7 97A.075, subdivision 3.
22.8 \$1,353,000 the first year and \$1,353,000
22.9 the second year are from the deer habitat
22.10 improvement account for only the purposes
22.11 specified in Minnesota Statutes, section
22.12 97A.075, subdivision 1, paragraph (b).
22.13 \$715,000 the first year and \$715,000 the
22.14 second year are from the deer and bear
22.15 management account for only the purposes
22.16 specified in Minnesota Statutes, section
22.17 97A.075, subdivision 1, paragraph (c).
22.18 \$700,000 the first year and \$700,000 the
22.19 second year are from the waterfowl habitat
22.20 improvement account for only the purposes
22.21 specified in Minnesota Statutes, section
22.22 97A.075, subdivision 2.
22.23 \$875,000 the first year and \$875,000 the
22.24 second year are from the pheasant habitat
22.25 improvement account for only the purposes
22.26 specified in Minnesota Statutes, section
22.27 97A.075, subdivision 4.
22.28 \$172,000 the first year and \$172,000 the
22.29 second year are from the wild turkey
22.30 management account for only the purposes
22.31 specified in Minnesota Statutes, section
22.32 97A.075, subdivision 5. Of this amount,
22.33 \$8,000 the first year and \$8,000 the second
22.34 year are appropriated from the game and
22.35 fish fund for transfer to the wild turkey
22.36 management account for purposes specified

23.1 in Minnesota Statutes, section 97A.075,
23.2 subdivision 5.
23.3 \$108,000 the first year and \$108,000 the
23.4 second year are from the game and fish
23.5 fund for costs associated with administering
23.6 fishing contest permits.
23.7 \$186,000 the first year and \$132,000 the
23.8 second year are to accelerate wildlife
23.9 health programs. \$54,000 in the first
23.10 year is for fencing cattle-feeding areas in
23.11 bovine tuberculosis control zones, under the
23.12 emergency deterrent materials assistance
23.13 program in Minnesota Statutes, section
23.14 97A.028, subdivision 3. This appropriation
23.15 is available until June 30, 2009. \$61,000 of
23.16 this amount is permanent.
23.17 \$575,000 the first year and \$575,000 the
23.18 second year are for preserving, restoring, and
23.19 enhancing grassland/wetland complexes on
23.20 public or private lands.
23.21 The commissioner must report to the
23.22 legislative chairs on environmental finance
23.23 for money appropriated in this subdivision on
23.24 grassland/wetland complexes with specific
23.25 outcomes, including acres of wetlands and
23.26 prairie grasses and forbs of a local ecotype
23.27 preserved, restored, and enhanced during the
23.28 2008-2009 biennium.
23.29 \$150,000 the first year and \$150,000 the
23.30 second year are from the game and fish fund
23.31 for the roadsides for wildlife program.
23.32 \$175,000 in the first year and \$175,000 in the
23.33 second year are for grants to Let's Go Fishing
23.34 of Minnesota to promote opportunities for
23.35 fishing. The grants must be matched with
23.36 cash or in-kind contributions from nonstate

24.1 sources. It is a condition of acceptance of
24.2 this appropriation that Let's Go Fishing of
24.3 Minnesota must submit a work program
24.4 and annual progress reports in the form and
24.5 manner determined by the commissioner of
24.6 natural resources to the Budgetary Oversight
24.7 Committee. The work program must identify
24.8 capital expenditures and leases over \$2,000
24.9 and annual reports must describe the use
24.10 of that capital equipment throughout its
24.11 useful life. None of the money provided
24.12 may be spent unless the commissioner
24.13 has approved the work program. This is a
24.14 onetime appropriation.
24.15 \$90,000 each year from the game and fish
24.16 fund is to staff the Budgetary Oversight
24.17 Committee.
24.18 By November 15, 2008, the commissioner,
24.19 in consultation with the Budgetary Oversight
24.20 Committee, established in Minnesota
24.21 Statutes, section 97A.055, subdivision 4b,
24.22 paragraph (c), shall report to the house of
24.23 representatives and senate policy and finance
24.24 committees and divisions with jurisdiction
24.25 over natural resources on game and fish fund
24.26 receipt and expenditure imbalances between
24.27 hunting-related and fishing-related activities.
24.28 The report shall include, but is not limited to:
24.29 (1) a table showing the allocation of game
24.30 and fish fund receipts and expenditures
24.31 related to fishing and hunting activities for
24.32 fiscal years 1989 to 2007 and projected
24.33 receipts and expenditures for fiscal years
24.34 2008 and 2009;
24.35 (2) recommendations for short-term changes
24.36 to correct any imbalances; and

25.1 (3) recommendations for long-term
 25.2 changes that will ensure that fishing license
 25.3 revenue is adequate to cover fishing-related
 25.4 expenditures and hunting license revenue
 25.5 is adequate to cover hunting-related
 25.6 expenditures.
 25.7 Notwithstanding Minnesota Statutes, section
 25.8 16A.28, the appropriations encumbered
 25.9 under contract on or before June 30, 2009, for
 25.10 aquatic restoration grants and wildlife habitat
 25.11 grants are available until June 30, 2010.
 25.12 The commissioner of finance shall transfer
 25.13 \$160,000 in fiscal year 2008 to the special
 25.14 revenue fund for the account under Minnesota
 25.15 Statutes, section 97A.065, subdivision 6.

25.16 Subd. 8. **Ecological Services** 16,175,000 14,476,000

25.17	<u>Appropriations by Fund</u>		
25.18	<u>General</u>	<u>8,597,000</u>	<u>6,531,000</u>
25.19	<u>Natural Resources</u>	<u>3,696,000</u>	<u>3,994,000</u>
25.20	<u>Game and Fish</u>	<u>3,882,000</u>	<u>3,951,000</u>

25.21 \$1,194,000 the first year and \$1,227,000 the
 25.22 second year are from the nongame wildlife
 25.23 management account in the natural resources
 25.24 fund for the purpose of nongame wildlife
 25.25 management.

25.26 Notwithstanding Minnesota Statutes,
 25.27 section 290.431, \$100,000 the first year
 25.28 and \$100,000 the second year may be used
 25.29 for nongame information, education, and
 25.30 promotion.

25.31 \$1,612,000 the first year and \$1,636,000
 25.32 the second year are from the heritage
 25.33 enhancement account in the game and
 25.34 fish fund for only the purposes specified
 25.35 in Minnesota Statutes, section 297A.94,
 25.36 paragraph (e), clause (1).

26.1 The commissioner must report to the
26.2 legislative chairs on environmental finance
26.3 for money appropriated in this subdivision on
26.4 grassland/wetland complexes with specific
26.5 outcomes, including acres of wetlands and
26.6 prairie grasses and forbs of a local ecotype
26.7 preserved, restored, and enhanced during the
26.8 2008-2009 biennium.
26.9 \$2,938,000 in the first year and \$4,385,000
26.10 in the second year, of which \$1,968,000 the
26.11 first year and \$2,195,000 the second year
26.12 are from the invasive species account in the
26.13 natural resources fund for law enforcement
26.14 and water access inspection to prevent the
26.15 spread of invasive species, grants to manage
26.16 invasive plants in public waters, technical
26.17 assistance to grant applicants for improving
26.18 lake quality, and management of terrestrial
26.19 invasive species on state-administered lands.
26.20 Priority shall be given to preventing the
26.21 spread of aquatic invertebrates, including,
26.22 but not limited to, zebra mussels, spiny
26.23 waterflea, and round goby. An applicant
26.24 for a grant to manage invasive plants in
26.25 public waters must have a workable plan for
26.26 improving water quality and reducing the
26.27 need for additional treatment. Grants may
26.28 not be made for chemicals that are likely
26.29 endocrine disruptors. A plan to prevent the
26.30 introduction of asian carp into Minnesota
26.31 waters must be made available to the public
26.32 by November 1, 2007.
26.33 \$125,000 the first year is to support a
26.34 technical advisory committee and for land
26.35 management units that manage grass lands
26.36 in order to develop plans to optimize

27.1 native prairie seed harvest and replanting
27.2 on state-owned lands. The work must
27.3 use best management practices with an
27.4 outcome of ensuring the survival of the
27.5 native prairie remaining in Minnesota and to
27.6 estimate the value of the seeds. Maximizing
27.7 seed harvest may include allowing seed
27.8 producers to keep a portion of the seed as
27.9 compensation for supplying equipment and
27.10 labor. The Department of Natural Resources
27.11 in cooperation with the Department of
27.12 Agriculture and the Board of Water and
27.13 Soil Resources shall establish the technical
27.14 advisory committee which has the expertise
27.15 to develop (1) criteria to identify public
27.16 and private marginal lands which could be
27.17 used to produce native prairie seeds of a
27.18 local eco-type or restore native prairies that
27.19 could be used to produce clean energy, (2)
27.20 guidelines for production that ensure high
27.21 carbon sequestration, protection of wildlife
27.22 and waters, and minimization of inputs and
27.23 that do not compromise the survival of the
27.24 native prairie remaining in Minnesota, and
27.25 (3) recommendations for incentives that will
27.26 result in the production of native prairie seeds
27.27 of a local eco-type or restore native prairies.
27.28 In addition to agency members, the advisory
27.29 committee shall have one member from
27.30 each of two statewide farm organizations,
27.31 one member from a statewide sustainable
27.32 farmer organization, one member each from
27.33 three statewide rural economic development
27.34 organizations, one member each from three
27.35 statewide environmental organizations, and
27.36 one member each from three statewide

28.1 wildlife or conservation organizations.
28.2 No person registered as a lobbyist under
28.3 Minnesota Statutes, section 10A.03, may
28.4 serve on the technical advisory committee.
28.5 The technical committee shall work with the
28.6 NextGen Energy Board to develop a clean
28.7 energy program. A report on outcomes from
28.8 the technical committee is due December
28.9 15, 2007, to the legislative finance chairs on
28.10 environment and natural resources.
28.11 \$50,000 in the first year is for the
28.12 commissioner, in consultation with the
28.13 Environmental Quality Board, to report to
28.14 the house and senate committees having
28.15 jurisdiction over environmental policy
28.16 and finance by February 1, 2008, on the
28.17 Mississippi River critical area program. The
28.18 report shall include the status of critical
28.19 area plans, zoning ordinances, the number
28.20 and types of revisions anticipated, and the
28.21 nature and number of variances sought. The
28.22 report shall include recommendations that
28.23 adequately protect and manage the aesthetic
28.24 integrity and natural environment of the river
28.25 corridor.
28.26 \$2,250,000 the first year is to support the
28.27 identification of impaired waters and develop
28.28 plans to address those impairments, as
28.29 required by the federal Clean Water Act, in
28.30 accordance with Minnesota Statutes, chapter
28.31 114D. This is a onetime appropriation.
28.32 \$477,000 the first year and \$477,000 the
28.33 second year are for the reinvest in Minnesota
28.34 programs of game and fish, critical habitat,
28.35 and wetlands established under Minnesota
28.36 Statutes, section 84.95, subdivision 2.

29.1 \$350,000 the first year is for a grant to
 29.2 the International Wolf Center for building
 29.3 renovations.
 29.4 \$500,000 the first year is for a grant to the
 29.5 city of Wabasha for programming at the
 29.6 National Bald Eagle Center.
 29.7 \$100,000 the first year is for a grant to the
 29.8 Wildlife Rehabilitation Center of Minnesota
 29.9 to retire loans incurred by the center for
 29.10 construction of its facility in the city of
 29.11 Roseville and to complete educational
 29.12 technology infrastructure at the center.
 29.13 \$115,000 in the first year and \$116,000 in the
 29.14 second year is for the Project Wild program.
 29.15 Of this amount, \$35,000 in the first year
 29.16 and \$36,000 in the second year are from the
 29.17 natural resources fund, and \$40,000 in the
 29.18 first year and \$40,000 in the second year are
 29.19 from the game and fish fund.
 29.20 \$150,000 each year is from the all-terrain
 29.21 vehicle account in the natural resources fund
 29.22 for developing and maintaining all-terrain
 29.23 vehicle trails and environmental review.

29.24 **Subd. 9. Enforcement** 30,549,000 31,596,000

<u>Appropriations by Fund</u>		
29.26 <u>General</u>	<u>3,564,000</u>	<u>3,648,000</u>
29.27 <u>Natural Resources</u>	<u>7,463,000</u>	<u>7,963,000</u>
29.28 <u>Game and Fish</u>	<u>19,422,000</u>	<u>19,885,000</u>
29.29 <u>Remediation</u>	<u>100,000</u>	<u>100,000</u>

29.30 Until June 30, 2009, a conservation officer
 29.31 must be stationed at Mississippi Headwaters
 29.32 State Forest to work with local jurisdictions
 29.33 in enforcing state law along the Mississippi
 29.34 River from Lake Itasca downstream to Lake
 29.35 Bemidji and in the Bemidji region.
 29.36 \$1,082,000 the first year and \$1,082,000 the
 29.37 second year are from the water recreation

30.1 account in the natural resources fund for
30.2 grants to counties for boat and water safety.
30.3 \$100,000 the first year and \$100,000 the
30.4 second year are from the remediation fund
30.5 for solid waste enforcement activities under
30.6 Minnesota Statutes, section 116.073.
30.7 \$315,000 the first year and \$315,000 the
30.8 second year are from the snowmobile
30.9 trails and enforcement account in the
30.10 natural resources fund for grants to local
30.11 law enforcement agencies for snowmobile
30.12 enforcement activities.
30.13 \$1,164,000 the first year and \$1,164,000
30.14 the second year are from the heritage
30.15 enhancement account in the game and
30.16 fish fund for only activities that improve,
30.17 enhance, or protect fish and wildlife resources
30.18 specified in Minnesota Statutes, section
30.19 297A.94, paragraph (e), clause (1).
30.20 Overtime must be distributed to conservation
30.21 officers at historical levels; however, a
30.22 reasonable reduction or addition may be
30.23 made to the officer's allocation, if justified,
30.24 based on an individual officer's workload. If
30.25 funding for enforcement is reduced because
30.26 of an unallotment, the overtime bank may be
30.27 reduced in proportion to reductions made in
30.28 other areas of the budget.
30.29 \$325,000 the first year and \$325,000
30.30 the second year are from the natural
30.31 resources fund for grants to county law
30.32 enforcement agencies for off-highway
30.33 vehicle enforcement and public education
30.34 activities based on off-highway vehicle use
30.35 in the county. Of this amount, \$313,000 each
30.36 year is from the all-terrain vehicle account;

31.1 \$11,000 each year is from the off-highway
 31.2 motorcycle account; and \$1,000 each year
 31.3 is from the off-road vehicle account. The
 31.4 county enforcement agencies may use
 31.5 money received under this appropriation
 31.6 to make grants to other local enforcement
 31.7 agencies within the county that have a high
 31.8 concentration of off-highway vehicle use. Of
 31.9 this appropriation, \$25,000 each year is for
 31.10 administration of these grants.
 31.11 \$250,000 the first year and \$250,000 the
 31.12 second year are from the all-terrain vehicle
 31.13 account for grants to qualifying organizations
 31.14 to assist in safety and environmental
 31.15 education and monitoring trails on public
 31.16 lands under new Minnesota Statutes,
 31.17 section 84.9011. Grants issued under this
 31.18 paragraph: (1) must be issued through a
 31.19 formal agreement with the organization;
 31.20 and (2) must not be used as a substitute for
 31.21 traditional spending by the organization. By
 31.22 December 15, each year, an organization
 31.23 receiving a grant under this paragraph shall
 31.24 report to the commissioner with details
 31.25 on expenditures from the grant. Of this
 31.26 appropriation, \$25,000 each year is for
 31.27 administration of these grants.
 31.28 The commissioner must publicize
 31.29 opportunities for conservation officer
 31.30 employment and recruit, when possible,
 31.31 conservation officer candidates from the
 31.32 biological sciences departments at colleges
 31.33 and universities.
 31.34 **Subd. 10. Operations Support** 4,288,000 3,813,000
 31.35 Appropriations by Fund
 31.36 General 2,715,000 2,249,000

32.1	<u>Natural Resources</u>	<u>484,000</u>	<u>484,000</u>
32.2	<u>Game and Fish</u>	<u>1,089,000</u>	<u>1,080,000</u>

32.3 \$38,000 in the first year is from the game and
 32.4 fish fund for the study on the natural stands
 32.5 of wild rice required in this article.

32.6 \$270,000 the first year and \$270,000 the
 32.7 second year are from the natural resources
 32.8 fund for grants to be divided equally between

32.9 the city of St. Paul for the Como Zoo
 32.10 and Conservatory and the city of Duluth
 32.11 for the Duluth Zoo. This appropriation

32.12 is from the revenue deposited to the fund
 32.13 under Minnesota Statutes, section 297A.94,
 32.14 paragraph (e), clause (5).

32.15 \$55,000 in the first year and \$7,000 in the
 32.16 second year are to be transferred to the
 32.17 Environmental Quality Board to fulfill the

32.18 requirement of Minnesota Statutes, sections
 32.19 116C.92 and 116C.94.
 32.20 \$475,000 the first year is a onetime

32.21 appropriation for terrestrial and geologic
 32.22 carbon sequestration reports and studies in
 32.23 this article. Of this amount, the commissioner

32.24 shall make payments of \$385,000 to the
 32.25 Board of Regents of the University of
 32.26 Minnesota for the purposes of terrestrial

32.27 carbon sequestration activities, and \$90,000
 32.28 to the Minnesota Geological Survey for the
 32.29 purposes of geologic carbon sequestration

32.30 assessment.

32.31	Sec. 5. <u>BOARD OF WATER AND SOIL</u>		
32.32	<u>RESOURCES</u>	<u>\$ 32,153,000</u>	<u>\$ 17,482,000</u>

32.33 \$4,102,000 the first year and \$4,102,000 the
 32.34 second year are for natural resources block
 32.35 grants to local governments. The board may

32.36 reduce the amount of the natural resources

33.1 block grant to a county by an amount equal to
33.2 any reduction in the county's general services
33.3 allocation to a soil and water conservation
33.4 district from the county's previous year
33.5 allocation when the board determines that
33.6 the reduction was disproportionate. Grants
33.7 must be matched with a combination of local
33.8 cash or in-kind contributions. The base grant
33.9 portion related to water planning must be
33.10 matched by an amount that would be raised
33.11 by a levy under Minnesota Statutes, section
33.12 103B.3369.
33.13 \$3,566,000 the first year and \$3,566,000
33.14 the second year are for grants requested
33.15 by soil and water conservation districts for
33.16 general purposes, nonpoint engineering,
33.17 and implementation of the reinvest in
33.18 Minnesota conservation reserve program.
33.19 Upon approval of the board, expenditures
33.20 may be made from these appropriations for
33.21 supplies and services benefiting soil and
33.22 water conservation districts. Any district
33.23 requesting a grant under this paragraph
33.24 shall create and maintain a Web page that
33.25 publishes, at a minimum, its annual plan,
33.26 annual report, annual audit, and annual
33.27 budget, including membership dues and
33.28 meeting notices and minutes.
33.29 \$3,285,000 the first year and \$3,285,000
33.30 the second year are for grants to soil and
33.31 water conservation districts for cost-sharing
33.32 contracts for erosion control and water
33.33 quality management. Of this amount, at least
33.34 \$1,200,000 the first year and \$1,200,000 the
33.35 second year are for grants for cost-sharing
33.36 contracts to establish and maintain vegetation

34.1 buffers of restored native prairie and restored
34.2 prairie using seeds of a local ecotype region.
34.3 \$300,000 the first year and \$300,000 the
34.4 second year are available to begin county
34.5 cooperative weed management programs
34.6 on natural lands and private lands enrolled
34.7 in state and federal conservation programs
34.8 and to restore native plants in selected
34.9 invasive species management sites by
34.10 providing local native seeds and plants
34.11 to landowners for implementation. This
34.12 appropriation is available until expended. If
34.13 the appropriation in either year is insufficient,
34.14 the appropriation in the other year is available
34.15 for it. Notwithstanding Minnesota Statutes,
34.16 section 103C.501, any balance in the board's
34.17 cost-share program that remains from the
34.18 fiscal year 2007 appropriation is available
34.19 in an amount up to \$2,000 for a grant to
34.20 the Faribault Soil and Water Conservation
34.21 District to pay for erosion repair on the Blue
34.22 Earth River, and up to \$40,000 is available for
34.23 grants to soil and water conservation districts
34.24 for Web site development and reporting; and
34.25 \$100,000 in fiscal years 2008 and 2009 is
34.26 for evaluating and reporting on performance,
34.27 financial, and activity information of local
34.28 water management entities as provided for in
34.29 section 103.
34.30 The board shall develop a forestry practice
34.31 docket for cost-share money. The board shall
34.32 develop standards or policies for cost-share
34.33 practices for the following purposes: (1)
34.34 establishment and maintenance of vegetated
34.35 buffers of restored prairie or restored native
34.36 prairie using seeds of a local ecotype;

35.1 (2) establishment of cooperative weed
35.2 management programs on private natural
35.3 lands and lands enrolled in state and federal
35.4 conservation programs and restoration of
35.5 native plants in selected invasive species
35.6 management sites by providing local native
35.7 seeds and plants to landowners; and (3)
35.8 establishment of soil and water conservation
35.9 and ecological improvement practices on
35.10 private forest lands.
35.11 \$100,000 the first year and \$100,000 the
35.12 second year are for a grant to the Red
35.13 River Basin Commission to develop a Red
35.14 River basin plan and to coordinate water
35.15 management activities in the states and
35.16 provinces bordering the Red River. The
35.17 unencumbered balance in the first year does
35.18 not cancel but is available for the second
35.19 year.
35.20 \$14,166,000 is for implementation of the
35.21 Clean Water Legacy Act, in accordance
35.22 with Minnesota Statutes, chapter 114D, as
35.23 follows:
35.24 (1) \$3,316,000 is for targeted nonpoint
35.25 restoration cost-share and incentive
35.26 payments, of which up to \$3,116,000
35.27 is available for grants. Of this amount,
35.28 \$1,500,000 is for agricultural watershed
35.29 restoration projects that are located in a
35.30 watershed impaired by nonpoint agricultural
35.31 sources and are designed to provide
35.32 long-term restoration of surface water
35.33 quality through restoration of the natural
35.34 hydrological function to working lands. Of
35.35 this amount, \$500,000 must be contracted for
35.36 services with the Minnesota Conservation

36.1 Corps. The grant funds are available until
36.2 expended;
36.3 (2) \$3,000,000 is for targeted nonpoint
36.4 restoration and protection and technical,
36.5 compliance, and engineering assistance
36.6 activities, of which up to \$2,400,000 is
36.7 available for grants, and \$225,000 the first
36.8 year is to inventory wetland mitigation
36.9 opportunities and water quality and
36.10 watershed improvement projects in a greater
36.11 than 80 percent area and of which \$150,000
36.12 the first year is to conduct a regionwide
36.13 wetland mitigation siting analysis for
36.14 greater than 80 percent areas. The \$225,000
36.15 amount shall include an inventory of the
36.16 wetland and water resources that have been
36.17 developed on former mine lands and an
36.18 analysis of the functions and values of those
36.19 wetland and water resources. This is a
36.20 onetime appropriation and is available until
36.21 June 30, 2009. The \$150,000 amount for
36.22 analysis shall (i) evaluate wetland mitigation
36.23 opportunities in each watershed and wetland
36.24 bank service area, (ii) develop goals for
36.25 maintaining water quality in the greater than
36.26 80 percent areas, and (iii) identify wetland
36.27 mitigation opportunities in other regions with
36.28 a greater loss of wetlands or with impaired
36.29 waters. This is a onetime appropriation and
36.30 is available until June 30, 2009. A report on
36.31 the analysis outcomes shall be given to the
36.32 house and senate chairs of the environment
36.33 and natural resources policy and finance
36.34 committees by January 15, 2009;
36.35 (3) \$400,000 is for reporting and evaluating
36.36 applied soil and water conservation practices;

37.1 (4) \$2,450,000 is for grants to implement
37.2 county individual sewage treatment system
37.3 programs. Of this amount, after a county
37.4 has complied with requirements to adopt
37.5 ordinances pursuant to Minnesota Statutes,
37.6 section 115.55, subdivision 2, the county may
37.7 request grants of up to \$130,000 to inventory
37.8 properties with individual sewage treatment
37.9 systems that are an imminent threat to public
37.10 health or safety due to water discharges of
37.11 untreated sewage, and require compliance
37.12 under an applicable ordinance. The grant
37.13 amount shall be proportional to the number
37.14 of properties expected to be inventoried.
37.15 Each county receiving an appropriation
37.16 under this paragraph shall report the number
37.17 of inspections and the number determined
37.18 to be an imminent threat to public health or
37.19 safety to the Pollution Control Agency by
37.20 February 1 of each year;
37.21 (5) \$3,000,000 is for feedlot water quality
37.22 grants for feedlots under 300 animal units
37.23 where there are impaired waters;
37.24 (6) \$1,000,000 in fiscal year 2008 is for
37.25 grants to support local nonpoint source
37.26 protection activities related to lake and river
37.27 protection and management; and
37.28 (7) \$1,000,000 in fiscal year 2008 is for
37.29 grants to address imminent threat and failing
37.30 individual sewage treatment systems.
37.31 If the appropriations in clauses (1) to (7) in
37.32 either year are insufficient, the appropriation
37.33 in the other year is available for it. All of
37.34 the money appropriated in clauses (1) to
37.35 (7) as grants to local governments shall be
37.36 administered through the Board of Water

38.1 and Soil Resources' local water resources
38.2 protection and management program under
38.3 Minnesota Statutes, section 103B.3369.
38.4 \$100,000 each year is to the Minnesota River
38.5 Basin Joint Powers Board, also known as
38.6 the Minnesota River Board, for operating
38.7 expenses to measure and report the results of
38.8 projects in the 12 major watersheds within
38.9 the Minnesota River basin.
38.10 By January 1, 2008, the board shall report
38.11 to the senate and house of representatives
38.12 environmental finance divisions on the
38.13 financial needs to bring all feedlots in the
38.14 state that are under 300 animal units into
38.15 compliance with Pollution Control Agency
38.16 rules by October 1, 2010, and comply with
38.17 the requirements of Minnesota Statutes,
38.18 section 116.07, subdivision 7, paragraph (p).
38.19 \$140,000 the first year and \$140,000
38.20 the second year are for a grant to Area
38.21 II, Minnesota River Basin Projects,
38.22 for floodplain management, including
38.23 administration of programs.
38.24 \$1,120,000 the first year and \$1,060,000 the
38.25 second year may be spent for the following
38.26 purposes to support implementation of
38.27 the Wetland Conservation Act: \$250,000
38.28 each year is to make grants to local units
38.29 of governments within the 11-county
38.30 metropolitan area to improve response to
38.31 major wetland violations; \$250,000 each
38.32 year is for transfer to the commissioner
38.33 of natural resources for enforcement of
38.34 wetland violations; \$500,000 each year is for
38.35 staffing to provide adequate state oversight
38.36 and technical support to local governments

39.1 administering the Wetland Conservation Act;
39.2 \$60,000 each year is for staff to monitor and
39.3 enforce wetland replacement and wetland
39.4 bank sites; and \$60,000 the first year is
39.5 for rulemaking required by changes to the
39.6 Wetland Conservation Act. The board must
39.7 include in its biennial report to the legislature
39.8 information on all state and local units
39.9 of government, including special purpose
39.10 districts, impacts on wetlands in the state.
39.11 \$450,000 the first year and \$800,000
39.12 the second year are to implement
39.13 recommendations of the Drainage Work
39.14 Group to enhance public drainage and
39.15 modernization as follows: \$150,000 the first
39.16 year is to develop guidelines for drainage
39.17 records preservation and modernization;
39.18 \$500,000 the second year is for cost-share
39.19 grants to local governments for public
39.20 drainage records modernization; and
39.21 \$300,000 each year is to provide assistance
39.22 to local drainage management officials, to
39.23 facilitate the work of the Drainage Work
39.24 Group, to staff a drainage assistance team,
39.25 and to update the Minnesota Public Drainage
39.26 Manual. All of the money appropriated in
39.27 this paragraph as grants to local governments
39.28 shall be administered through the Board
39.29 of Water and Soil Resources' local water
39.30 resources protection and management
39.31 program under Minnesota Statutes, section
39.32 103B.3369.
39.33 In addition to other authorities, the Board
39.34 of Water and Soil Resources may reduce,
39.35 withhold, or redirect grants and other funding
39.36 if the local water management entity has

40.1 not corrected deficiencies as prescribed in a
40.2 notice from the board within one year from
40.3 the date of the notice.
40.4 \$500,000 the first year is to provide grants
40.5 for bioenergy crop research and monitoring,
40.6 including, but not limited to, water quality,
40.7 water quantity utilized, soil carbon storage,
40.8 biological diversity, wildlife and habitat
40.9 impacts and benefits, and small diameter
40.10 woody bioenergy. Of this amount, \$300,000
40.11 is for a grant to the Minnesota Forest
40.12 Resources Council for conducting site level
40.13 ecological research and assessments as
40.14 identified by the council's biomass technical
40.15 committee. Additional money from other
40.16 sources should be sought to accomplish this
40.17 purpose.
40.18 \$200,000 in fiscal year 2008 is to develop
40.19 clean energy program guidelines and
40.20 standards.
40.21 \$200,000 is for a grant to the city of Gaylord
40.22 to construct and reconstruct storm water
40.23 sewer drains and related facilities to divert
40.24 water that currently drains into Lake Titlow
40.25 into holding ponds south of the city. The
40.26 cost of reconstructing city streets as part of
40.27 this diversion, and as outlined in the city of
40.28 Gaylord's street improvement plan, is the
40.29 responsibility of the city. This diversion will
40.30 keep phosphorus and other chemicals from
40.31 entering the lake, and will improve the water
40.32 quality of Lake Titlow.
40.33 The appropriations for grants in this
40.34 section are available until expended. If an
40.35 appropriation for grants in either year is

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42.1	<u>General</u>	<u>7,000,000</u>	<u>7,193,000</u>
42.2	<u>Natural Resources</u>	<u>137,000</u>	<u>138,000</u>
42.3	<u>\$137,000 the first year and \$138,000 the</u>		
42.4	<u>second year are from the natural resources</u>		
42.5	<u>fund from the revenue deposited under</u>		
42.6	<u>Minnesota Statutes, section 297A.94,</u>		
42.7	<u>paragraph (e), clause (5).</u>		
42.8	<u>The general fund base budget for the</u>		
42.9	<u>Zoological Board is \$7,068,000 each year in</u>		
42.10	<u>the 2010-2011 biennium.</u>		
42.11	Sec. 9. <u>SCIENCE MUSEUM OF</u>		
42.12	<u>MINNESOTA</u>	<u>\$</u>	<u>1,250,000</u> <u>\$</u> <u>1,250,000</u>

42.13 Sec. 10. Minnesota Statutes 2006, section 10A.01, subdivision 35, is amended to read:

42.14 Subd. 35. **Public official.** "Public official" means any:

42.15 (1) member of the legislature;

42.16 (2) individual employed by the legislature as secretary of the senate, legislative
42.17 auditor, chief clerk of the house, revisor of statutes, or researcher, legislative analyst, or
42.18 attorney in the Office of Senate Counsel and Research or House Research;

42.19 (3) constitutional officer in the executive branch and the officer's chief administrative
42.20 deputy;

42.21 (4) solicitor general or deputy, assistant, or special assistant attorney general;

42.22 (5) commissioner, deputy commissioner, or assistant commissioner of any state
42.23 department or agency as listed in section 15.01 or 15.06, or the state chief information
42.24 officer;

42.25 (6) member, chief administrative officer, or deputy chief administrative officer of a
42.26 state board or commission that has either the power to adopt, amend, or repeal rules under
42.27 chapter 14, or the power to adjudicate contested cases or appeals under chapter 14;

42.28 (7) individual employed in the executive branch who is authorized to adopt, amend,
42.29 or repeal rules under chapter 14 or adjudicate contested cases under chapter 14;

42.30 (8) executive director of the State Board of Investment;

42.31 (9) deputy of any official listed in clauses (7) and (8);

42.32 (10) judge of the Workers' Compensation Court of Appeals;

42.33 (11) administrative law judge or compensation judge in the State Office of
42.34 Administrative Hearings or referee in the Department of Employment and Economic
42.35 Development;

43.1 (12) member, regional administrator, division director, general counsel, or operations
43.2 manager of the Metropolitan Council;

43.3 (13) member or chief administrator of a metropolitan agency;

43.4 (14) director of the Division of Alcohol and Gambling Enforcement in the
43.5 Department of Public Safety;

43.6 (15) member or executive director of the Higher Education Facilities Authority;

43.7 (16) member of the board of directors or president of Minnesota Technology, Inc.;

43.8 (17) member of the board of directors or executive director of the Minnesota State
43.9 High School League;

43.10 (18) member of the Minnesota Ballpark Authority established in section 473.755; ~~or~~

43.11 (19) citizen member of the Legislative-Citizen Commission on Minnesota
43.12 Resources;

43.13 (20) manager of a watershed district, or member of a watershed management
43.14 organization as defined under section 103B.205, subdivision 13; or

43.15 (21) supervisor of a soil and water conservation district.

43.16 Sec. 11. Minnesota Statutes 2006, section 15.99, subdivision 3, is amended to read:

43.17 Subd. 3. **Application; extensions.** (a) The time limit in subdivision 2 begins upon
43.18 the agency's receipt of a written request containing all information required by law or by
43.19 a previously adopted rule, ordinance, or policy of the agency, including the applicable
43.20 application fee. If an agency receives a written request that does not contain all required
43.21 information, the 60-day limit starts over only if the agency sends written notice within 15
43.22 business days of receipt of the request telling the requester what information is missing.

43.23 (b) If a request relating to zoning, septic systems, watershed district review, soil and
43.24 water conservation district review, or expansion of the metropolitan urban service area
43.25 requires the approval of more than one state agency in the executive branch, the 60-day
43.26 period in subdivision 2 begins to run for all executive branch agencies on the day a request
43.27 containing all required information is received by one state agency. The agency receiving
43.28 the request must forward copies to other state agencies whose approval is required.

43.29 (c) An agency response, including an approval with conditions, meets the 60-day
43.30 time limit if the agency can document that the response was sent within 60 days of receipt
43.31 of the written request. Failure to satisfy the conditions, if any, may be a basis to revoke
43.32 or rescind the approval by the agency and will not give rise to a claim that the 60-day
43.33 limit was not met.

43.34 (d) The time limit in subdivision 2 is extended if a state statute, federal law, or court
43.35 order requires a process to occur before the agency acts on the request, and the time

44.1 periods prescribed in the state statute, federal law, or court order make it impossible to
44.2 act on the request within 60 days. In cases described in this paragraph, the deadline is
44.3 extended to 60 days after completion of the last process required in the applicable statute,
44.4 law, or order. Final approval of an agency receiving a request is not considered a process
44.5 for purposes of this paragraph.

44.6 (e) The time limit in subdivision 2 is extended if: (1) a request submitted to a state
44.7 agency requires prior approval of a federal agency; or (2) an application submitted to
44.8 a city, county, town, school district, metropolitan or regional entity, or other political
44.9 subdivision requires prior approval of a state or federal agency. In cases described in
44.10 this paragraph, the deadline for agency action is extended to 60 days after the required
44.11 prior approval is granted.

44.12 (f) An agency may extend the time limit in subdivision 2 before the end of the
44.13 initial 60-day period by providing written notice of the extension to the applicant. The
44.14 notification must state the reasons for the extension and its anticipated length, which may
44.15 not exceed 60 days unless approved by the applicant.

44.16 (g) An applicant may by written notice to the agency request an extension of the
44.17 time limit under this section.

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

44.19 Sec. 12. Minnesota Statutes 2006, section 16A.531, subdivision 1a, is amended to read:

44.20 Subd. 1a. **Revenues.** The following revenues must be deposited in the
44.21 environmental fund:

44.22 (1) all revenue from the motor vehicle transfer fee imposed under section 115A.908;

44.23 (2) all fees collected under section 116.07, subdivision 4d;

44.24 (3) all money collected by the Pollution Control Agency in enforcement matters
44.25 as provided in section 115.073;

44.26 (4) all revenues from license fees for individual sewage treatment systems under
44.27 section 115.56;

44.28 (5) all loan repayments deposited under section 115A.0716;

44.29 (6) all revenue from pollution prevention fees imposed under section 115D.12;

44.30 (7) all loan repayments deposited under section 116.994;

44.31 (8) all fees collected under section 116C.834;

44.32 (9) revenue collected from the solid waste management tax pursuant to chapter 297H;

44.33 (10) fees collected under section 473.844; ~~and~~

44.34 (11) interest accrued on the fund; and

45.1 (12) money received in the form of gifts, grants, reimbursement, or appropriation
45.2 from any source for any of the purposes provided in subdivision 2, except federal grants.

45.3 Sec. 13. **[17.035] VENISON DISTRIBUTION AND REIMBURSEMENT.**

45.4 Subdivision 1. **Reimbursement.** A meat processor holding a license under chapter
45.5 28A may apply to the commissioner of agriculture for reimbursement of \$70 towards the
45.6 cost of processing donated deer. The meat processor shall deliver the deer, processed into
45.7 cuts or ground meat, to a charitable organization that is registered under chapter 309 and
45.8 with the commissioner of agriculture and that operates a food assistance program. To
45.9 request reimbursement, the processor shall submit an application, on a form prescribed by
45.10 the commissioner of agriculture, the tag number under which the deer was taken, and a
45.11 receipt for the deer from the charitable organization.

45.12 Subd. 2. **Distribution.** (a) The commissioner of agriculture shall ensure the
45.13 equitable statewide distribution of processed deer by requiring the charitable organization
45.14 to allocate and distribute processed deer according to the allocation formula used in the
45.15 distribution of United States Department of Agriculture commodities under the federal
45.16 emergency food assistance program. The charitable organization must submit quarterly
45.17 reports to the commissioner on forms prescribed by the commissioner. The reports must
45.18 include, but are not limited to, information on the amount of processed deer received and
45.19 the organizations to which the meat was distributed.

45.20 (b) The commissioner of agriculture may adopt rules to implement this section.

45.21 Sec. 14. Minnesota Statutes 2006, section 17.4984, subdivision 1, is amended to read:

45.22 Subdivision 1. **License required.** (a) A person or entity may not operate an aquatic
45.23 farm without first obtaining an aquatic farm license from the commissioner.

45.24 (b) Applications for an aquatic farm license must be made on forms provided by
45.25 the commissioner.

45.26 (c) Licenses are valid for five years and are transferable upon notification to the
45.27 commissioner.

45.28 (d) The commissioner shall issue an aquatic farm license on payment of the required
45.29 license fee under section 17.4988.

45.30 (e) A license issued by the commissioner is not a determination of private property
45.31 rights, but is only based on a determination that the licensee does not have a significant
45.32 detrimental impact on the public resource.

46.1 (f) By January 15, 2008, the commissioner shall report to the senate and house
46.2 of representatives committees on natural resource policy and finance on policy
46.3 recommendations regarding aquaculture.

46.4 Sec. 15. Minnesota Statutes 2006, section 18G.03, is amended by adding a subdivision
46.5 to read:

46.6 Subd. 5. **Certain species not subject to chapter 18G.** This chapter does not apply
46.7 to exotic aquatic plants and wild animal species regulated under chapter 84D.

46.8 Sec. 16. Minnesota Statutes 2006, section 18G.11, is amended to read:

46.9 **18G.11 COOPERATION WITH OTHER JURISDICTIONS.**

46.10 Subdivision 1. **Detection and control agreements.** The commissioner may enter
46.11 into cooperative agreements with organizations, persons, civic groups, governmental
46.12 agencies, or other organizations to adopt and execute plans to detect and control areas
46.13 infested or infected with harmful plant pests. The cooperative agreements may include
46.14 provisions of joint funding of any control treatment.

46.15 If a harmful plant pest infestation or infection occurs and cannot be adequately
46.16 controlled by individual persons, owners, tenants, or local units of government, the
46.17 commissioner may conduct the necessary control measures independently or on a
46.18 cooperative basis with federal or other units of government.

46.19 Subd. 2. **New and emerging plant pest programs.** The commissioner may make
46.20 grants to municipalities or enter into contracts with municipalities, nurseries, colleges,
46.21 universities, state or federal agencies in connection with new or emerging plant pests
46.22 programs, including research, or any other organization with the legal authority to enter
46.23 into contractual agreements.

46.24 Sec. 17. **[84.02] DEFINITIONS.**

46.25 Subdivision 1. **Definitions.** For purposes of this chapter, the terms defined in this
46.26 section shall have the meanings given them.

46.27 Subd. 2. **Best management practice for native prairie restoration.** "Best
46.28 management practice for native prairie restoration" means using seeds collected from a
46.29 native prairie within the same county or within 25 miles of the county's border, but not
46.30 across the boundary of an ecotype region.

46.31 Subd. 3. **Created grassland.** "Created grassland" means a restoration using seeds
46.32 or plants with origins outside of the state of Minnesota.

47.1	<u>Subd. 4. Ecotype region. "Ecotype region" means the following ecological</u>	
47.2	<u>subsections and counties based on the Department of Natural Resources map, "County</u>	
47.3	<u>Landscape Groupings Based on Ecological Subsections," dated February 15, 2007.</u>	
47.4	<u>Ecotype Region</u>	<u>Counties or portions thereof:</u>
47.5	<u>Rochester Plateau, Blufflands, and Oak</u>	<u>Houston, Winona, Fillmore, Wabasha,</u>
47.6	<u>Savanna</u>	<u>Goodhue, Mower, Freeborn, Steele,</u>
47.7		<u>Olmsted, Rice, Waseca, Dakota, Dodge</u>
47.8	<u>Anoka Sand Plain, Big Woods, and St.</u>	<u>Anoka, Hennepin, Ramsey, Washington,</u>
47.9	<u>Paul Baldwin Plains and Moraines</u>	<u>Chisago, Scott, Carver, McLeod, Wright,</u>
47.10		<u>Benton, Isanti, Le Sueur, Sherburne</u>
47.11	<u>Inner Coteau and Coteau Moraines</u>	<u>Lincoln, Lyon, Pipestone, Rock, Murray,</u>
47.12		<u>Nobles, Jackson, Cottonwood</u>
47.13	<u>Red River Prairie (South)</u>	<u>Traverse, Wilkin, Clay, Becker</u>
47.14	<u>Red River Prairie (North) and Aspen</u>	<u>Kittson, Roseau, Red Lake, Pennington,</u>
47.15	<u>Parklands</u>	<u>Marshall, Clearwater, Mahnomon, Polk,</u>
47.16		<u>Norman</u>
47.17	<u>Minnesota River Prairie (North)</u>	<u>Big Stone, Pope, Stevens, Grant, Swift,</u>
47.18		<u>Chippewa, Meeker, Kandiyohi, Renville,</u>
47.19		<u>Lac qui Parle, Yellow Medicine</u>
47.20	<u>Minnesota River Prairie (South)</u>	<u>Nicollet, Redwood, Brown, Watonwan,</u>
47.21		<u>Martin, Faribault, Blue Earth, Sibley</u>
47.22	<u>Hardwood Hills</u>	<u>Douglas, Morrison, Otter Tail, Stearns,</u>
47.23		<u>Todd</u>

47.24 Subd. 5. **Native prairie.** "Native prairie" means land that has never been plowed
47.25 where native prairie vegetation originating from the site currently predominates or, if
47.26 disturbed, is predominantly covered with native prairie vegetation that originated from the
47.27 site. Unbroken pasture land used for livestock grazing can be considered native prairie if it
47.28 has predominantly native vegetation originating from the site and conservation practices
47.29 have maintained biological diversity.

47.30 Subd. 6. **Native prairie species of a local ecotype.** "Native prairie species of a local
47.31 ecotype" means a genetically differentiated population of a species that has at least one
47.32 trait (morphological, biochemical, fitness, or phenological) that is evolutionarily adapted
47.33 to local environmental conditions, notably plant competitors, pathogens, pollinators, soil
47.34 microorganisms, growing season length, climate, hydrology, and soil.

47.35 Subd. 7. **Restored native prairie.** "Restored native prairie" means a restoration
47.36 using at least 25 representative and biologically diverse native prairie plant species of a
47.37 local ecotype originating in the same county as the restoration site or within 25 miles of
47.38 the county's border, but not across the boundary of an ecotype region.

48.1 Subd. 8. **Restored prairie.** "Restored prairie" means a restoration using at least
48.2 25 representative and biologically diverse native prairie plant species originating from
48.3 the same ecotype region in which the restoration occurs.

48.4 Sec. 18. Minnesota Statutes 2006, section 84.025, subdivision 9, is amended to read:

48.5 Subd. 9. **Professional services support account.** The commissioner of natural
48.6 resources may bill the various programs carried out by the commissioner for the costs of
48.7 providing them with professional support services. Except as provided under section
48.8 89.421, receipts must be credited to a special account in the state treasury and are
48.9 appropriated to the commissioner to pay the costs for which the billings were made.

48.10 The commissioner of natural resources shall submit to the commissioner of finance
48.11 before the start of each fiscal year a work plan showing the estimated work to be done
48.12 during the coming year, the estimated cost of doing the work, and the positions and fees
48.13 that will be necessary. This account is exempted from statewide and agency indirect
48.14 cost payments.

48.15 Sec. 19. Minnesota Statutes 2006, section 84.026, subdivision 1, is amended to read:

48.16 Subdivision 1. **Contracts.** The commissioner of natural resources is authorized
48.17 to enter into contractual agreements with any public or private entity for the provision
48.18 of statutorily prescribed natural resources services by the department. The contracts
48.19 shall specify the services to be provided. Except as provided under section 89.421, funds
48.20 generated in a contractual agreement made pursuant to this section shall be deposited in
48.21 the special revenue fund and are appropriated to the department for purposes of providing
48.22 the services specified in the contracts. The commissioner shall report revenues collected
48.23 and expenditures made under this subdivision to the chairs of the Committees on Ways and
48.24 Means in the house and Finance in the senate by January 1 of each odd-numbered year.

48.25 Sec. 20. Minnesota Statutes 2006, section 84.027, is amended by adding a subdivision
48.26 to read:

48.27 Subd. 13a. **Game and fish expedited permanent rules.** In addition to the authority
48.28 granted in subdivision 13, the commissioner of natural resources may adopt rules under
48.29 section 14.389 that are authorized under:

48.30 (1) chapters 97A, 97B, and 97C to describe zone or permit area boundaries, to
48.31 designate fish spawning beds or fish preserves, to select hunters or anglers for areas,
48.32 to provide for registration of game or fish, to prevent or control wildlife disease, or to
48.33 correct errors or omissions in rules that do not have a substantive effect on the intent or
48.34 application of the original rule; or

49.1 (2) section 84D.12 to designate prohibited invasive species, regulated invasive
49.2 species, and unregulated nonnative species.

49.3 Sec. 21. Minnesota Statutes 2006, section 84.0272, is amended by adding a subdivision
49.4 to read:

49.5 Subd. 5. **Easement information.** Parties to an easement purchased under the
49.6 authority of the commissioner must:

49.7 (1) specify in the easement all provisions that are perpetual in nature;

49.8 (2) file the easement with the county recorder or registrar of titles in the county
49.9 in which the land is located; and

49.10 (3) submit an electronic copy of the easement to the commissioner.

49.11 Sec. 22. Minnesota Statutes 2006, section 84.0855, subdivision 1, is amended to read:

49.12 Subdivision 1. **Sales authorized; gift certificates.** The commissioner may
49.13 sell natural resources-related publications and maps; forest resource assessment
49.14 products; federal migratory waterfowl, junior duck, and other federal stamps; and other
49.15 nature-related merchandise, and may rent or sell items for the convenience of persons using
49.16 Department of Natural Resources facilities or services. The commissioner may sell gift
49.17 certificates for any items rented or sold. Notwithstanding section 16A.1285, a fee charged
49.18 by the commissioner under this section may include a reasonable amount in excess of the
49.19 actual cost to support Department of Natural Resources programs. The commissioner may
49.20 advertise the availability of a program or item offered under this section.

49.21 Sec. 23. Minnesota Statutes 2006, section 84.0855, subdivision 2, is amended to read:

49.22 Subd. 2. **Receipts; appropriation.** Except as provided under section 89.421,
49.23 money received by the commissioner under this section or to buy supplies for the use of
49.24 volunteers, may be credited to one or more special accounts in the state treasury and is
49.25 appropriated to the commissioner for the purposes for which the money was received.
49.26 Money received from sales at the state fair shall be available for state fair related costs.
49.27 Money received from sales of intellectual property and software products or services shall
49.28 be available for development, maintenance, and support of software products and systems.

49.29 Sec. 24. Minnesota Statutes 2006, section 84.777, is amended to read:

49.30 **84.777 OFF-HIGHWAY VEHICLE USE OF STATE LANDS RESTRICTED.**

49.31 Subdivision 1. **Designated trails.** (a) Except as otherwise allowed by law or rules
49.32 adopted by the commissioner, effective June 1, 2003, notwithstanding sections 84.787
49.33 to 84.805 and 84.92 to 84.929, the use of off-highway vehicles is prohibited on state

50.1 land administered by the commissioner of natural resources, and on county-administered
50.2 forest land within the boundaries of a state forest, except on roads and trails specifically
50.3 designated and posted by the commissioner for use by off-highway vehicles.

50.4 (b) Paragraph (a) does not apply to county-administered land within a state forest if
50.5 the county board adopts a resolution that modifies restrictions on the use of off-highway
50.6 vehicles on county-administered land within the forest.

50.7 Subd. 2. Off-highway vehicle seasons. (a) The commissioner shall prescribe
50.8 seasons for off-highway vehicle use on state forest lands. Except for designated forest
50.9 roads, a person must not operate an off-highway vehicle on state forest lands outside of
50.10 the seasons prescribed under this paragraph.

50.11 (b) The commissioner may designate and post winter trails on state forest lands
50.12 for use by off-highway vehicles.

50.13 (c) For the purposes of this subdivision, "state forest lands" means forest lands under
50.14 the authority of the commissioner as defined in section 89.001, subdivision 13, and lands
50.15 managed by the commissioner under section 282.011.

50.16 Subd. 3. Mapped trails. Except as provided in sections 84.926 and 84.928, after
50.17 completion of off-highway vehicle maps for the area, a person must not operate an
50.18 off-highway vehicle on state land that is not mapped for the type of off-highway vehicle.

50.19 Subd. 4. Exemption from rulemaking. Determinations of the commissioner under
50.20 this section may be by written order published in the State Register and are exempt from
50.21 the rulemaking provisions of chapter 14. Section 14.386 does not apply.

50.22 Sec. 25. Minnesota Statutes 2006, section 84.780, is amended to read:

50.23 **84.780 OFF-HIGHWAY VEHICLE DAMAGE ACCOUNT.**

50.24 (a) The off-highway vehicle damage account is created in the natural resources fund.
50.25 Money in the off-highway vehicle damage account is appropriated to the commissioner of
50.26 natural resources for the repair or restoration of property damaged by the illegal operation
50.27 of off-highway vehicles or the operation of off-highway vehicles in an unpermitted area
50.28 after August 1, 2003, and for the costs of administration for this section. Before the
50.29 commissioner may make a payment from this account, the commissioner must determine
50.30 whether the damage to the property was caused by the unpermitted or illegal use of
50.31 off-highway vehicles, that the applicant has made reasonable efforts to identify the
50.32 responsible individual and obtain payment from the individual, and that the applicant has
50.33 made reasonable efforts to prevent reoccurrence. ~~By June 30, 2008, the commissioner of~~
50.34 ~~finance must transfer the remaining balance in the account to the off-highway motorcycle~~

51.1 ~~account under section 84.794, the off-road vehicle account under section 84.803, and the~~
51.2 ~~all-terrain vehicle account under section 84.927. The amount transferred to each account~~
51.3 ~~must be proportionate to the amounts received in the damage account from the relevant~~
51.4 ~~off-highway vehicle accounts.~~

51.5 (b) Determinations of the commissioner under this section may be made by written
51.6 order and are exempt from the rulemaking provisions of chapter 14. Section 14.386
51.7 does not apply.

51.8 (c) ~~This section expires July 1, 2008~~ Money in the account is available until
51.9 expended.

51.10 Sec. 26. **[84.8045] RESTRICTIONS ON OFF-ROAD VEHICLE TRAILS.**

51.11 Notwithstanding any provision of sections 84.797 to 84.805 or other law to the
51.12 contrary, the commissioner shall not permit land administered by the commissioner in
51.13 Cass, Crow Wing, and Hubbard Counties to be used or developed for trails primarily for
51.14 off-road vehicles as defined in section 84.797, subdivision 7, except:

- 51.15 (1) upon approval by the legislature; or
51.16 (2) in designated off-road vehicle use areas.

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

51.18 Sec. 27. **[84.9011] OFF-HIGHWAY VEHICLE SAFETY AND CONSERVATION**
51.19 **PROGRAM.**

51.20 Subdivision 1. **Creation.** The commissioner of natural resources shall establish
51.21 a program to promote the safe and responsible operation of off-highway vehicles in a
51.22 manner that does not harm the environment.

51.23 Subd. 2. **Agreements.** (a) The commissioner shall enter into agreements with
51.24 organizations for volunteer services that promote the safe and responsible operation
51.25 of off-highway vehicles in a manner that does not harm the environment to maintain,
51.26 make improvements to, and monitor trails on state forest land and other public lands.
51.27 The organizations shall promote the operation of off-highway vehicles in a safe and
51.28 responsible manner that complies with the laws and rules that relate to the operation
51.29 of off-highway vehicles.

51.30 (b) The organizations may provide assistance to the department in locating,
51.31 recruiting, and training instructors for off-highway vehicle training programs.

51.32 (c) The commissioner may provide assistance to enhance the comfort and safety
51.33 of volunteers and to facilitate the implementation and administration of the safety and
51.34 conservation program.

52.1 (d) The commissioner shall establish standards, train, and certify organizations and
52.2 individuals participating as volunteers under this section. The training shall include:

52.3 (1) the identification of invasive species;

52.4 (2) correctly reporting the location of invasive species; and

52.5 (3) basic global positioning system operation.

52.6 Subd. 3. **Worker displacement prohibited.** The commissioner may not enter into
52.7 any agreement that has the purpose of or results in the displacement of public employees
52.8 by volunteers participating in the off-highway safety and conservation program under
52.9 this section. The commissioner must certify to the appropriate bargaining agent that the
52.10 work performed by a volunteer will not result in the displacement of currently employed
52.11 workers or workers on seasonal layoff or layoff from a substantially equivalent position,
52.12 including partial displacement such as reduction in hours of nonovertime work, wages, or
52.13 other employment benefits.

52.14 Subd. 4. **Off-Highway Vehicle Safety Advisory Council.** (a) The commissioner
52.15 of natural resources shall appoint an Off-Highway Vehicle Safety Advisory Council to
52.16 advise the commissioner on:

52.17 (1) off-highway vehicle safety; and

52.18 (2) standards and certification for organizations and individuals participating as
52.19 volunteers under this section.

52.20 Sec. 28. Minnesota Statutes 2006, section 84.922, subdivision 1a, is amended to read:

52.21 Subd. 1a. **Exemptions.** All-terrain vehicles exempt from registration are:

52.22 (1) vehicles owned and used by the United States, the state, another state, or a
52.23 political subdivision;

52.24 (2) vehicles registered in another state or country that have not been in this state
52.25 for more than 30 consecutive days; ~~and~~

52.26 (3) vehicles used exclusively in organized track racing events; and

52.27 (4) vehicles that are 25 years old or older and were originally produced as a separate
52.28 identifiable make by a manufacturer.

52.29 Sec. 29. Minnesota Statutes 2006, section 84.922, subdivision 5, is amended to read:

52.30 Subd. 5. **Fees for registration.** (a) The fee for a three-year registration of
52.31 an all-terrain vehicle under this section, other than those registered by a dealer or
52.32 manufacturer under paragraph (b) or (c), is:

52.33 (1) ~~for public use before January 1, 2005, \$23;~~

52.34 ~~(2) for public use on January 1, 2005, and after, \$30~~ \$45;

53.1 ~~(3)~~ (2) for private use, \$6; and

53.2 ~~(4)~~ (3) for a duplicate or transfer, \$4.

53.3 (b) The total registration fee for all-terrain vehicles owned by a dealer and operated
53.4 for demonstration or testing purposes is \$50 per year. Dealer registrations are not
53.5 transferable.

53.6 (c) The total registration fee for all-terrain vehicles owned by a manufacturer and
53.7 operated for research, testing, experimentation, or demonstration purposes is \$150 per
53.8 year. Manufacturer registrations are not transferable.

53.9 (d) The fees collected under this subdivision must be credited to the all-terrain
53.10 vehicle account.

53.11 **EFFECTIVE DATE.** This section is effective January 1, 2008.

53.12 Sec. 30. Minnesota Statutes 2006, section 84.927, subdivision 2, is amended to read:

53.13 Subd. 2. **Purposes.** Subject to appropriation by the legislature, money in the
53.14 all-terrain vehicle account may only be spent for:

53.15 (1) the education and training program under section 84.925;

53.16 (2) administration, enforcement, and implementation of sections 84.773 to 84.929;

53.17 (3) acquisition, maintenance, and development of vehicle trails and use areas;

53.18 (4) grant-in-aid programs to counties and municipalities to construct and maintain
53.19 all-terrain vehicle trails and use areas;

53.20 (5) grants-in-aid to local safety programs; ~~and~~

53.21 (6) enforcement and public education grants to local law enforcement agencies; and

53.22 (7) maintenance of minimum-maintenance forest roads designated under section

53.23 89.71, subdivision 5, and county forest roads that are part of a designated trail system

53.24 within state forest boundaries as established under section 89.021.

53.25 The distribution of funds made available through grant-in-aid programs must be
53.26 guided by the statewide comprehensive outdoor recreation plan.

53.27 Sec. 31. Minnesota Statutes 2006, section 84.963, is amended to read:

53.28 **84.963 PRAIRIE PLANT SEED PRODUCTION AREAS.**

53.29 (a) The commissioner of natural resources shall study the feasibility of establishing

53.30 private or public prairie plant seed production areas within prairie land locations. If

53.31 prairie plant seed production is feasible, the commissioner may aid the establishment of

53.32 production areas. The commissioner may enter cost-share or sharecrop agreements with

53.33 landowners having easements for conservation purposes of ten or more years on their land

53.34 to commercially produce prairie plant seed of Minnesota origin. The commissioner may

54.1 only aid prairie plant seed production areas on agricultural land used to produce crops
54.2 before December 23, 1985, and cropped three out of five years between 1981 and 1985.

54.3 (b) The commissioner shall compile, prepare, and electronically disseminate to
54.4 the public prairie establishment guidance materials and resources. The resources must
54.5 provide information and guidance on project planning, seed selection including ecotype
54.6 and species mix, site preparation, seeding, maintenance, and technical service providers.
54.7 The commissioner shall use actual prairie restoration projects under development on
54.8 state-owned land to illustrate and demonstrate the practices described.

54.9 Sec. 32. Minnesota Statutes 2006, section 84D.02, is amended by adding a subdivision
54.10 to read:

54.11 Subd. 7. **Contracts for services for emergency invasive species prevention work;**
54.12 **commissions to persons employed.** The commissioner may contract for or accept the
54.13 services of any persons whose aid is available, temporarily or otherwise, in emergency
54.14 invasive species prevention work, either gratuitously or for compensation not in excess of
54.15 the limits provided by law with respect to the employment of labor by the commissioner.
54.16 The commissioner may issue a commission, or other written evidence of authority, to any
54.17 person whose services are so arranged for and may thereby empower the person to act,
54.18 temporarily or otherwise, in any other capacity, with powers and duties as may be specified
54.19 in the commission or other written evidence of authority, but not in excess of the powers
54.20 conferred by law. The commissioner of agriculture, under authority provided by law, shall
54.21 cooperate with the commissioner in emergency control of invasive species prevention.

54.22 Sec. 33. Minnesota Statutes 2006, section 84D.03, subdivision 1, is amended to read:

54.23 Subdivision 1. **Infested waters; restricted activities.** (a) The commissioner shall
54.24 designate a water of the state as an infested water if the commissioner determines that:

54.25 (1) the water contains a population of an aquatic invasive species that could spread
54.26 to other waters if use of the water and related activities are not regulated to prevent this; or

54.27 (2) the water is highly likely to be infested by an aquatic invasive species because it
54.28 is connected to a water that contains a population of an aquatic invasive species.

54.29 (b) When determining which invasive species comprise infested waters, the
54.30 commissioner shall consider:

54.31 (1) the extent of a species distribution within the state;

54.32 (2) the likely means of spread for a species; and

54.33 (3) whether regulations specific to infested waters containing a specific species
54.34 will effectively reduce that species' spread.

55.1 (c) The presence of common carp and curly-leaf pondweed shall not be the basis for
55.2 designating a water as infested.

55.3 (d) The designation of infested waters by the commissioner shall be by written order
55.4 published in the State Register. Designations are not subject to the rulemaking provisions
55.5 of chapter 14 and section 14.386 does not apply.

55.6 Sec. 34. Minnesota Statutes 2006, section 84D.12, subdivision 1, is amended to read:

55.7 Subdivision 1. **Required rules.** The commissioner shall adopt rules:

55.8 (1) designating ~~infested waters~~, prohibited invasive species, regulated invasive
55.9 species, and unregulated nonnative species of aquatic plants and wild animals;

55.10 (2) governing the application for and issuance of permits under this chapter, which
55.11 rules may include a fee schedule; and

55.12 (3) governing notification under section 84D.08.

55.13 Sec. 35. Minnesota Statutes 2006, section 84D.12, subdivision 3, is amended to read:

55.14 Subd. 3. **Expedited rules.** The commissioner may adopt rules under section 84.027,
55.15 subdivision 13, that designate:

55.16 (1) prohibited invasive species of aquatic plants and wild animals;

55.17 (2) regulated invasive species of aquatic plants and wild animals; and

55.18 (3) unregulated nonnative species of aquatic plants and wild animals; ~~and~~

55.19 ~~(4) infested waters.~~

55.20 Sec. 36. Minnesota Statutes 2006, section 84D.13, subdivision 7, is amended to read:

55.21 Subd. 7. **Satisfaction of civil penalties.** A civil penalty is due and a watercraft
55.22 license suspension is effective 30 days after issuance of the civil citation. A civil penalty
55.23 collected under this section is payable to the commissioner and must be credited to the
55.24 ~~water recreation account~~ invasive species account.

55.25 Sec. 37. Minnesota Statutes 2006, section 84D.14, is amended to read:

55.26 **84D.14 EXEMPTIONS.**

55.27 This chapter does not apply to:

55.28 (1) pathogens and terrestrial arthropods regulated under sections 18G.01 to ~~18G.16~~
55.29 18G.15; or

55.30 (2) mammals and birds defined by statute as livestock.

55.31 Sec. 38. **[84D.15] INVASIVE SPECIES ACCOUNT.**

56.1 Subdivision 1. **Creation.** The invasive species account is created in the state
56.2 treasury in the natural resources fund.

56.3 Subd. 2. **Receipts.** Money received from surcharges on watercraft licenses under
56.4 section 86B.415, subdivision 7, and civil penalties under section 84D.13 shall be deposited
56.5 in the invasive species account. Each year, the commissioner of finance shall transfer from
56.6 the game and fish fund to the invasive species account, the annual surcharge collected on
56.7 nonresident fishing licenses under section 97A.475, subdivision 7, paragraph (b).

56.8 Subd. 3. **Use of money in account.** Money credited to the invasive species account
56.9 in subdivision 2 shall be used for management of invasive species and implementation of
56.10 this chapter as it pertains to invasive species, including control, public awareness, law
56.11 enforcement, assessment and monitoring, management planning, and research.

56.12 Sec. 39. Minnesota Statutes 2006, section 85.013, is amended by adding a subdivision
56.13 to read:

56.14 Subd. 11b. Greenleaf Lake State Recreation Area, which is hereby renamed from
56.15 Greenleaf Lake State Park.

56.16 Sec. 40. **[85.0146] CUYUNA COUNTRY STATE RECREATION AREA;**
56.17 **CITIZENS ADVISORY COUNCIL.**

56.18 Subdivision 1. **Advisory council created.** The Cuyuna Country State Recreation
56.19 Area Citizens Advisory Council is established. Membership on the advisory council
56.20 shall include:

56.21 (1) a representative of the Cuyuna Range Mineland Recreation Area Joint Powers
56.22 Board;

56.23 (2) a representative of the Croft Mine Historical Park Joint Powers Board;

56.24 (3) a designee of the Cuyuna Range Mineland Reclamation Committee who has
56.25 worked as a miner in the local area;

56.26 (4) a representative of the Crow Wing County Board;

56.27 (5) an elected state official;

56.28 (6) a representative of the Grand Rapids regional office of the Department of Natural
56.29 Resources;

56.30 (7) a designee of the Iron Range Resources and Rehabilitation Board;

56.31 (8) a designee of the local business community selected by the area chambers of
56.32 commerce;

56.33 (9) a designee of the local environmental community selected by the Crow Wing
56.34 County District 5 commissioner;

57.1 (10) a designee of a local education organization selected by the Crosby-Ironton
57.2 School Board;

57.3 (11) a designee of one of the recreation area user groups selected by the Cuyuna
57.4 Range Chamber of Commerce; and

57.5 (12) a member of the Cuyuna Country Heritage Preservation Society.

57.6 Subd. 2. **Administration.** (a) The advisory council must meet at least four times
57.7 annually. The council shall elect a chair and meetings shall be at the call of the chair.

57.8 (b) Members of the advisory council shall serve as volunteers for two-year terms
57.9 with the ability to be reappointed. Members shall accept no per diem.

57.10 (c) The state recreation area manager may attend the council meetings and advise
57.11 the council of issues in management of the recreation area.

57.12 (d) Before a major decision is implemented in the Cuyuna Country State Recreation
57.13 Area, the area manager must consult with the council and take into consideration any
57.14 council comments or advice that may impact the major decision.

57.15 Sec. 41. Minnesota Statutes 2006, section 85.054, is amended by adding a subdivision
57.16 to read:

57.17 Subd. 13. **Cuyuna Country State Recreation Area.** A state park permit is not
57.18 required and a fee may not be charged for motor vehicle entry or parking at Croft Mine
57.19 Historical Park and Portsmouth Mine Lake Overlook in Cuyuna Country State Recreation
57.20 Area, except for overnight camping.

57.21 Sec. 42. Minnesota Statutes 2006, section 85.32, subdivision 1, is amended to read:

57.22 Subdivision 1. **Areas marked.** The commissioner of natural resources is authorized
57.23 in cooperation with local units of government and private individuals and groups when
57.24 feasible to mark canoe and boating routes on the Little Fork, Big Fork, Minnesota,
57.25 St. Croix, Snake, Mississippi, Red Lake, Cannon, Straight, Des Moines, Crow Wing,
57.26 St. Louis, Pine, Rum, Kettle, Cloquet, Root, Zumbro, Pomme de Terre within Swift
57.27 County, Watonwan, Cottonwood, Whitewater, Chippewa from Benson in Swift County
57.28 to Montevideo in Chippewa County, Long Prairie, Red River of the North, Sauk, Otter
57.29 Tail, Redwood, and Crow Rivers which have historic and scenic values and to mark
57.30 appropriately points of interest, portages, camp sites, and all dams, rapids, waterfalls,
57.31 whirlpools, and other serious hazards which are dangerous to canoe and watercraft
57.32 travelers.

57.33 Sec. 43. Minnesota Statutes 2006, section 86B.706, subdivision 2, is amended to read:

58.1 Subd. 2. **Money deposited in account.** The following shall be deposited in the state
58.2 treasury and credited to the water recreation account:

58.3 (1) fees ~~and surcharges~~ from titling and licensing of watercraft under this chapter;

58.4 (2) fines, installment payments, and forfeited bail according to section 86B.705,
58.5 subdivision 2;

58.6 (3) ~~civil penalties according to section 84D.13;~~

58.7 ~~(4)~~ mooring fees and receipts from the sale of marine gas at state-operated or
58.8 state-assisted small craft harbors and mooring facilities according to section 86A.21;

58.9 ~~(5)~~ (4) the unrefunded gasoline tax attributable to watercraft use under section
58.10 296A.18; and

58.11 ~~(6)~~ (5) fees for permits issued to control or harvest aquatic plants other than wild
58.12 rice under section 103G.615, subdivision 2.

58.13 Sec. 44. Minnesota Statutes 2006, section 88.01, is amended by adding a subdivision
58.14 to read:

58.15 Subd. 27. **Community forest.** "Community forest" means public and private trees
58.16 and associated plants occurring individually, in small groups, or under forest conditions
58.17 within a municipality.

58.18 Sec. 45. Minnesota Statutes 2006, section 88.79, subdivision 1, is amended to read:

58.19 Subdivision 1. **Employment of competent foresters; service to private owners.**

58.20 The commissioner of natural resources may employ competent foresters to furnish owners
58.21 of forest lands within the state of Minnesota who own not more than 1,000 acres of forest
58.22 land, forest management services consisting of:

58.23 (1) advice in management and protection of timber, including written stewardship
58.24 and forest management plans;

58.25 (2) selection and marking of timber to be cut;

58.26 (3) measurement of products;

58.27 (4) aid in marketing harvested products;

58.28 (5) provision of tree-planting equipment; ~~and~~

58.29 (6) advice in community forest management; and

58.30 (7) such other services as the commissioner of natural resources deems necessary
58.31 or advisable to promote maximum sustained yield of timber and other benefits upon
58.32 such forest lands.

58.33 Sec. 46. Minnesota Statutes 2006, section 88.79, subdivision 2, is amended to read:

59.1 Subd. 2. **Charge for service; receipts to special revenue fund.** The commissioner
59.2 of natural resources may charge the owner receiving such services such sums as the
59.3 commissioner shall determine to be fair and reasonable. The charges must account for
59.4 differences in the value of timber and other benefits. The receipts from such services shall
59.5 be credited to the special revenue fund and are annually appropriated to the commissioner
59.6 for the purposes specified in subdivision 1.

59.7 Sec. 47. Minnesota Statutes 2006, section 88.82, is amended to read:

59.8 **88.82 MINNESOTA RELEAF PROGRAM.**

59.9 The Minnesota releaf program is established in the Department of Natural Resources
59.10 to encourage, promote, and fund the inventory, planting, assessment, maintenance, and
59.11 improvement, protection, and restoration of trees and forest resources in this state to
59.12 enhance community forest ecosystem health and sustainability as well as to reduce
59.13 atmospheric carbon dioxide levels and promote energy conservation.

59.14 Sec. 48. Minnesota Statutes 2006, section 89.001, subdivision 8, is amended to read:

59.15 Subd. 8. **Forest resources.** "Forest resources" means those natural assets of forest
59.16 lands, including timber and other forest crops; biological diversity; recreation; fish and
59.17 wildlife habitat; wilderness; rare and distinctive flora and fauna; air; water; soil; climate;
59.18 and educational, aesthetic, and historic values.

59.19 Sec. 49. Minnesota Statutes 2006, section 89.001, is amended by adding a subdivision
59.20 to read:

59.21 Subd. 15. **Forest pest.** "Forest pest" means any vertebrate or invertebrate animal,
59.22 plant pathogen, or plant that is determined by the commissioner to be harmful, injurious,
59.23 or destructive to forests or timber.

59.24 Sec. 50. Minnesota Statutes 2006, section 89.001, is amended by adding a subdivision
59.25 to read:

59.26 Subd. 16. **Shade tree pest.** "Shade tree pest" means any vertebrate or invertebrate
59.27 animal, plant pathogen, or plant that is determined by the commissioner to be harmful,
59.28 injurious, or destructive to shade trees or community forests.

59.29 Sec. 51. Minnesota Statutes 2006, section 89.001, is amended by adding a subdivision
59.30 to read:

59.31 Subd. 17. **Community forest.** "Community forest" has the meaning given under
59.32 section 88.01, subdivision 27.

60.1 Sec. 52. Minnesota Statutes 2006, section 89.001, is amended by adding a subdivision
60.2 to read:

60.3 Subd. 18. **Shade tree.** "Shade tree" means a woody perennial grown primarily
60.4 for aesthetic or environmental purposes.

60.5 Sec. 53. Minnesota Statutes 2006, section 89.01, subdivision 1, is amended to read:

60.6 Subdivision 1. **Best methods.** The commissioner shall ascertain and observe the
60.7 best methods of reforesting cutover and denuded lands, foresting waste lands, ~~preventing~~
60.8 ~~destruction~~ minimizing loss or damage of forests and lands forest resources by fire, forest
60.9 pests, or shade tree pests, administering forests on forestry principles, encouraging private
60.10 owners to preserve and grow trees or timber for commercial or other purposes, and
60.11 conserving the forests around the head waters of streams and on the watersheds of the state.

60.12 Sec. 54. Minnesota Statutes 2006, section 89.01, subdivision 2, is amended to read:

60.13 Subd. 2. **General duties.** The commissioner shall execute all rules pertaining
60.14 to forestry and forest protection within the jurisdiction of the state; have charge of the
60.15 work of protecting all forests and lands from fire, forest pests, and shade tree pests;
60.16 shall investigate the origin of all forest fires; and prosecute all violators as provided by
60.17 law; shall prepare and print for public distribution an abstract of the forest fire laws of
60.18 Minnesota, together with such rules as may be formulated.

60.19 The commissioner shall prepare printed notices calling attention to the dangers from
60.20 forest fires and cause them to be posted in conspicuous places.

60.21 Sec. 55. Minnesota Statutes 2006, section 89.01, subdivision 4, is amended to read:

60.22 Subd. 4. **Forest plans.** The commissioner shall cooperate with the several
60.23 departments of the state and federal governments and with counties, towns, municipalities,
60.24 corporations, or individuals in the preparation of plans for forest protection; and
60.25 management; and planting or replacement of trees; in wood lots; and community forests
60.26 or on timber tracts, using such influence as time will permit toward the establishment of
60.27 scientific forestry principles in the management, protection, and promotion of the forest
60.28 resources of the state.

60.29 Sec. 56. Minnesota Statutes 2006, section 89.22, subdivision 2, is amended to read:

60.30 Subd. 2. **Receipts to ~~natural resources~~ special revenue fund.** Fees collected under
60.31 subdivision 1 shall be credited to ~~a forest land use account in the natural resources fund~~
60.32 the special revenue fund and are annually appropriated to the commissioner to recoup the

61.1 costs of developing, operating, and maintaining facilities necessary for the specified uses
61.2 in subdivision 1 or to prevent or mitigate resource impacts of those uses.

61.3 **EFFECTIVE DATE.** This section is effective July 1, 2007, and applies to fees
61.4 collected according to Minnesota Statutes, section 89.22, subdivision 1, after August
61.5 1, 2006.

61.6 Sec. 57. **[89.421] FOREST RESOURCE ASSESSMENT PRODUCTS AND**
61.7 **SERVICES ACCOUNT.**

61.8 Subdivision 1. **Creation.** The forest resource assessment products and services
61.9 account is created in the state treasury in the natural resources fund.

61.10 Subd. 2. **Receipts.** Money received from forest resource assessment product sales
61.11 and services provided by the commissioner under sections 84.025, subdivision 9; 84.026;
61.12 and 84.0855 shall be credited to the forest resource assessment products and services
61.13 account. Forest resource assessment products and services include the sale of aerial
61.14 photography, remote sensing, and satellite imagery products and services.

61.15 Subd. 3. **Use of money in account.** Money credited to the forest resource
61.16 assessment products and services account under subdivision 2 is annually appropriated to
61.17 the commissioner and shall be used to maintain the staff and facilities producing the aerial
61.18 photography, remote sensing, and satellite imagery products and services.

61.19 Sec. 58. Minnesota Statutes 2006, section 89.51, subdivision 1, is amended to read:

61.20 Subdivision 1. **Applicability.** For the purposes of sections 89.51 to ~~89.61~~ 89.64 the
61.21 terms described in this section have the meanings ascribed to them.

61.22 Sec. 59. Minnesota Statutes 2006, section 89.51, subdivision 6, is amended to read:

61.23 Subd. 6. **Infestation.** "Infestation;" includes actual, potential, incipient, or
61.24 ~~emergency~~ emergent infestation or infection by forest pests or shade tree pests.

61.25 Sec. 60. Minnesota Statutes 2006, section 89.51, subdivision 9, is amended to read:

61.26 Subd. 9. **Forest land or forest.** "Forest land" or "forest;" means land on which
61.27 occurs a stand or potential stand of trees valuable for timber products, watershed or
61.28 wildlife protection, recreational uses, community forest benefits, or other purposes, and
61.29 shall include lands owned or controlled by the state of Minnesota.

61.30 Sec. 61. Minnesota Statutes 2006, section 89.52, is amended to read:

61.31 **89.52 SURVEYS, INVESTIGATIONS.**

62.1 The commissioner shall make surveys and investigations to determine the presence
62.2 of infestations of forest pests or shade tree pests. For this purpose, duly designated
62.3 representatives of the commissioner may enter at reasonable times on public and private
62.4 lands ~~for the purpose of conducting such~~ to conduct the surveys and investigations.

62.5 Sec. 62. Minnesota Statutes 2006, section 89.53, is amended to read:

62.6 **89.53 CONTROL OF FOREST PESTS AND SHADE TREE PESTS.**

62.7 Subdivision 1. **Commissioner's duties; notice of control measures.** Whenever the
62.8 commissioner finds that an area in the state is infested or threatened to be infested with
62.9 forest pests or shade tree pests, the commissioner shall determine whether measures of
62.10 control are needed ~~and are available~~, what control measures are to be applied, and the area
62.11 over which the control measures shall be applied. The commissioner shall prescribe
62.12 a proposed zone of infestation covering the area in which control measures are to be
62.13 applied and shall publish notice of the proposal once a week, for two successive weeks
62.14 in a newspaper having a general circulation in each county located in whole or in part
62.15 in the proposed zone of infestation. Prescribing zones of infestation ~~is~~ and prescribing
62.16 measures of control are exempt from the rulemaking provisions of chapter 14 and section
62.17 14.386 does not apply.

62.18 Subd. 2. **Notice requirements; public comment.** The notice shall include a
62.19 description of the boundaries of the proposed zone of infestation, the control measures
62.20 to be applied, and a time and place where municipalities and owners of forest lands or
62.21 shade trees in the zone may show cause orally or in writing why the zone and control
62.22 measures should or should not be established. The commissioner shall consider any
62.23 statements received in determining whether the zone shall be established and the control
62.24 measures applied.

62.25 Subd. 3. **Experimental programs.** The commissioner may establish experimental
62.26 programs for the control of forest pests or shade tree pests and for municipal reforestation.

62.27 Sec. 63. Minnesota Statutes 2006, section 89.54, is amended to read:

62.28 **89.54 ZONES OF INFESTATION, ESTABLISHMENT.**

62.29 Upon the decision by the commissioner that the establishment of a zone of
62.30 infestation is necessary, the commissioner shall make a written order establishing ~~said~~
62.31 the zone, and upon making ~~said~~ the order, ~~said~~ the zone shall be established. Notice of the
62.32 establishment of the zone shall thereupon be published in a newspaper having a general

63.1 circulation in each county located in whole or in part in the proposed zone and posted on
63.2 the Department of Natural Resources Web site.

63.3 Sec. 64. Minnesota Statutes 2006, section 89.55, is amended to read:

63.4 **89.55 INFESTATION CONTROL, COSTS.**

63.5 Upon the establishment of the zone of infestation, the commissioner may apply
63.6 measures of infestation prevention and control on public and private forest and other
63.7 lands within such zone and to any trees, ~~timber,~~ plants ~~or shrubs thereon,~~ wood or wood
63.8 products, or contaminated soil harboring or which may harbor the forest pests or shade
63.9 tree pests. For this purpose, the duly authorized representatives of the commissioner
63.10 are authorized to enter upon any lands, public or private within ~~such~~ the zone. The
63.11 commissioner may enter into agreements with owners of the lands in the zone covering
63.12 the control work on their lands, and fixing the pro rata basis on which the cost of ~~such~~ the
63.13 work will be shared between the commissioner and ~~said~~ the owner.

63.14 Sec. 65. Minnesota Statutes 2006, section 89.56, subdivision 1, is amended to read:

63.15 Subdivision 1. **Statement of expenses; cost to owners.** At the end of each fiscal
63.16 year and upon completion of the infestation control measures in any zone of infestation,
63.17 the commissioner shall prepare a certified statement of expenses incurred in carrying
63.18 out ~~such~~ the measures, including expenses of owners covered by agreements entered
63.19 into pursuant to section 89.55. The statement shall show the amount ~~which~~ that the
63.20 commissioner determines to be ~~its~~ the commissioner's share of the expenses. The share of
63.21 the commissioner may include funds and the value of other contributions made available
63.22 by the federal government and other cooperators. The balance of ~~such~~ the costs shall
63.23 constitute a charge on an acreage basis as provided herein against the owners of lands in
63.24 the zone containing trees ~~valuable or potentially valuable for commercial timber purposes~~
63.25 ~~and~~ affected or likely to be affected by the forest pests or shade tree pests for which control
63.26 measures were conducted. In fixing the rates at which charges shall be made against each
63.27 owner, the commissioner shall consider the present commercial value of the trees on the
63.28 land, the present and potential benefits to ~~such~~ the owner from the application of the
63.29 control measures, ~~and~~ the cost of applying ~~such~~ the measures to the land, and such other
63.30 factors as in the discretion of the commissioner will enable determination of an equitable
63.31 distribution of the cost to all ~~such~~ owners. No charge shall be made against owners to the
63.32 extent that they have individually or as members of a cooperative association contributed
63.33 funds, supplies, or services pursuant to agreement under this section.

63.34 Sec. 66. Minnesota Statutes 2006, section 89.56, subdivision 3, is amended to read:

64.1 Subd. 3. **Collection.** The unpaid charges assessed under sections 89.51 to ~~89.61~~
64.2 89.64 and the actions of the commissioner on any protests filed pursuant to subdivision 2,
64.3 shall be reported to the tax levying authority for the county in which the lands for which
64.4 the charges are assessed are situated and shall be made a public record. Any charges
64.5 finally determined to be due shall become a special assessment and shall be payable
64.6 in the same manner and with the same interest and penalty charges and with the same
64.7 procedure for collection as apply to ad valorem property taxes. Upon collection of the
64.8 charges, the county treasurer shall forthwith cause the amounts thereof to be paid to the
64.9 forest pest and shade tree pest control fund account created by section 89.58. Any unpaid
64.10 charge or lien against the lands shall not be affected by the sale thereof or by dissolution
64.11 of the zone of infestation.

64.12 Sec. 67. Minnesota Statutes 2006, section 89.57, is amended to read:

64.13 **89.57 DISSOLUTION OF ZONE INFESTATION.**

64.14 Whenever the commissioner shall determine that forest pest or shade tree pest
64.15 control work within an established zone of infestation is no longer necessary or feasible,
64.16 the commissioner shall dissolve the zone.

64.17 Sec. 68. Minnesota Statutes 2006, section 89.58, is amended to read:

64.18 **89.58 FOREST PEST AND SHADE TREE PEST CONTROL ACCOUNT.**

64.19 All money collected under the provisions of sections 89.51 to ~~89.61~~ 89.64, together
64.20 with such money as may be appropriated by the legislature or allocated by the Legislative
64.21 Advisory Commission for the purposes of sections 89.51 to ~~89.61~~ 89.64, and such money
64.22 as may be contributed or paid by the federal government, or any other public or private
64.23 agency, organization or individual, shall be deposited in the state treasury, to the credit
64.24 of the forest pest and shade tree pest control account, which account is hereby created,
64.25 and any moneys therein are appropriated to the commissioner for use in carrying out the
64.26 purposes ~~hereof~~ of sections 89.51 to 89.64.

64.27 Sec. 69. Minnesota Statutes 2006, section 89.59, is amended to read:

64.28 **89.59 COOPERATION.**

64.29 The commissioner may cooperate with the United States or agencies thereof, other
64.30 agencies of the state, county or municipal governments, agencies of neighboring states, or
64.31 other public or private organizations or individuals and may accept such funds, equipment,
64.32 supplies, or services from cooperators and others as ~~it~~ the commissioner may provide in

65.1 agreements with the United States or its agencies for matching of federal funds as required
65.2 under laws of the United States relating to forest pests and shade tree pests.

65.3 Sec. 70. Minnesota Statutes 2006, section 89.60, is amended to read:

65.4 **89.60 DUTIES, RULES; COMMISSIONER.**

65.5 The commissioner is authorized to employ personnel in accordance with the laws of
65.6 this state, to procure necessary equipment, supplies, and service, to enter into contracts, to
65.7 provide funds to any agency of the United States for work or services under sections 89.51
65.8 to ~~89.61~~ 89.64, and to designate or appoint, as ~~its~~ the commissioner's representatives,
65.9 employees of ~~its~~ cooperators, including employees of the United States or any agency
65.10 thereof. The commissioner may prescribe rules for carrying out the purposes ~~hereof~~
65.11 of this section.

65.12 Sec. 71. Minnesota Statutes 2006, section 89.61, is amended to read:

65.13 **89.61 ACT SUPPLEMENTAL.**

65.14 Provisions of sections 89.51 to ~~89.61~~ 89.64 are supplementary to and not to be
65.15 construed to repeal existing legislation.

65.16 Sec. 72. **[89.62] SHADE TREE PEST CONTROL; GRANT PROGRAM.**

65.17 Subdivision 1. Grants. The commissioner may make grants to aid in the control of
65.18 a shade tree pest. To be eligible, a grantee must have a pest control program approved
65.19 by the commissioner that:

65.20 (1) defines tree ownership and who is responsible for the costs associated with
65.21 control measures;

65.22 (2) defines the zone of infestation within which the control measures are to be
65.23 applied;

65.24 (3) includes a tree inspector certified under section 89.63 and having the authority to
65.25 enter and inspect private lands;

65.26 (4) has the means to enforce measures needed to limit the spread of shade tree
65.27 pests; and

65.28 (5) provides that grant money received will be deposited in a separate fund to be
65.29 spent only for the purposes authorized by this section.

65.30 Subd. 2. Grant eligibility. The following are eligible for grants under this section:

65.31 (1) a home rule charter or statutory city or a town that exercises municipal powers
65.32 under section 368.01 or any general or special law;

65.33 (2) a special park district organized under chapter 398;

- 66.1 (3) a special-purpose park and recreation board;
66.2 (4) a soil and water conservation district;
66.3 (5) a county; or
66.4 (6) any other organization with the legal authority to enter into contractual
66.5 agreements.

66.6 Subd. 3. **Rules; applicability to municipalities.** The rules and procedures adopted
66.7 under this section by the commissioner apply in a municipality unless the municipality
66.8 adopts an ordinance determined by the commissioner to be more stringent than the rules
66.9 and procedures of the commissioner. The rules and procedures of the commissioner or
66.10 the municipality apply to all state agencies, special purpose districts, and metropolitan
66.11 commissions as defined in section 473.121, subdivision 5a, that own or control land
66.12 adjacent to or within a zone of infestation.

66.13 Sec. 73. **[89.63] CERTIFICATION OF TREE INSPECTORS.**

66.14 (a) The governing body of a municipality may appoint a qualified tree inspector.
66.15 Two or more municipalities may jointly appoint a tree inspector for the purpose of
66.16 administering their respective pest control programs.

66.17 (b) Upon a determination by the commissioner that a candidate for the position
66.18 of tree inspector is qualified, the commissioner shall issue a certificate of qualification
66.19 to the tree inspector. The certificate is valid for one year. A person certified as a tree
66.20 inspector by the commissioner may enter and inspect any public or private property that
66.21 might harbor forest pests or shade tree pests. The commissioner shall offer an annual tree
66.22 inspector certification workshop, upon completion of which participants are qualified
66.23 as tree inspectors.

66.24 (c) The commissioner may suspend and, upon notice and hearing, decertify a
66.25 tree inspector if the tree inspector fails to act competently or in the public interest in
66.26 the performance of duties.

66.27 Sec. 74. **[89.64] EXEMPTIONS.**

66.28 This chapter does not supersede the authority of the Department of Agriculture
66.29 under chapter 18G.

66.30 Sec. 75. Minnesota Statutes 2006, section 89A.11, is amended to read:

66.31 **89A.11 REPEALER.**

66.32 Sections 89A.01; 89A.02; 89A.03; 89A.04; 89A.05; 89A.06; 89A.07; 89A.08;
66.33 89A.09; 89A.10; and 89A.11, are repealed June 30, ~~2007~~ 2017.

67.1 Sec. 76. Minnesota Statutes 2006, section 90.161, is amended by adding a subdivision
67.2 to read:

67.3 Subd. 4. **Change of security.** Prior to any harvest activity, or activities incidental
67.4 to the preparation for harvest, a purchaser having posted a bond for 100 percent of the
67.5 purchase price of a sale may request the release of the bond and the commissioner shall
67.6 grant the release upon cash payment to the commissioner of 15 percent of the appraised
67.7 value of the sale, plus eight percent interest on the appraised value of the sale from the
67.8 date of purchase to the date of release.

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

67.10 Sec. 77. Minnesota Statutes 2006, section 93.0015, subdivision 3, is amended to read:

67.11 Subd. 3. **Expiration.** Notwithstanding section 15.059, subdivision 5, or other law to
67.12 the contrary, the committee expires June 30, ~~2007~~ 2011.

67.13 Sec. 78. Minnesota Statutes 2006, section 93.22, subdivision 1, is amended to read:

67.14 Subdivision 1. **Generally.** (a) All payments under sections 93.14 to 93.285 shall
67.15 be made to the Department of Natural Resources and shall be credited according to this
67.16 section.

67.17 ~~(a) If the lands or minerals and mineral rights covered by a lease are held by the state~~
67.18 ~~by virtue of an act of Congress, payments made under the lease shall be credited to the~~
67.19 ~~permanent fund of the class of land to which the leased premises belong.~~

67.20 ~~(b) If a lease covers the bed of navigable waters, payments made under the lease~~
67.21 ~~shall be credited to the permanent school fund of the state.~~

67.22 ~~(c) If the lands or minerals and mineral rights covered by a lease are held by the~~
67.23 ~~state in trust for the taxing districts, payments made under the lease shall be distributed~~
67.24 ~~annually on the first day of September as follows:~~

67.25 ~~(1) 20 percent to the general fund, and~~

67.26 ~~(2) 80 percent to the respective counties in which the lands lie, to be apportioned~~
67.27 ~~among the taxing districts interested therein as follows: county, three-ninths; town or city,~~
67.28 ~~two-ninths; and school district, four-ninths.~~

67.29 ~~(d) Except as provided under this section and except where the disposition of~~
67.30 ~~payments may be otherwise directed by law, all payments shall be paid into the general~~
67.31 ~~fund of the state.~~

67.32 (b) Twenty percent of all payments under sections 93.14 to 93.285 shall be
67.33 credited to the minerals management account in the natural resources fund as costs for

68.1 the administration and management of state mineral resources by the commissioner of
68.2 natural resources.

68.3 (c) The remainder of the payments shall be credited as follows:

68.4 (1) if the lands or minerals and mineral rights covered by a lease are held by the state
68.5 by virtue of an act of Congress, payments made under the lease shall be credited to the
68.6 permanent fund of the class of land to which the leased premises belong;

68.7 (2) if a lease covers the bed of navigable waters, payments made under the lease
68.8 shall be credited to the permanent school fund of the state;

68.9 (3) if the lands or minerals and mineral rights covered by a lease are held by the state
68.10 in trust for the taxing districts, payments made under the lease shall be distributed annually
68.11 on the first day of September to the respective counties in which the lands lie, to be
68.12 apportioned among the taxing districts interested therein as follows: county, three-ninths;
68.13 town or city, two-ninths; and school district, four-ninths;

68.14 (4) if the lands or mineral rights covered by a lease became the absolute property of
68.15 the state under the provisions of chapter 84A, payments made under the lease shall be
68.16 distributed as follows: county containing the land from which the income was derived,
68.17 five-eighths; and general fund of the state, three-eighths; and

68.18 (5) except as provided under this section and except where the disposition of
68.19 payments may be otherwise directed by law, payments made under a lease shall be paid
68.20 into the general fund of the state.

68.21 Sec. 79. Minnesota Statutes 2006, section 97A.045, is amended by adding a
68.22 subdivision to read:

68.23 Subd. 12. **Establishing fees.** Notwithstanding section 16A.1283, the commissioner
68.24 may, by written order published in the State Register, establish fees providing for the use
68.25 of state wildlife management area or aquatic management area lands for specific purposes,
68.26 including dog trials, special events, and commercial uses. The fees are not subject to the
68.27 rulemaking provisions of chapter 14 and section 14.386 does not apply.

68.28 Sec. 80. Minnesota Statutes 2006, section 97A.055, subdivision 4, is amended to read:

68.29 Subd. 4. **Game and fish annual reports.** (a) By December 15 each year,
68.30 the commissioner shall submit to the legislative committees having jurisdiction over
68.31 appropriations and the environment and natural resources reports on each of the following:

68.32 (1) the amount of revenue from the following and purposes for which expenditures
68.33 were made:

68.34 (i) the small game license surcharge under section 97A.475, subdivision 4;

69.1 (ii) the Minnesota migratory waterfowl stamp under section 97A.475, subdivision
69.2 5, clause (1);

69.3 (iii) the trout and salmon stamp under section 97A.475, subdivision 10;

69.4 (iv) the pheasant stamp under section 97A.475, subdivision 5, clause (2); ~~and~~

69.5 (v) the turkey stamp under section 97A.475, subdivision 5, clause (3); and

69.6 (vi) the deer license donations and surcharges under section 97A.475, subdivisions
69.7 3, paragraph (b), and 3a;

69.8 (2) the amounts available under section 97A.075, subdivision 1, paragraphs (b) and
69.9 (c), and the purposes for which these amounts were spent;

69.10 (3) money credited to the game and fish fund under this section and purposes for
69.11 which expenditures were made from the fund;

69.12 (4) outcome goals for the expenditures from the game and fish fund; and

69.13 (5) summary and comments of citizen oversight committee reviews under
69.14 subdivision 4b.

69.15 (b) The report must include the commissioner's recommendations, if any, for
69.16 changes in the laws relating to the stamps and surcharge referenced in paragraph (a).

69.17 Sec. 81. Minnesota Statutes 2006, section 97A.065, is amended by adding a
69.18 subdivision to read:

69.19 Subd. 6. Deer license donations and surcharges. (a) The surcharges and donations
69.20 collected under section 97A.475, subdivision 3, paragraph (b), and subdivision 3a,
69.21 shall be deposited in an account in the special revenue fund and are appropriated to
69.22 the commissioner for deer management, including for grants or payments to agencies,
69.23 organizations, or individuals for assisting with the cost of processing deer taken for
69.24 population management purposes for venison donation programs. None of the additional
69.25 license fees shall be transferred to any other agency for administration of programs other
69.26 than venison donation. If any money transferred by the commissioner is not used for a
69.27 venison donation program, it shall be returned to the commissioner.

69.28 (b) By February 10, 2010, the commissioner shall report to the legislature on the
69.29 participation in and the effectiveness of the venison donation program.

69.30 Sec. 82. Minnesota Statutes 2006, section 97A.133, is amended by adding a
69.31 subdivision to read:

69.32 Subd. 66. Vermillion Highlands Wildlife Management Area, Dakota County.

69.33 Sec. 83. Minnesota Statutes 2006, section 97A.205, is amended to read:

69.34 **97A.205 ENFORCEMENT OFFICER POWERS.**

S.F. No. 2096, Conference Committee Report - 85th Legislative Session (2007-2008)

70.1 An enforcement officer is authorized to:

70.2 (1) execute and serve court issued warrants and processes relating to wild animals,
70.3 wild rice, public waters, water pollution, conservation, and use of water, in the same
70.4 manner as a sheriff;

70.5 (2) enter any land to carry out the duties and functions of the division;

70.6 (3) make investigations of violations of the game and fish laws;

70.7 (4) take an affidavit, if it aids an investigation;

70.8 (5) arrest, without a warrant, a person who is detected in the actual violation of the
70.9 game and fish laws, a provision of chapters 84, 84A, 84D, 85, 86A, 88 to 97C, 103E,
70.10 103F, 103G, sections 86B.001 to 86B.815, 89.51 to ~~89.61~~ 89.64; or 609.66, subdivision 1,
70.11 clauses (1), (2), (5), and (7); and 609.68; and

70.12 (6) take an arrested person before a court in the county where the offense was
70.13 committed and make a complaint.

70.14 Nothing in this section grants an enforcement officer any greater powers than other
70.15 licensed peace officers.

70.16 Sec. 84. Minnesota Statutes 2006, section 97A.405, subdivision 2, is amended to read:

70.17 Subd. 2. **Personal possession.** (a) A person acting under a license or traveling from
70.18 an area where a licensed activity was performed must have in personal possession either:
70.19 (1) the proper license, if the license has been issued to and received by the person; or (2)
70.20 the proper license identification number or stamp validation, if the license has been sold to
70.21 the person by electronic means but the actual license has not been issued and received.

70.22 (b) If possession of a license or a license identification number is required, a person
70.23 must exhibit, as requested by a conservation officer or peace officer, either: (1) the proper
70.24 license if the license has been issued to and received by the person; or (2) the proper
70.25 license identification number or stamp validation and a valid state driver's license, state
70.26 identification card, or other form of identification provided by the commissioner, if the
70.27 license has been sold to the person by electronic means but the actual license has not
70.28 been issued and received.

70.29 (c) If the actual license has been issued and received, a receipt for license fees, a
70.30 copy of a license, or evidence showing the issuance of a license, including the license
70.31 identification number or stamp validation, does not entitle a licensee to exercise the rights
70.32 or privileges conferred by a license.

70.33 (d) A license ~~or stamp~~ issued electronically and not immediately provided to the
70.34 licensee shall be mailed to the licensee within 30 days of purchase of the license ~~or stamp~~
70.35 ~~validation, except for a pictorial turkey stamp or a pictorial trout and salmon stamp.~~ A

S.F. No. 2096, Conference Committee Report - 85th Legislative Session (2007-2008)

71.1 pictorial turkey ~~stamp or a pictorial~~, migratory waterfowl, pheasant, or trout and salmon
71.2 stamp shall be ~~mailed~~ provided to the licensee after purchase of a ~~license or~~ stamp
71.3 validation only if the licensee pays an additional \$2 fee.

71.4 Sec. 85. Minnesota Statutes 2006, section 97A.411, subdivision 1, is amended to read:

71.5 Subdivision 1. **License period.** (a) Except as provided in paragraphs (b), (c), ~~and~~
71.6 (d), and (e), a license is valid during the lawful time within the license year that the
71.7 licensed activity may be performed. A license year begins on the first day of March and
71.8 ends on the last day of February.

71.9 (b) A license issued under section 97A.475, subdivision 6, clause (5), 97A.475,
71.10 subdivision 7, clause (2), (3), (5), or (6), or 97A.475, subdivision 12, clause (2), is valid
71.11 for the full license period even if this period extends into the next license year, provided
71.12 that the license period selected by the licensee begins at the time of issuance.

71.13 (c) When the last day of February falls on a Saturday, an annual resident or
71.14 nonresident fish house or dark house license, including a rental fish house or dark house
71.15 license, obtained for the license year covering the last day of February, is valid through
71.16 Sunday, March 1 and the angling license of the fish house licensee is extended through
71.17 March 1.

71.18 (d) A lifetime license issued under section 97A.473 or 97A.474 is valid during the
71.19 lawful time within the license year that the licensed activity may be performed for the
71.20 lifetime of the licensee.

71.21 (e) A three-year fish house or dark house license is valid during the license year that
71.22 it is purchased and the two succeeding license years.

71.23 Sec. 86. Minnesota Statutes 2006, section 97A.451, subdivision 3a, is amended to read:

71.24 Subd. 3a. **Nonresidents under age ~~16~~ 18; small game.** (a) A nonresident under
71.25 age ~~16~~ 18 may obtain a small game license at the resident fee under section 97A.475,
71.26 subdivision 2, clause (2), if the nonresident:

71.27 (1) possesses a firearms safety certificate; or

71.28 (2) if age 13 or under, is accompanied by a parent or guardian when purchasing
71.29 the license.

71.30 (b) A nonresident age 13 or under must be accompanied by a parent or guardian
71.31 to take small game. A nonresident age 12 or under is not required to possess a firearms
71.32 safety certificate under section 97B.020 to take small game.

71.33 Sec. 87. Minnesota Statutes 2006, section 97A.465, is amended by adding a
71.34 subdivision to read:

72.1 Subd. 1a. **Spouses of residents on active military duty.** Notwithstanding section
72.2 97A.405, subdivision 5, the spouse of a resident who is on active military duty may obtain
72.3 resident hunting and fishing licenses.

72.4 Sec. 88. Minnesota Statutes 2006, section 97A.465, is amended by adding a
72.5 subdivision to read:

72.6 Subd. 1b. **Residents discharged from active service.** (a) A resident who has served
72.7 at any time during the preceding 24 months in federal active service, as defined in section
72.8 190.05, subdivision 5c, outside the United States as a member of the National Guard, or as
72.9 a reserve component or active duty member of the United States armed forces and has
72.10 been discharged from active service may take small game and fish without a license if the
72.11 resident possesses official military discharge papers. The resident must obtain the seals,
72.12 tags, and coupons required of a licensee, which must be furnished without charge.

72.13 (b) The commissioner shall issue, without fee, a deer license to a resident who has
72.14 served at any time during the preceding 24 months in federal active service, as defined
72.15 in section 190.05, subdivision 5c, outside the United States as a member of the National
72.16 Guard, or as a reserve component or active duty member of the United States armed
72.17 forces and has been discharged from active service. Eligibility under this paragraph is
72.18 limited to one license per resident.

72.19 Sec. 89. Minnesota Statutes 2006, section 97A.473, subdivision 3, is amended to read:

72.20 **Subd. 3. Lifetime small game hunting license; fee.** (a) A resident lifetime small
72.21 game hunting license authorizes a person to hunt and trap small game in the state. The
72.22 license authorizes those hunting and trapping activities authorized by the annual resident
72.23 small game hunting ~~license~~ and trapping licenses. The license does not include a turkey
72.24 stamp validation or any other hunting stamps required by law.

72.25 (b) The fees for a resident lifetime small game hunting license are:

- 72.26 (1) age 3 and under, \$217;
72.27 (2) age 4 to age 15, \$290;
72.28 (3) age 16 to age 50, \$363; and
72.29 (4) age 51 and over, \$213.

72.30 **EFFECTIVE DATE.** This section is effective August 1, 2007, and applies
72.31 retroactively to licenses issued after February 28, 2001.

72.32 Sec. 90. Minnesota Statutes 2006, section 97A.473, subdivision 5, is amended to read:

73.1 Subd. 5. **Lifetime sporting license; fee.** (a) A resident lifetime sporting license
73.2 authorizes a person to take fish by angling and hunt and trap small game in the state.
73.3 The license authorizes those activities authorized by the annual resident angling ~~and~~,
73.4 resident small game hunting, and resident trapping licenses. The license does not include
73.5 a trout and salmon stamp validation, a turkey stamp validation, or any other hunting
73.6 stamps required by law.

73.7 (b) The fees for a resident lifetime sporting license are:

- 73.8 (1) age 3 and under, \$357;
73.9 (2) age 4 to age 15, \$480;
73.10 (3) age 16 to age 50, \$613; and
73.11 (4) age 51 and over, \$413.

73.12 **EFFECTIVE DATE.** This section is effective August 1, 2007, and applies
73.13 retroactively to licenses issued after February 28, 2001.

73.14 Sec. 91. Minnesota Statutes 2006, section 97A.475, subdivision 3, is amended to read:

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

- 73.17 (1) for persons age 18 and older to take small game, \$73;
73.18 (2) for persons age 18 and older to take deer with firearms, \$135;
73.19 (3) for persons age 18 and older to take deer by archery, ~~the greater of:~~
73.20 ~~(i) an amount equal to the total amount of license fees and surcharges charged to a~~
73.21 ~~Minnesota resident to take deer by archery in the person's state or province of residence, or~~
73.22 ~~(ii) \$135;~~
73.23 (4) to take bear, \$195;
73.24 (5) to take turkey, \$73;
73.25 (6) to take raccoon; or bobcat; ~~fox, or coyote~~, \$155;
73.26 (7) multizone license to take antlered deer in more than one zone, \$270; ~~and~~
73.27 (8) to take Canada geese during a special season, \$4;
73.28 (9) for persons at least age 12 and under age 18 to take deer with firearms during the
73.29 regular firearms season in any open zone or time period, \$13; and
73.30 (10) for persons at least age 12 and under age 18 to take deer by archery, \$13.
73.31 (b) A \$5 surcharge shall be added to nonresident hunting licenses issued under
73.32 paragraph (a), clauses (1) to (7). An additional commission may not be assessed on this
73.33 surcharge.

S.F. No. 2096, Conference Committee Report - 85th Legislative Session (2007-2008)

74.1 Sec. 92. Minnesota Statutes 2006, section 97A.475, is amended by adding a
74.2 subdivision to read:

74.3 Subd. 3a. **Deer license surcharge.** A person may agree to add a donation of \$1, \$3,
74.4 or \$5 to the fees for annual resident and nonresident licenses to take deer by firearms or
74.5 archery established under subdivisions 2, clauses (4), (5), (9), and (11), and 3, clauses (2),
74.6 (3), and (7). Beginning March 1, 2008, fees for bonus licenses to take deer by firearms or
74.7 archery established under section 97B.301, subdivision 4, must be increased by a surcharge
74.8 of \$1. An additional commission may not be assessed on the donation or surcharge and
74.9 the following statement must be included in the annual deer hunting regulations: "The
74.10 deer license donations and surcharges are being paid by hunters for deer management,
74.11 including assisting with the costs of processing deer donated for charitable purposes."

74.12 Sec. 93. Minnesota Statutes 2006, section 97A.475, subdivision 7, is amended to read:

74.13 Subd. 7. **Nonresident fishing.** (a) Fees for the following licenses, to be issued
74.14 to nonresidents, are:

74.15 (1) to take fish by angling, ~~\$34~~ \$37.50;

74.16 (2) to take fish by angling limited to seven consecutive days selected by the licensee,
74.17 ~~\$24~~ \$26.50;

74.18 (3) to take fish by angling for a 72-hour period selected by the licensee, ~~\$20~~ \$22;

74.19 (4) to take fish by angling for a combined license for a family for one or both parents
74.20 and dependent children under the age of 16, ~~\$46~~ \$50.50;

74.21 (5) to take fish by angling for a 24-hour period selected by the licensee, \$8.50; and

74.22 (6) to take fish by angling for a combined license for a married couple, limited to 14
74.23 consecutive days selected by one of the licensees, ~~\$35~~ \$38.50.

74.24 (b) A \$2 surcharge shall be added to all nonresident fishing licenses, except licenses
74.25 issued under paragraph (a), clause (5). An additional commission may not be assessed
74.26 on this surcharge.

74.27 **EFFECTIVE DATE.** This section is effective March 1, 2008.

74.28 Sec. 94. Minnesota Statutes 2006, section 97A.475, subdivision 11, is amended to read:

74.29 Subd. 11. **Fish houses and dark houses; residents.** Fees for the following licenses
74.30 are:

74.31 (1) annual for a fish house or dark house that is not rented, \$11.50; ~~and~~

74.32 (2) annual for a fish house or dark house that is rented, \$26;

74.33 (3) three-year for a fish house or dark house that is not rented, \$34.50; and

74.34 (4) three-year for a fish house or dark house that is rented, \$78.

75.1 Sec. 95. Minnesota Statutes 2006, section 97A.475, subdivision 12, is amended to read:

75.2 Subd. 12. **Fish houses; nonresident.** Fees for fish house licenses for a nonresident
75.3 are:

75.4 (1) annual, \$33; ~~and~~

75.5 (2) seven consecutive days, \$19; and

75.6 (3) three-year, \$99.

75.7 Sec. 96. Minnesota Statutes 2006, section 97A.485, subdivision 7, is amended to read:

75.8 Subd. 7. **Electronic licensing system commission.** The commissioner shall retain
75.9 for the operation of the electronic licensing system the commission established under
75.10 section 84.027, subdivision 15, and issuing fees collected by the commissioner on all
75.11 license fees collected, excluding:

75.12 (1) the small game surcharge; ~~and~~

75.13 (2) the deer license surcharges or donations under section 97A.475, subdivisions 3,
75.14 paragraph (b), and 3a; and

75.15 (3) \$2.50 of the license fee for the licenses in section 97A.475, subdivisions 6,
75.16 clauses (1), (2), and (4), 7, 8, 12, and 13.

75.17 Sec. 97. **[97B.303] VENISON DONATIONS.**

75.18 An individual who legally takes a deer may donate the deer, for distribution to
75.19 charitable food assistance programs, to a meat processor that is licensed under chapter
75.20 28A. An individual donating a deer must supply the processor with the tag number under
75.21 which the deer was taken.

75.22 Sec. 98. Minnesota Statutes 2006, section 97B.601, subdivision 3, is amended to read:

75.23 Subd. 3. **Nonresidents: raccoon; or bobcat, ~~fox, coyote.~~** A nonresident may not
75.24 take ~~raccoon; or bobcat, ~~fox, or coyote~~~~ by firearms without a separate license to take that
75.25 animal in addition to a small game license.

75.26 Sec. 99. Minnesota Statutes 2006, section 97B.715, subdivision 1, is amended to read:

75.27 Subdivision 1. **Stamp required.** (a) Except as provided in paragraph (b) or section
75.28 97A.405, subdivision 2, a person required to possess a small game license may not hunt
75.29 pheasants without:

75.30 ~~(1) a pheasant stamp in possession; and~~

75.31 ~~(2) a pheasant stamp validation on the small game license when issued electronically.~~

75.32 (b) The following persons are exempt from this subdivision:

75.33 (1) residents under age 18 or over age 65;

- 76.1 (2) persons hunting on licensed commercial shooting preserves; and
76.2 (3) resident disabled veterans with a license issued under section 97A.441,
76.3 subdivision 6a.

76.4 Sec. 100. Minnesota Statutes 2006, section 97B.801, is amended to read:

76.5 **97B.801 MINNESOTA MIGRATORY WATERFOWL STAMP REQUIRED.**

76.6 (a) Except as provided in this section or section 97A.405, subdivision 2, a person
76.7 required to possess a small game license may not take migratory waterfowl without:

- 76.8 ~~(1) a Minnesota migratory waterfowl stamp in possession; and~~
76.9 ~~(2) a migratory waterfowl stamp validation on the small game license when issued~~
76.10 ~~electronically.~~

76.11 (b) Residents under age 18 or over age 65; resident disabled veterans with a license
76.12 issued under section 97A.441, subdivision 6a; and persons hunting on their own property
76.13 are not required to possess a stamp ~~or a license~~ validation under this section.

76.14 Sec. 101. Minnesota Statutes 2006, section 97C.081, subdivision 3, is amended to read:

76.15 Subd. 3. **Contests requiring a permit.** (a) A person must have a permit from the
76.16 commissioner to conduct a fishing contest that does not meet the criteria in subdivision 2.
76.17 ~~Permits shall be issued without a fee.~~ The commissioner shall charge a fee for the permit
76.18 that recovers the costs of issuing the permit and of monitoring the activities allowed by
76.19 the permit. The commissioner may waive the fee under this subdivision for a charitable
76.20 organization. Notwithstanding section 16A.1283, the commissioner may, by written order
76.21 published in the State Register, establish contest permit fees. The fees are not subject to
76.22 the rulemaking provisions of chapter 14 and section 14.386 does not apply.

76.23 (b) If entry fees are over \$25 per person, or total prizes are valued at more than
76.24 \$25,000, and if the applicant has either:

76.25 (1) not previously conducted a fishing contest requiring a permit under this
76.26 subdivision; or

76.27 (2) ever failed to make required prize awards in a fishing contest conducted by
76.28 the applicant, the commissioner may require the applicant to furnish the commissioner
76.29 evidence of financial responsibility in the form of a surety bond or bank letter of credit in
76.30 the amount of \$25,000.

76.31 (c) The permit fee for any individual contest may not exceed the following amounts:

- 76.32 (1) \$120 for an open water contest not exceeding 100 participants and without
76.33 off-site weigh-in;

77.1 (2) \$400 for an open water contest with more than 100 participants and without
77.2 off-site weigh-in;

77.3 (3) \$500 for an open water contest not exceeding 100 participants with off-site
77.4 weigh-in;

77.5 (4) \$1,000 for an open water contest with more than 100 participants with off-site
77.6 weigh-in; or

77.7 (5) \$120 for an ice fishing contest with more than 150 participants.

77.8 Sec. 102. Minnesota Statutes 2006, section 97C.355, subdivision 2, is amended to read:

77.9 Subd. 2. **License required.** A person may not take fish from a dark house or fish
77.10 house that is left unattended on the ice overnight unless the house is licensed and has a
77.11 license tag attached to the exterior in a readily visible location, except as provided in this
77.12 subdivision. The commissioner must issue a tag with a dark house or fish house license,
77.13 marked with a number to correspond with the license and the year of issue. A dark house
77.14 or fish house license is not required of a resident on boundary waters where the adjacent
77.15 state does not charge a fee for the same activity.

77.16 Sec. 103. Minnesota Statutes 2006, section 103B.101, is amended by adding a
77.17 subdivision to read:

77.18 Subd. 12. **Authority to issue penalty orders.** (a) The board may issue an order
77.19 requiring violations to be corrected and administratively assessing monetary penalties of
77.20 up to \$10,000 per violation for violations of this chapter and chapters 103C, 103D, 103E,
77.21 103F, and 103G, any rules adopted under those chapters, and any standards, limitations, or
77.22 conditions established by the board.

77.23 (b) Administrative penalties issued under paragraph (a) may be appealed according
77.24 to section 116.072, if the recipient of the penalty requests a hearing by notifying the
77.25 commissioner in writing within 30 days after receipt of the order. For the purposes of this
77.26 section, the terms "commissioner" and "agency" as used in section 116.072 mean the
77.27 board. If a hearing is not requested within the 30-day period, the order becomes a final
77.28 order not subject to further review.

77.29 (c) Administrative penalty orders issued under paragraph (a) may be enforced
77.30 under section 116.072, subdivision 9. Penalty amounts must be remitted within 30 days
77.31 of issuance of the order.

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

78.1 Sec. 104. [103B.102] LOCAL WATER MANAGEMENT ACCOUNTABILITY
78.2 AND OVERSIGHT.

78.3 Subdivision 1. Findings; improving accountability and oversight. The legislature
78.4 finds that a process is needed to monitor the performance and activities of local water
78.5 management entities. The process should be preemptive so that problems can be identified
78.6 early and systematically. Underperforming entities should be provided assistance and
78.7 direction for improving performance in a reasonable time frame.

78.8 Subd. 2. Definitions. For the purposes of this section, "local water management
78.9 entities" means watershed districts, soil and water conservation districts, metropolitan
78.10 water management organizations, and counties operating separately or jointly in their
78.11 role as local water management authorities under chapter 103B, 103C, 103D, or 103G
78.12 and chapter 114D.

78.13 Subd. 3. Evaluation and report. The Board of Water and Soil Resources shall
78.14 evaluate performance, financial, and activity information for each local water management
78.15 entity. The board shall evaluate the entities' progress in accomplishing their adopted
78.16 plans on a regular basis, but not less than once every five years. The board shall maintain
78.17 a summary of local water management entity performance on the board's Web site.
78.18 Beginning February 1, 2008, and annually thereafter, the board shall provide an analysis
78.19 of local water management entity performance to the chairs of the house and senate
78.20 committees having jurisdiction over environment and natural resources policy.

78.21 Subd. 4. Corrective actions. (a) In addition to other authorities, the Board of Water
78.22 and Soil Resources may, based on its evaluation in subdivision 3, reduce, withhold, or
78.23 redirect grants and other funding if the local water management entity has not corrected
78.24 deficiencies as prescribed in a notice from the board within one year from the date of
78.25 the notice.

78.26 (b) The board may defer a decision on a termination petition filed under section
78.27 103B.221, 103C.225, or 103D.271 for up to one year to conduct or update the evaluation
78.28 under subdivision 3 or to communicate the results of the evaluation to petitioners or to
78.29 local and state government agencies.

78.30 Sec. 105. Minnesota Statutes 2006, section 103C.321, is amended by adding a
78.31 subdivision to read:

78.32 Subd. 6. Credit card use. The supervisors may authorize the use of a credit card
78.33 by any soil and water conservation district officer or employee otherwise authorized
78.34 to make a purchase on behalf of the soil and water conservation district. If a soil and

79.1 water conservation district officer or employee makes a purchase by credit card that is not
79.2 approved by the supervisors, the officer or employee is personally liable for the amount of
79.3 the purchase. A purchase by credit card must otherwise comply with all statutes, rules,
79.4 or soil and water conservation district policy applicable to soil and water conservation
79.5 district purchases.

79.6 Sec. 106. Minnesota Statutes 2006, section 103D.325, is amended by adding a
79.7 subdivision to read:

79.8 Subd. 4. **Credit card use.** The managers may authorize the use of a credit card
79.9 by any watershed district officer or employee otherwise authorized to make a purchase
79.10 on behalf of the watershed district. If a watershed district officer or employee makes a
79.11 purchase by credit card that is not approved by the managers, the officer or employee is
79.12 personally liable for the amount of the purchase. A purchase by credit card must otherwise
79.13 comply with all statutes, rules, or watershed district policy applicable to watershed district
79.14 purchases.

79.15 Sec. 107. Minnesota Statutes 2006, section 103E.021, subdivision 1, is amended to
79.16 read:

79.17 Subdivision 1. **Spoil banks must be spread and ~~grass planted~~ permanent**
79.18 **vegetation established.** In any proceeding to establish, construct, improve, or do any
79.19 work affecting a public drainage system under any law that appoints viewers to assess
79.20 benefits and damages, the authority having jurisdiction over the proceeding shall order
79.21 spoil banks to be spread consistent with the plan and function of the drainage system. The
79.22 authority shall order that permanent grass, other than a noxious weed, be planted on
79.23 ~~the banks~~ ditch side slopes and on a strip that a permanent strip of perennial vegetation
79.24 approved by the drainage authority be established on each side of the ditch. Preference
79.25 should be given to planting native species of a local ecotype. The approved perennial
79.26 vegetation shall not impede future maintenance of the ditch. The permanent strips of
79.27 perennial vegetation shall be 16-1/2 feet in width measured outward from the top edge
79.28 of the constructed channel resulting from the proceeding, or to the crown of the leveled
79.29 spoil bank, whichever is the greater, ~~on each side of the top edge of the channel of the~~
79.30 ditch. ~~except for an action by a drainage authority that results only in a redetermination of~~
79.31 benefits and damages, for which the required width shall be 16-1/2 feet. Drainage system
79.32 rights-of-way for the acreage and additional property required for the ~~planting~~ permanent
79.33 strips must be acquired by the authority having jurisdiction.

80.1 Sec. 108. Minnesota Statutes 2006, section 103E.021, subdivision 2, is amended to
80.2 read:

80.3 Subd. 2. **Reseeding and harvesting grass perennial vegetation.** The authority
80.4 having jurisdiction over the repair and maintenance of the drainage system shall supervise
80.5 all necessary reseeding. The permanent ~~grass~~ strips of perennial vegetation must be
80.6 maintained in the same manner as other drainage system repairs. Harvest of the ~~grass~~
80.7 vegetation from the ~~grass permanent~~ strip in a manner not harmful to the ~~grass~~ vegetation
80.8 or the drainage system is the privilege of the fee owner or assigns. The ~~county~~ drainage
80.9 inspector shall establish rules for the fee owner and assigns to harvest the ~~grass~~ vegetation.

80.10 Sec. 109. Minnesota Statutes 2006, section 103E.021, subdivision 3, is amended to
80.11 read:

80.12 Subd. 3. **Agricultural practices prohibited.** Agricultural practices, other than
80.13 those required for the maintenance of a permanent growth of ~~grass~~ perennial vegetation,
80.14 are not permitted on any portion of the property acquired for ~~planting~~ perennial vegetation.

80.15 Sec. 110. Minnesota Statutes 2006, section 103E.021, is amended by adding a
80.16 subdivision to read:

80.17 Subd. 6. **Incremental implementation of vegetated ditch buffer strips and side**
80.18 **inlet controls.** (a) Notwithstanding other provisions of this chapter requiring appointment
80.19 of viewers and redetermination of benefits and damages, a drainage authority may
80.20 implement permanent buffer strips of perennial vegetation approved by the drainage
80.21 authority or side inlet controls, or both, adjacent to a public drainage ditch, where
80.22 necessary to control erosion and sedimentation, improve water quality, or maintain the
80.23 efficiency of the drainage system. Preference should be given to planting native species of
80.24 a local ecotype. The approved perennial vegetation shall not impede future maintenance
80.25 of the ditch. The permanent strips of perennial vegetation shall be 16-1/2 feet in width
80.26 measured outward from the top edge of the existing constructed channel. Drainage system
80.27 rights-of-way for the acreage and additional property required for the permanent strips
80.28 must be acquired by the authority having jurisdiction.

80.29 (b) A project under this subdivision shall be implemented as a repair according to
80.30 section 103E.705, except that the drainage authority may appoint an engineer to examine
80.31 the drainage system and prepare an engineer's repair report for the project.

80.32 (c) Damages shall be determined by the drainage authority, or viewers, appointed by
80.33 the drainage authority, according to section 103E.315, subdivision 8. A damages statement
80.34 shall be prepared, including an explanation of how the damages were determined for each
80.35 property affected by the project, and filed with the auditor or watershed district. Within 30

81.1 days after the damages statement is filed, the auditor or watershed district shall prepare
81.2 property owners' reports according to section 103E.323, subdivision 1, clauses (1), (2),
81.3 (6), (7), and (8), and mail a copy of the property owner's report and damages statement to
81.4 each owner of property affected by the proposed project.

81.5 (d) After a damages statement is filed, the drainage authority shall set a time, by
81.6 order, not more than 30 days after the date of the order, for a hearing on the project. At
81.7 least ten days before the hearing, the auditor or watershed district shall give notice by mail
81.8 of the time and location of the hearing to the owners of property and political subdivisions
81.9 likely to be affected by the project.

81.10 (e) The drainage authority shall make findings and order the repairs to be made if
81.11 the drainage authority determines from the evidence presented at the hearing and by the
81.12 viewers and engineer, if appointed, that the repairs are necessary for the drainage system
81.13 and the costs of the repairs are within the limitations of section 103E.705.

81.14 Sec. 111. **[103E.067] DITCH BUFFER STRIP ANNUAL REPORTING.**

81.15 The drainage authority shall annually submit a report to the Board of Water and Soil
81.16 Resources for the calendar year including:

- 81.17 (1) the number and types of actions for which viewers were appointed;
81.18 (2) the number of miles of buffer strips established according to section 103E.021;
81.19 (3) the number of drainage system inspections conducted; and
81.20 (4) the number of violations of section 103E.021 identified and enforcement actions
81.21 taken.

81.22 Sec. 112. Minnesota Statutes 2006, section 103E.315, subdivision 8, is amended to
81.23 read:

81.24 Subd. 8. **Extent of damages.** Damages to be paid may include:

- 81.25 (1) the fair market value of the property required for the channel of an open ditch
81.26 and the permanent ~~grass~~ strip of perennial vegetation under section 103E.021;
81.27 (2) the diminished value of a farm due to severing a field by an open ditch;
81.28 (3) loss of crop production during drainage project construction; ~~and~~
81.29 (4) the diminished productivity or land value from increased overflow; and
81.30 (5) costs to restore a perennial vegetative cover or structural practice existing
81.31 under a federal or state conservation program adjacent to the permanent drainage system
81.32 right-of-way and damaged by the drainage project.

81.33 Sec. 113. Minnesota Statutes 2006, section 103E.321, subdivision 1, is amended to
81.34 read:

82.1 Subdivision 1. **Requirements.** The viewers' report must show, in tabular form,
82.2 for each lot, 40-acre tract, and fraction of a lot or tract under separate ownership that
82.3 is benefited or damaged:

82.4 (1) a description of the lot or tract, under separate ownership, that is benefited or
82.5 damaged;

82.6 (2) the names of the owners as they appear on the current tax records of the county
82.7 and their addresses;

82.8 (3) the number of acres in each tract or lot;

82.9 (4) the number and value of acres added to a tract or lot by the proposed drainage of
82.10 public waters;

82.11 (5) the damage, if any, to riparian rights;

82.12 (6) the damages paid for the permanent ~~grass strip~~ of perennial vegetation under
82.13 section 103E.021;

82.14 (7) the total number and value of acres added to a tract or lot by the proposed
82.15 drainage of public waters, wetlands, and other areas not currently being cultivated;

82.16 (8) the number of acres and amount of benefits being assessed for drainage of areas
82.17 which before the drainage benefits could be realized would require a public waters work
82.18 permit to work in public waters under section 103G.245 to excavate or fill a navigable
82.19 water body under United States Code, title 33, section 403, or a permit to discharge into
82.20 waters of the United States under United States Code, title 33, section 1344;

82.21 (9) the number of acres and amount of benefits being assessed for drainage of areas
82.22 that would be considered conversion of a wetland under United States Code, title 16,
82.23 section 3821, if the area was placed in agricultural production;

82.24 (10) the amount of right-of-way acreage required; and

82.25 (11) the amount that each tract or lot will be benefited or damaged.

82.26 Sec. 114. Minnesota Statutes 2006, section 103E.701, is amended by adding a
82.27 subdivision to read:

82.28 Subd. 7. **Restoration; disturbance or destruction by repair.** If a drainage system
82.29 repair disturbs or destroys a perennial vegetative cover or structural practice existing
82.30 under a federal or state conservation program adjacent to the permanent drainage system
82.31 right-of-way, the practice must be restored according to the applicable practice plan or
82.32 as determined by the drainage authority, if a practice plan is not available. Restoration
82.33 costs shall be paid by the drainage system.

82.34 Sec. 115. Minnesota Statutes 2006, section 103E.705, subdivision 1, is amended to
82.35 read:

83.1 Subdivision 1. **Inspection.** After the construction of a drainage system has been
83.2 completed, the drainage authority shall maintain the drainage system that is located in its
83.3 jurisdiction, including ~~grass~~ the permanent strips of perennial vegetation under section
83.4 103E.021, and provide the repairs necessary to make the drainage system efficient. The
83.5 drainage authority shall have the drainage system inspected on a regular basis by an
83.6 inspection committee of the drainage authority or a drainage inspector appointed by the
83.7 drainage authority. Open drainage ditches shall be inspected at a minimum of every five
83.8 years when no violation of section 103E.021 is found and annually when a violation of
83.9 section 103E.021 is found, until one year after the violation is corrected.

83.10 Sec. 116. Minnesota Statutes 2006, section 103E.705, subdivision 2, is amended to
83.11 read:

83.12 Subd. 2. ~~Grass~~ **Permanent strip of perennial vegetation inspection and**
83.13 **compliance notice.** (a) The drainage authority having jurisdiction over a drainage system
83.14 must inspect the drainage system for violations of section 103E.021. If an inspection
83.15 committee of the drainage authority or a drainage inspector determines that permanent
83.16 ~~grass~~ strips of perennial vegetation are not being maintained in compliance with section
83.17 103E.021, a compliance notice must be sent to the property owner.

83.18 (b) The notice must state:

83.19 (1) the date the ditch was inspected;

83.20 (2) the persons making the inspection;

83.21 (3) that spoil banks are to be spread in a manner consistent with the plan and function
83.22 of the drainage system and that the drainage system has acquired a ~~grass~~ permanent strip
83.23 ~~16-1/2 feet in width or to the crown of the spoil bank, whichever is greater~~ of perennial
83.24 vegetation, according to section 103E.021;

83.25 (4) the violations of section 103E.021;

83.26 (5) the measures that must be taken by the property owner to comply with section
83.27 103E.021 and the date when the property must be in compliance; and

83.28 (6) that if the property owner does not comply by the date specified, the drainage
83.29 authority will perform the work necessary to bring the area into compliance with section
83.30 103E.021 and charge the cost of the work to the property owner.

83.31 (c) If a property owner does not bring an area into compliance with section 103E.021
83.32 as provided in the compliance notice, the inspection committee or drainage inspector
83.33 must notify the drainage authority.

83.34 (d) This subdivision applies to property acquired under section 103E.021.

84.1 Sec. 117. Minnesota Statutes 2006, section 103E.705, subdivision 3, is amended to
84.2 read:

84.3 Subd. 3. **Drainage inspection report.** For each drainage system that the board
84.4 designates and requires the drainage inspector to examine, the drainage inspector shall
84.5 make a drainage inspection report in writing to the board after examining a drainage
84.6 system, designating portions that need repair or maintenance of ~~grass~~ the permanent
84.7 strips of perennial vegetation and the location and nature of the repair or maintenance.
84.8 The board shall consider the drainage inspection report at its next meeting and may repair
84.9 all or any part of the drainage system as provided under this chapter. The ~~grass~~ permanent
84.10 strips of perennial vegetation must be maintained in compliance with section 103E.021.

84.11 Sec. 118. Minnesota Statutes 2006, section 103E.728, subdivision 2, is amended to
84.12 read:

84.13 Subd. 2. **Additional assessment for agricultural practices on ~~grass~~ permanent**
84.14 **strip of perennial vegetation.** (a) The drainage authority may, after notice and hearing,
84.15 charge an additional assessment on property that has agricultural practices on or otherwise
84.16 violates provisions related to the permanent ~~grass~~ strip of perennial vegetation acquired
84.17 under section 103E.021.

84.18 (b) The drainage authority may determine the cost of the repair per mile of open
84.19 ditch on the ditch system. Property that is in violation of the grass requirement shall be
84.20 assessed a cost of 20 percent of the repair cost per open ditch mile multiplied by the length
84.21 of open ditch in miles on the property in violation.

84.22 (c) After the amount of the additional assessment is determined and applied to the
84.23 repair cost, the balance of the repair cost may be apportioned pro rata as provided in
84.24 subdivision 1.

84.25 Sec. 119. **[103F.518] REINVEST IN MINNESOTA CLEAN ENERGY**
84.26 **PROGRAM.**

84.27 Subdivision 1. Establishment of program. (a) The board, in consultation with the
84.28 technical committee established in subdivision 11, shall establish and administer a reinvest
84.29 in Minnesota (RIM) clean energy program that is in addition to the program under section
84.30 103F.515. Selection of land for the clean energy program must be based on its potential
84.31 benefits for bioenergy crop production, water quality, soil health, reduction of chemical
84.32 inputs, soil carbon storage, biodiversity, and wildlife habitat.

84.33 (b) For the purposes of this section, "diverse native prairie" means a prairie planted
84.34 from a mix of local Minnesota native prairie species. A selection from all available native
84.35 prairie species may be made so as to match species appropriate to local site conditions.

85.1 Subd. 2. **Eligible land.** Eligible land under this section must:

85.2 (1) be owned by the landowner, or a parent or other blood relative of the landowner,
85.3 for at least one year before the date of application;

85.4 (2) be at least five acres in size;

85.5 (3) not be currently set aside, enrolled, or diverted under another federal or state
85.6 government program; and

85.7 (4) have been in agricultural use, as defined in section 17.81, subdivision 4, or have
85.8 been set aside, enrolled, or diverted under another federal or state program for at least two
85.9 of the last five years before the date of application.

85.10 Subd. 3. **Designation of project areas.** The board shall develop a process to
85.11 designate defined project areas. The designation process shall prioritize projects that
85.12 include coordinated cooperation of a cellulosic biofuel facility or a bioenergy production
85.13 facility, target impaired waters, or support other state or local natural resource plans,
85.14 goals, or objectives.

85.15 Subd. 4. **Easements.** The board may acquire, or accept by gift or donation,
85.16 easements on eligible land. An easement may be permanent or of limited duration. An
85.17 easement of limited duration may not be acquired if it is for a period less than 20 years.
85.18 The negotiation and acquisition of easements authorized by this section are exempt from
85.19 the contractual provisions of chapters 16B and 16C.

85.20 Subd. 5. **Nature of property rights acquired.** (a) An easement must prohibit:

85.21 (1) agricultural crop production, unless approved by the board for energy production
85.22 purposes; and

85.23 (2) spraying with chemicals, except as necessary to comply with noxious weed
85.24 control laws, emergency pest control necessary to protect public health, or as needed
85.25 to establish a productive planting as determined by the technical committee under
85.26 subdivision 11.

85.27 (b) An easement is subject to the terms of the agreement provided in subdivision 6.

85.28 (c) Agricultural crop production and harvest are limited to native, perennial
85.29 bioenergy crops. Harvest shall occur outside of bird nesting season.

85.30 (d) An easement must allow repairs, improvements, and inspections necessary to
85.31 maintain public drainage systems provided the easement area is restored to the condition
85.32 required by the terms of the easement.

85.33 (e) An easement may allow nonnative perennial prairie or pasture established by
85.34 September 1, 2007, that meet the other objectives outlined in subdivision 7.

86.1 (f) An easement may allow grazing of livestock only if practiced under a plan,
86.2 approved by the board, that protects water quality, wildlife habitat, and biodiversity.

86.3 Subd. 6. **Agreements by landowner.** The board may enroll eligible land in the
86.4 reinvest in Minnesota clean energy program by signing an agreement in recordable form
86.5 with a landowner in which the landowner agrees:

86.6 (1) to convey to the state an easement that is not subject to any prior title, lien, or
86.7 encumbrance;

86.8 (2) to seed the land subject to the easement, as specified in the agreement, at
86.9 seeding rates determined by the board, or carry out other long-term capital improvements
86.10 approved by the board; and

86.11 (3) that the easement duration may be lengthened through mutual agreement with
86.12 the board.

86.13 Subd. 7. **Payments for easements.** The board must develop a tiered payment
86.14 system for easements partially based on the benefits of the bioenergy crop production for
86.15 water quality, soil health, reduction in chemical inputs, soil carbon storage, biodiversity,
86.16 and wildlife habitat using cash rent or a similar system as may be determined by the
86.17 board. The payment system must provide that the highest per-acre payment is for diverse
86.18 native prairie and perennials.

86.19 Subd. 8. **Easement renewal.** When an easement of limited duration expires, a
86.20 new easement and agreement for an additional period of not less than 20 years may be
86.21 acquired by agreement of the board and the landowner under the terms of this section.
86.22 The board may adjust payment rates as a result of renewing an agreement and easement
86.23 only after examining the condition of the established plantings, conservation practices,
86.24 and land values.

86.25 Subd. 9. **Correction of easement boundary lines.** To correct errors in legal
86.26 descriptions for easements that affect the ownership interest in the state and adjacent
86.27 landowners, the board may, in the name of the state, with the approval of the attorney
86.28 general, convey, without consideration, interests of the state necessary to correct legal
86.29 descriptions of boundaries. The conveyance must be by quitclaim deed or release in
86.30 a form approved by the attorney general.

86.31 Subd. 10. **Enforcement and damages.** (a) A landowner who violates the term of
86.32 an easement or agreement under this section, or induces, assists, or allows another to do
86.33 so, is liable to the state for treble damages if the trespass is willful, but liable for double
86.34 damages only if the trespass is not willful. The amount of damages is the amount needed

87.1 to make the state whole or the amount the landowner has gained due to the violation,
87.2 whichever is greater.

87.3 (b) Upon the request of the board, the attorney general may commence an action for
87.4 specific performances, injunctive relief, damages, including attorney fees, and any other
87.5 appropriate relief to enforce this section in district court in the county where all or part
87.6 of the violation is alleged to have been committed, or where the landowner resides or
87.7 has a principal place of business.

87.8 Subd. 11. **Technical committee.** To ensure that public benefits, including water
87.9 quality, soil health, reduction of chemical inputs, soil carbon storage, biodiversity, and
87.10 wildlife habitat are secured along with bioenergy crop production, the Board of Water and
87.11 Soil Resources shall appoint a technical committee consisting of one representative from
87.12 the Departments of Agriculture, Natural Resources, and Commerce and the Pollution
87.13 Control Agency; two farm organizations; one sustainable agriculture farmer organization;
87.14 three rural economic development organizations; three environmental organizations; and
87.15 three conservation or wildlife organizations. The board and technical committee shall
87.16 consult with private sector organizations and University of Minnesota researchers involved
87.17 in biomass establishment and bioenergy or biofuel conversion. The technical committee
87.18 is to develop program guidelines and standards, as appropriate to ensure that reinvest in
87.19 Minnesota clean energy program contracts provide public benefits commensurate with the
87.20 public investment. The technical committee shall review and make recommendations on
87.21 the guidelines and standards every five years.

87.22 Sec. 120. Minnesota Statutes 2006, section 103G.222, subdivision 1, is amended to
87.23 read:

87.24 Subdivision 1. **Requirements.** (a) Wetlands must not be drained or filled, wholly
87.25 or partially, unless replaced by restoring or creating wetland areas of at least equal
87.26 public value under a replacement plan approved as provided in section 103G.2242, a
87.27 replacement plan under a local governmental unit's comprehensive wetland protection
87.28 and management plan approved by the board under section 103G.2243, or, if a permit to
87.29 mine is required under section 93.481, under a mining reclamation plan approved by the
87.30 commissioner under the permit to mine. Mining reclamation plans shall apply the same
87.31 principles and standards for replacing wetlands by restoration or creation of wetland areas
87.32 that are applicable to mitigation plans approved as provided in section 103G.2242. Public
87.33 value must be determined in accordance with section 103B.3355 or a comprehensive
87.34 wetland protection and management plan established under section 103G.2243. Sections

88.1 103G.221 to 103G.2372 also apply to excavation in permanently and semipermanently
88.2 flooded areas of types 3, 4, and 5 wetlands.

88.3 (b) Replacement must be guided by the following principles in descending order
88.4 of priority:

88.5 (1) avoiding the direct or indirect impact of the activity that may destroy or diminish
88.6 the wetland;

88.7 (2) minimizing the impact by limiting the degree or magnitude of the wetland
88.8 activity and its implementation;

88.9 (3) rectifying the impact by repairing, rehabilitating, or restoring the affected
88.10 wetland environment;

88.11 (4) reducing or eliminating the impact over time by preservation and maintenance
88.12 operations during the life of the activity;

88.13 (5) compensating for the impact by restoring a wetland; and

88.14 (6) compensating for the impact by replacing or providing substitute wetland
88.15 resources or environments.

88.16 For a project involving the draining or filling of wetlands in an amount not exceeding
88.17 10,000 square feet more than the applicable amount in section 103G.2241, subdivision 9,
88.18 paragraph (a), the local government unit may make an on-site sequencing determination
88.19 without a written alternatives analysis from the applicant.

88.20 (c) If a wetland is located in a cultivated field, then replacement must be
88.21 accomplished through restoration only without regard to the priority order in paragraph
88.22 (b), provided that a deed restriction is placed on the altered wetland prohibiting
88.23 nonagricultural use for at least ten years.

88.24 (d) If a wetland is drained under section 103G.2241, subdivision 2, paragraphs
88.25 (b) and (e), the local government unit may require a deed restriction that prohibits
88.26 nonagricultural use for at least ten years unless the drained wetland is replaced as provided
88.27 under this section. The local government unit may require the deed restriction if it
88.28 determines the wetland area drained is at risk of conversion to a nonagricultural use within
88.29 ten years based on the zoning classification, proximity to a municipality or full service
88.30 road, or other criteria as determined by the local government unit.

88.31 (e) Restoration and replacement of wetlands must be accomplished in accordance
88.32 with the ecology of the landscape area affected and ponds that are created primarily to
88.33 fulfill stormwater management, and water quality treatment requirements may not be
88.34 used to satisfy replacement requirements under this chapter unless the design includes
88.35 pretreatment of runoff and the pond is functioning as a wetland.

89.1 ~~(e)~~ (f) Except as provided in paragraph ~~(f)~~ (g), for a wetland or public waters wetland
89.2 located on nonagricultural land, replacement must be in the ratio of two acres of replaced
89.3 wetland for each acre of drained or filled wetland.

89.4 ~~(f)~~ (g) For a wetland or public waters wetland located on agricultural land or in a
89.5 greater than 80 percent area, replacement must be in the ratio of one acre of replaced
89.6 wetland for each acre of drained or filled wetland.

89.7 ~~(g)~~ (h) Wetlands that are restored or created as a result of an approved replacement
89.8 plan are subject to the provisions of this section for any subsequent drainage or filling.

89.9 ~~(h)~~ (i) Except in a greater than 80 percent area, only wetlands that have been
89.10 restored from previously drained or filled wetlands, wetlands created by excavation in
89.11 nonwetlands, wetlands created by dikes or dams along public or private drainage ditches,
89.12 or wetlands created by dikes or dams associated with the restoration of previously drained
89.13 or filled wetlands may be used in a statewide banking program established in rules adopted
89.14 under section 103G.2242, subdivision 1. Modification or conversion of nondegraded
89.15 naturally occurring wetlands from one type to another are not eligible for enrollment in a
89.16 statewide wetlands bank.

89.17 ~~(i)~~ (j) The Technical Evaluation Panel established under section 103G.2242,
89.18 subdivision 2, shall ensure that sufficient time has occurred for the wetland to develop
89.19 wetland characteristics of soils, vegetation, and hydrology before recommending that the
89.20 wetland be deposited in the statewide wetland bank. If the Technical Evaluation Panel has
89.21 reason to believe that the wetland characteristics may change substantially, the panel shall
89.22 postpone its recommendation until the wetland has stabilized.

89.23 ~~(j)~~ (k) This section and sections 103G.223 to 103G.2242, 103G.2364, and
89.24 103G.2365 apply to the state and its departments and agencies.

89.25 ~~(k)~~ (l) For projects involving draining or filling of wetlands associated with a new
89.26 public transportation project, and for projects expanded solely for additional traffic
89.27 capacity, public transportation authorities may purchase credits from the board at the cost
89.28 to the board to establish credits. Proceeds from the sale of credits provided under this
89.29 paragraph are appropriated to the board for the purposes of this paragraph.

89.30 ~~(l)~~ (m) A replacement plan for wetlands is not required for individual projects that
89.31 result in the filling or draining of wetlands for the repair, rehabilitation, reconstruction,
89.32 or replacement of a currently serviceable existing state, city, county, or town public road
89.33 necessary, as determined by the public transportation authority, to meet state or federal
89.34 design or safety standards or requirements, excluding new roads or roads expanded solely
89.35 for additional traffic capacity lanes. This paragraph only applies to authorities for public
89.36 transportation projects that:

90.1 (1) minimize the amount of wetland filling or draining associated with the project
90.2 and consider mitigating important site-specific wetland functions on-site;

90.3 (2) except as provided in clause (3), submit project-specific reports to the board, the
90.4 Technical Evaluation Panel, the commissioner of natural resources, and members of the
90.5 public requesting a copy at least 30 days prior to construction that indicate the location,
90.6 amount, and type of wetlands to be filled or drained by the project or, alternatively,
90.7 convene an annual meeting of the parties required to receive notice to review projects to
90.8 be commenced during the upcoming year; and

90.9 (3) for minor and emergency maintenance work impacting less than 10,000 square
90.10 feet, submit project-specific reports, within 30 days of commencing the activity, to the
90.11 board that indicate the location, amount, and type of wetlands that have been filled
90.12 or drained.

90.13 Those required to receive notice of public transportation projects may appeal
90.14 minimization, delineation, and on-site mitigation decisions made by the public
90.15 transportation authority to the board according to the provisions of section 103G.2242,
90.16 subdivision 9. The Technical Evaluation Panel shall review minimization and delineation
90.17 decisions made by the public transportation authority and provide recommendations
90.18 regarding on-site mitigation if requested to do so by the local government unit, a
90.19 contiguous landowner, or a member of the Technical Evaluation Panel.

90.20 Except for state public transportation projects, for which the state Department of
90.21 Transportation is responsible, the board must replace the wetlands, and wetland areas of
90.22 public waters if authorized by the commissioner or a delegated authority, drained or filled
90.23 by public transportation projects on existing roads.

90.24 Public transportation authorities at their discretion may deviate from federal and
90.25 state design standards on existing road projects when practical and reasonable to avoid
90.26 wetland filling or draining, provided that public safety is not unreasonably compromised.
90.27 The local road authority and its officers and employees are exempt from liability for
90.28 any tort claim for injury to persons or property arising from travel on the highway and
90.29 related to the deviation from the design standards for construction or reconstruction under
90.30 this paragraph. This paragraph does not preclude an action for damages arising from
90.31 negligence in construction or maintenance on a highway.

90.32 ~~(m)~~ (n) If a landowner seeks approval of a replacement plan after the proposed
90.33 project has already affected the wetland, the local government unit may require the
90.34 landowner to replace the affected wetland at a ratio not to exceed twice the replacement
90.35 ratio otherwise required.

91.1 ~~(n)~~ (o) A local government unit may request the board to reclassify a county or
91.2 watershed on the basis of its percentage of presettlement wetlands remaining. After
91.3 receipt of satisfactory documentation from the local government, the board shall change
91.4 the classification of a county or watershed. If requested by the local government unit,
91.5 the board must assist in developing the documentation. Within 30 days of its action to
91.6 approve a change of wetland classifications, the board shall publish a notice of the change
91.7 in the Environmental Quality Board Monitor.

91.8 ~~(o)~~ (p) One hundred citizens who reside within the jurisdiction of the local
91.9 government unit may request the local government unit to reclassify a county or watershed
91.10 on the basis of its percentage of presettlement wetlands remaining. In support of their
91.11 petition, the citizens shall provide satisfactory documentation to the local government unit.
91.12 The local government unit shall consider the petition and forward the request to the board
91.13 under paragraph ~~(n)~~ (o) or provide a reason why the petition is denied.

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

91.15 Sec. 121. Minnesota Statutes 2006, section 103G.222, subdivision 3, is amended to
91.16 read:

91.17 Subd. 3. **Wetland replacement siting.** (a) Siting wetland replacement must follow
91.18 this priority order:

91.19 (1) on site or in the same minor watershed as the affected wetland;

91.20 (2) in the same watershed as the affected wetland;

91.21 (3) in the same county as the affected wetland;

91.22 (4) for replacement by wetland banking, in the same wetland bank service area as
91.23 the impacted wetland, except that impacts in a 50 to 80 percent area must be replaced in
91.24 a 50 to 80 percent area and impacts in a less than 50 percent area must be replaced in a
91.25 less than 50 percent area;

91.26 (5) for project specific replacement, in an adjacent watershed ~~or county~~ to the
91.27 affected wetland, or for replacement by wetland banking, in an adjacent wetland bank
91.28 service area, except that impacts in a 50 to 80 percent area must be replaced in a 50 to
91.29 80 percent area and impacts in a less than 50 percent area must be replaced in a less
91.30 than 50 percent area; and

91.31 ~~(5)~~ (6) statewide, ~~only for wetlands affected in greater than 80 percent areas and~~ and for
91.32 public transportation projects, except that wetlands affected in less than 50 percent areas
91.33 must be replaced in less than 50 percent areas, and wetlands affected in the seven-county
91.34 metropolitan area must be replaced at a ratio of two to one in: (i) the affected county or,
91.35 (ii) in another of the seven metropolitan counties, or (iii) in one of the major watersheds

92.1 that are wholly or partially within the seven-county metropolitan area, but at least one to
92.2 one must be replaced within the seven-county metropolitan area.

92.3 (b) Notwithstanding paragraph (a), siting wetland replacement in greater than 80
92.4 percent areas may follow the priority order under this paragraph: (1) by wetland banking
92.5 after evaluating on-site replacement and replacement within the watershed; (2) replaced
92.6 in an adjacent wetland bank service area if wetland bank credits are not reasonably
92.7 available in the same wetland bank service area as the affected wetland, as determined by
92.8 a comprehensive inventory approved by the board; and (3) statewide.

92.9 (c) Notwithstanding paragraph (a), siting wetland replacement in the seven-county
92.10 metropolitan area must follow the priority order under this paragraph: (1) in the affected
92.11 county; (2) in another of the seven metropolitan counties; or (3) in one of the major
92.12 watersheds that are wholly or partially within the seven-county metropolitan area, but at
92.13 least one to one must be replaced within the seven-county metropolitan area.

92.14 (d) The exception in paragraph (a), clause ~~(5)~~ (6), does not apply to replacement
92.15 completed using wetland banking credits established by a person who submitted a
92.16 complete wetland banking application to a local government unit by April 1, 1996.

92.17 ~~(e)~~ (e) When reasonable, practicable, and environmentally beneficial replacement
92.18 opportunities are not available in siting priorities listed in paragraph (a), the applicant
92.19 may seek opportunities at the next level.

92.20 ~~(f)~~ (f) For the purposes of this section, "reasonable, practicable, and environmentally
92.21 beneficial replacement opportunities" are defined as opportunities that:

92.22 (1) take advantage of naturally occurring hydrogeomorphological conditions and
92.23 require minimal landscape alteration;

92.24 (2) have a high likelihood of becoming a functional wetland that will continue
92.25 in perpetuity;

92.26 (3) do not adversely affect other habitat types or ecological communities that are
92.27 important in maintaining the overall biological diversity of the area; and

92.28 (4) are available and capable of being done after taking into consideration cost,
92.29 existing technology, and logistics consistent with overall project purposes.

92.30 ~~(g)~~ (g) Regulatory agencies, local government units, and other entities involved in
92.31 wetland restoration shall collaborate to identify potential replacement opportunities within
92.32 their jurisdictional areas.

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

92.34 Sec. 122. Minnesota Statutes 2006, section 103G.2241, subdivision 1, is amended to
92.35 read:

93.1 Subdivision 1. **Agricultural activities.** ~~(a)~~ A replacement plan for wetlands is
93.2 not required for:

93.3 (1) activities in a wetland that was planted with annually seeded crops, was in a crop
93.4 rotation seeding of pasture grass or legumes, or was required to be set aside to receive
93.5 price support or other payments under United States Code, title 7, sections 1421 to 1469,
93.6 in six of the last ten years prior to January 1, 1991;

93.7 ~~(2) activities in a wetland that is or has been enrolled in the federal conservation
93.8 reserve program under United States Code, title 16, section 3831, that:~~

93.9 ~~(i) was planted with annually seeded crops, was in a crop rotation seeding, or was
93.10 required to be set aside to receive price support or payment under United States Code,
93.11 title 7, sections 1421 to 1469, in six of the last ten years prior to being enrolled in the
93.12 program; and~~

93.13 ~~(ii) has not been restored with assistance from a public or private wetland restoration
93.14 program;~~

93.15 ~~(3) activities in a wetland that has received a commenced drainage determination
93.16 provided for by the federal Food Security Act of 1985, that was made to the county
93.17 Agricultural Stabilization and Conservation Service office prior to September 19, 1988,
93.18 and a ruling and any subsequent appeals or reviews have determined that drainage of the
93.19 wetland had been commenced prior to December 23, 1985;~~

93.20 ~~(4)~~ (2) activities in a type 1 wetland on agricultural pasture land that remains in the
93.21 same use, except for bottomland hardwood type 1 wetlands, and activities in a type 2
93.22 or type 6 wetland that is less than two acres in size and located on agricultural pasture
93.23 land that remains in the same use;

93.24 (3) activities in a wetland conducted as part of normal farming practices. For
93.25 purposes of this clause, "normal farming practices" means farming, silvicultural, grazing,
93.26 and ranching activities such as plowing, seeding, cultivating, and harvesting for the
93.27 production of feed, food, and fiber products, but does not include activities that result in
93.28 the draining of wetlands;

93.29 (4) soil and water conservation practices approved by the soil and water conservation
93.30 district, after review by the Technical Evaluation Panel;

93.31 (5) aquaculture activities including pond excavation and construction and
93.32 maintenance of associated access roads and dikes authorized under, and conducted in
93.33 accordance with, a permit issued by the United States Army Corps of Engineers under
93.34 section 404 of the federal Clean Water Act, United States Code, title 33, section 1344,
93.35 but not including construction or expansion of buildings;

94.1 (6) wild rice production activities, including necessary diking and other activities
94.2 authorized under a permit issued by the United States Army Corps of Engineers under
94.3 section 404 of the federal Clean Water Act, United States Code, title 33, section 1344; or

94.4 ~~(7) normal agricultural practices to control noxious or secondary weeds as defined~~
94.5 ~~by rule of the commissioner of agriculture, in accordance with applicable requirements~~
94.6 ~~under state and federal law, including established best management practices; and~~

94.7 ~~(8) (7) agricultural activities in a wetland that is on agricultural land:~~

94.8 ~~(i) annually enrolled in the federal Agriculture Improvement and Reform Act of~~
94.9 ~~1996 and is subject to United States Code, title 16, sections 3821 to 3823, in effect on~~
94.10 ~~January 1, 2000; or~~

94.11 ~~(ii) that is subject to subsequent~~ federal farm program restrictions that meet
94.12 minimum state standards under this chapter and sections 103A.202 and 103B.3355 and
94.13 that have been approved by the Board of Water and Soil Resources, the commissioners of
94.14 natural resources and agriculture, and the Pollution Control Agency.

94.15 ~~(b) Land enrolled in a federal farm program under paragraph (a), clause (8), is~~
94.16 ~~eligible for easement participation for those acres not already compensated under a federal~~
94.17 ~~program.~~

94.18 ~~(c) The exemption under paragraph (a), clause (4), may be expanded to additional~~
94.19 ~~acreage, including types 1, 2, and 6 wetlands that are part of a larger wetland system, when~~
94.20 ~~the additional acreage is part of a conservation plan approved by the local soil and water~~
94.21 ~~conservation district, the additional draining or filling is necessary for efficient operation~~
94.22 ~~of the farm, the hydrology of the larger wetland system is not adversely affected, and~~
94.23 ~~wetlands other than types 1, 2, and 6 are not drained or filled.~~

94.24 Sec. 123. Minnesota Statutes 2006, section 103G.2241, subdivision 2, is amended to
94.25 read:

94.26 Subd. 2. **Drainage.** (a) For the purposes of this subdivision, "public drainage
94.27 system" means a drainage system as defined in section 103E.005, subdivision 12, and any
94.28 ditch or tile lawfully connected to the drainage system.

94.29 (b) A replacement plan is not required for draining of type 1 wetlands, or up to five
94.30 acres of type 2 or 6 wetlands, in an unincorporated area on land that has been assessed
94.31 drainage benefits for a public drainage system, provided that:

94.32 (1) during the 20-year period that ended January 1, 1992:

94.33 (i) there was an expenditure made from the drainage system account for the public
94.34 drainage system;

95.1 (ii) the public drainage system was repaired or maintained as approved by the
95.2 drainage authority; or

95.3 (iii) no repair or maintenance of the public drainage system was required under
95.4 section 103E.705, subdivision 1, as determined by the public drainage authority; and

95.5 (2) the wetlands are not drained for conversion to:

95.6 (i) platted lots;

95.7 (ii) planned unit, commercial, or industrial developments; or

95.8 (iii) any development with more than one residential unit per 40 acres, except for
95.9 parcels subject to local zoning standards that allow for family members to establish an
95.10 additional residence on the same 40 acres.

95.11 If wetlands drained under this paragraph are converted to uses prohibited under clause
95.12 (2) during the ten-year period following drainage, the wetlands must be replaced under
95.13 section 103G.222.

95.14 (c) A replacement plan is not required for draining or filling of wetlands, except for
95.15 draining types 3, 4, and 5 wetlands that have been in existence for more than 25 years,
95.16 resulting from maintenance and repair of existing public drainage systems.

95.17 (d) A replacement plan is not required for draining or filling of wetlands, except
95.18 for draining wetlands that have been in existence for more than 25 years, resulting from
95.19 maintenance and repair of existing drainage systems other than public drainage systems.

95.20 ~~(e) A replacement plan is not required for draining or filling of wetlands resulting~~
95.21 ~~from activities conducted as part of a public drainage system improvement project that~~
95.22 ~~received final approval from the drainage authority before July 1, 1991, and after July 1,~~
95.23 ~~1986, if:~~

95.24 ~~(1) the approval remains valid;~~

95.25 ~~(2) the project remains active; and~~

95.26 ~~(3) no additional drainage will occur beyond that originally approved.~~

95.27 (e) A replacement plan is not required for draining agricultural land that: (1) was
95.28 planted with annually seeded crops before July 5, except for crops that are normally
95.29 planted after that date, in eight out of the ten most recent years prior to the impact; (2) was
95.30 in a crop rotation seeding of pasture grass, cover crop, or legumes, or was fallow for a
95.31 crop production purpose, in eight out of the ten most recent years prior to the impact; or
95.32 (3) was enrolled in a state or federal land conservation program and met the requirements
95.33 of clause (1) or (2) before enrollment.

95.34 (f) The public drainage authority may, as part of the repair, install control structures,
95.35 realign the ditch, construct dikes along the ditch, or make other modifications as necessary
95.36 to prevent drainage of the wetland.

96.1 (g) Wetlands of all types that would be drained as a part of a public drainage repair
96.2 project are eligible for the permanent wetlands preserve under section 103F.516. The
96.3 board shall give priority to acquisition of easements on types 3, 4, and 5 wetlands that have
96.4 been in existence for more than 25 years on public drainage systems and other wetlands
96.5 that have the greatest risk of drainage from a public drainage repair project.

96.6 Sec. 124. Minnesota Statutes 2006, section 103G.2241, subdivision 3, is amended to
96.7 read:

96.8 Subd. 3. **Federal approvals.** A replacement plan for wetlands is not required for:

96.9 ~~(1) activities exempted from federal regulation under United States Code, title 33,~~
96.10 ~~section 1344(f), as in effect on January 1, 1991;~~

96.11 ~~(2) activities authorized under, and conducted in accordance with, an applicable~~
96.12 ~~general permit issued by the United States Army Corps of Engineers under section 404~~
96.13 ~~of the federal Clean Water Act, United States Code, title 33, section 1344, except the~~
96.14 ~~nationwide permit in Code of Federal Regulations, title 33, section 330.5, paragraph (a),~~
96.15 ~~clauses (14), limited to when a new road crosses a wetland, and (26), as in effect on~~
96.16 ~~January 1, 1991; or~~

96.17 ~~(3) activities authorized under the federal Clean Water Act, section 404, or the~~
96.18 ~~Rivers and Harbors Act, section 10, regulations that meet minimum state standards~~
96.19 ~~under this chapter and sections 103A.202 and 103B.3355 and that have been approved~~
96.20 ~~by the Board of Water and Soil Resources, the commissioners of natural resources and~~
96.21 ~~agriculture, and the Pollution Control Agency.~~

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

96.23 Sec. 125. Minnesota Statutes 2006, section 103G.2241, subdivision 6, is amended to
96.24 read:

96.25 Subd. 6. **Utilities; public works.** (a) A replacement plan for wetlands is not
96.26 required for:

96.27 ~~(1) placement, maintenance, repair, enhancement, or replacement of utility or~~
96.28 ~~utility-type service if:~~

96.29 ~~(i) the impacts of the proposed project on the hydrologic and biological~~
96.30 ~~characteristics of the wetland have been avoided and minimized to the extent possible; and~~

96.31 ~~(ii) the proposed project significantly modifies or alters less than one-half acre of~~
96.32 ~~wetlands;~~

96.33 ~~(2) activities associated with routine maintenance of utility and pipeline~~
96.34 ~~rights-of-way, provided the activities do not result in additional intrusion into the wetland;~~

97.1 ~~(3) alteration of a wetland associated with the operation, maintenance, or repair of~~
97.2 ~~an interstate pipeline within all existing or acquired interstate pipeline rights-of-way;~~

97.3 ~~(4) emergency repair and normal maintenance and repair of existing public works,~~
97.4 ~~provided the activity does not result in additional intrusion of the public works into the~~
97.5 ~~wetland and does not result in the draining or filling, wholly or partially, of a wetland;~~

97.6 ~~(5) normal maintenance and minor repair of structures causing no additional~~
97.7 ~~intrusion of an existing structure into the wetland, and maintenance and repair of private~~
97.8 ~~crossings that do not result in the draining or filling, wholly or partially, of a wetland; or~~

97.9 ~~(6) repair and updating of existing individual sewage treatment systems as necessary~~
97.10 ~~to comply with local, state, and federal regulations.~~

97.11 (1) new placement or maintenance, repair, enhancement, or replacement of existing
97.12 utility or utility-type service, including pipelines, if:

97.13 (i) the direct and indirect impacts of the proposed project have been avoided and
97.14 minimized to the extent possible; and

97.15 (ii) the proposed project significantly modifies or alters less than one-half acre of
97.16 wetlands;

97.17 (2) activities associated with operation, routine maintenance, or emergency repair of
97.18 existing utilities and public work structures, including pipelines, provided the activities
97.19 do not result in additional wetland intrusion or additional draining or filling of a wetland
97.20 either wholly or partially; or

97.21 (3) repair and updating of existing individual sewage treatment systems necessary to
97.22 comply with local, state, and federal regulations.

97.23 (b) For maintenance, repair, and replacement, the local government unit may issue
97.24 a seasonal or annual exemption certification or the utility may proceed without local
97.25 government unit certification if the utility is carrying out the work according to approved
97.26 best management practices. Work of an emergency nature may proceed as necessary
97.27 and any drain or fill activities shall be addressed with the local government unit after
97.28 the emergency work has been completed.

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

97.30 Sec. 126. Minnesota Statutes 2006, section 103G.2241, subdivision 9, is amended to
97.31 read:

97.32 Subd. 9. **De minimis.** (a) Except as provided in paragraphs (b) and (c), a
97.33 replacement plan for wetlands is not required for draining or filling the following amounts
97.34 of wetlands as part of a project:

98.1 (1) 10,000 square feet of type 1, 2, 6, or 7 wetland, excluding white cedar and
98.2 tamarack wetlands, outside of the shoreland wetland protection zone in a greater than
98.3 80 percent area;

98.4 (2) 5,000 square feet of type 1, 2, 6, or 7 wetland, excluding white cedar and
98.5 tamarack wetlands, outside of the shoreland wetland protection zone in a 50 to 80 percent
98.6 area, except within the 11-county metropolitan area;

98.7 (3) 2,000 square feet of type 1, 2, or 6 wetland, outside of the shoreland wetland
98.8 protection zone in a less than 50 percent area, except within the 11-county metropolitan
98.9 area;

98.10 (4) ~~400~~ 100 square feet of wetland types not listed in clauses (1) to (3) outside of
98.11 the building setback zone of the shoreland wetland protection zones in all counties; or

98.12 (5) 400 square feet of ~~type 1, 2, 3, 4, 5, 6, 7, or 8~~ wetland types listed in clauses (1)
98.13 to (3), in beyond the building setback zone, as defined in the local shoreland management
98.14 ordinance, but within the shoreland wetland protection zone, except that. In a greater
98.15 than 80 percent area, the local government unit may increase the de minimis amount
98.16 up to 1,000 square feet ~~in the shoreland protection zone in areas beyond the building~~
98.17 ~~setback~~ if the wetland is isolated and is determined to have no direct surficial connection
98.18 to the public water. To the extent that a local shoreland management ordinance is more
98.19 restrictive than this provision, the local shoreland ordinance applies;

98.20 (6) up to 20 square feet of wetland, regardless of type or location;

98.21 (7) 2,500 square feet of type 1, 2, 6, or 7 wetland, excluding white cedar and
98.22 tamarack wetlands, outside of the shoreland wetland protection zone in a 50 to 80 percent
98.23 area within the 11-county metropolitan area; or

98.24 (8) 1,000 square feet of type 1, 2, or 6 wetland, outside of the shoreland wetland
98.25 protection zone in a less than 50 percent area within the 11-county metropolitan area.

98.26 For purposes of this paragraph, the 11-county metropolitan area consists of the
98.27 counties of Anoka, Carver, Chisago, Dakota, Hennepin, Isanti, Ramsey, Scott, Sherburne,
98.28 Washington, and Wright.

98.29 (b) The amounts listed in paragraph (a), clauses (1) to ~~(5)~~ (8), may not be combined
98.30 on a project.

98.31 (c) This exemption no longer applies to a landowner's portion of a wetland when
98.32 the cumulative area drained or filled of the landowner's portion since January 1, 1992, is
98.33 the greatest of:

98.34 (1) the applicable area listed in paragraph (a), if the landowner owns the entire
98.35 wetland;

98.36 (2) five percent of the landowner's portion of the wetland; or

99.1 (3) 400 square feet.

99.2 (d) This exemption may not be combined with another exemption in this section on
99.3 a project.

99.4 (e) Property may not be divided to increase the amounts listed in paragraph (a).

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

99.6 Sec. 127. Minnesota Statutes 2006, section 103G.2241, subdivision 11, is amended to
99.7 read:

99.8 Subd. 11. **Exemption conditions.** (a) A person conducting an activity in a wetland
99.9 under an exemption in subdivisions 1 to 10 shall ensure that:

99.10 (1) appropriate erosion control measures are taken to prevent sedimentation of
99.11 the water;

99.12 (2) the activity does not block fish passage in a watercourse; and

99.13 (3) the activity is conducted in compliance with all other applicable federal,
99.14 state, and local requirements, including best management practices and water resource
99.15 protection requirements established under chapter 103H.

99.16 (b) An activity is exempt if it qualifies for any one of the exemptions, even though it
99.17 may be indicated as not exempt under another exemption.

99.18 (c) Persons proposing to conduct an exempt activity are encouraged to contact the
99.19 local government unit or the local government unit's designee for advice on minimizing
99.20 wetland impacts.

99.21 (d) The board shall develop rules that address the application and implementation
99.22 of exemptions and that provide for estimates and reporting of exempt wetland impacts,
99.23 including those in section 103G.2241, subdivisions 2, 6, and 9.

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

99.25 Sec. 128. Minnesota Statutes 2006, section 103G.2242, subdivision 2, is amended to
99.26 read:

99.27 Subd. 2. **Evaluation.** (a) Questions concerning the public value, location, size,
99.28 or type of a wetland shall be submitted to and determined by a Technical Evaluation
99.29 Panel after an on-site inspection. The Technical Evaluation Panel shall be composed of
99.30 a technical professional employee of the board, a technical professional employee of
99.31 the local soil and water conservation district or districts, a technical professional with
99.32 expertise in water resources management appointed by the local government unit, and
99.33 a technical professional employee of the Department of Natural Resources for projects
99.34 affecting public waters or wetlands adjacent to public waters. The panel shall use the

100.1 "United States Army Corps of Engineers Wetland Delineation Manual" (January 1987),
100.2 including updates, supplementary guidance, and replacements, if any, "Wetlands of
100.3 the United States" (United States Fish and Wildlife Service Circular 39, 1971 edition),
100.4 and "Classification of Wetlands and Deepwater Habitats of the United States" (1979
100.5 edition). The panel shall provide the wetland determination and recommendations on
100.6 other technical matters to the local government unit that must approve a replacement
100.7 plan, wetland banking plan, exemption determination, no-loss determination, or wetland
100.8 boundary or type determination and may recommend approval or denial of the plan. The
100.9 authority must consider and include the decision of the Technical Evaluation Panel in their
100.10 approval or denial of a plan or determination.

100.11 (b) Persons conducting wetland or public waters boundary delineations or type
100.12 determinations are exempt from the requirements of chapter 326. ~~By January 15, 2001,~~
100.13 ~~the board, in consultation with the Minnesota Association of Professional Soil Scientists,~~
100.14 ~~the University of Minnesota, and the Wetland Delineators' Association, shall submit a plan~~
100.15 ~~for a professional wetland delineator certification program to the legislature. The board~~
100.16 may develop a professional wetland delineator certification program.

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

100.18 Sec. 129. Minnesota Statutes 2006, section 103G.2242, subdivision 2a, is amended to
100.19 read:

100.20 Subd. 2a. **Wetland boundary or type determination.** (a) A landowner may apply
100.21 for a wetland boundary or type determination from the local government unit. The
100.22 landowner applying for the determination is responsible for submitting proof necessary
100.23 to make the determination, including, but not limited to, wetland delineation field data,
100.24 observation well data, topographic mapping, survey mapping, and information regarding
100.25 soils, vegetation, hydrology, and groundwater both within and outside of the proposed
100.26 wetland boundary.

100.27 (b) A local government unit that receives an application under paragraph (a) may
100.28 seek the advice of the Technical Evaluation Panel as described in subdivision 2, and, if
100.29 necessary, expand the Technical Evaluation Panel. The local government unit may delegate
100.30 the decision authority for wetland boundary or type determinations ~~with the zoning~~
100.31 ~~administrator~~ to designated staff, or establish other procedures it considers appropriate.

100.32 (c) The local government unit decision must be made in compliance with section
100.33 15.99. Within ten calendar days of the decision, the local government unit decision must
100.34 be mailed to the landowner, members of the Technical Evaluation Panel, the watershed

101.1 district or watershed management organization, if one exists, and individual members of
101.2 the public who request a copy.

101.3 (d) Appeals of decisions made by designated local government staff must be made
101.4 to the local government unit. Notwithstanding any law to the contrary, a ruling on an
101.5 appeal must be made by the local government unit within 30 days from the date of the
101.6 filing of the appeal.

101.7 (e) The local government unit decision is valid for three years unless the Technical
101.8 Evaluation Panel determines that natural or artificial changes to the hydrology, vegetation,
101.9 or soils of the area have been sufficient to alter the wetland boundary or type.

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

101.11 Sec. 130. Minnesota Statutes 2006, section 103G.2242, subdivision 9, is amended to
101.12 read:

101.13 Subd. 9. **Appeal.** (a) Appeal of a replacement plan, exemption, wetland banking,
101.14 wetland boundary or type determination, ~~or no-loss decision,~~ or restoration order may
101.15 be obtained by mailing a petition and payment of a filing fee ~~of \$200,~~ which shall be
101.16 retained by the board to defray administrative costs, to the board within 30 days after the
101.17 postmarked date of the mailing specified in subdivision 7. If appeal is not sought within
101.18 30 days, the decision becomes final. ~~The local government unit may require the petitioner~~
101.19 ~~to post a letter of credit, cashier's check, or cash in an amount not to exceed \$500.~~ If the
101.20 petition for hearing is accepted, the amount posted must be returned to the petitioner.

101.21 Appeal may be made by:

- 101.22 (1) the wetland owner;
- 101.23 (2) any of those to whom notice is required to be mailed under subdivision 7; or
- 101.24 (3) 100 residents of the county in which a majority of the wetland is located.

101.25 (b) Within 30 days after receiving a petition, the board shall decide whether to
101.26 grant the petition and hear the appeal. The board shall grant the petition unless the board
101.27 finds that:

- 101.28 (1) the appeal is meritless, trivial, or brought solely for the purposes of delay;
- 101.29 (2) the petitioner has not exhausted all local administrative remedies;
- 101.30 (3) expanded technical review is needed;
- 101.31 (4) the local government unit's record is not adequate; or
- 101.32 (5) the petitioner has not posted a letter of credit, cashier's check, or cash if required
101.33 by the local government unit.

102.1 (c) In determining whether to grant the appeal, the board shall also consider the
102.2 size of the wetland, other factors in controversy, any patterns of similar acts by the local
102.3 government unit or petitioner, and the consequences of the delay resulting from the appeal.

102.4 (d) All appeals must be heard by the committee for dispute resolution of the board,
102.5 and a decision made within 60 days of filing the local government unit's record and the
102.6 written briefs submitted for the appeal. The decision must be served by mail on the parties
102.7 to the appeal, and is not subject to the provisions of chapter 14. A decision whether to
102.8 grant a petition for appeal and a decision on the merits of an appeal must be considered the
102.9 decision of an agency in a contested case for purposes of judicial review under sections
102.10 14.63 to 14.69.

102.11 (e) Notwithstanding section 16A.1283, the board shall establish a fee schedule to
102.12 defray the administrative costs of appeals made to the board under this subdivision. Fees
102.13 established under this authority shall not exceed \$1,000. Establishment of the fee is not
102.14 subject to the rulemaking process of chapter 14 and section 14.386 does not apply.

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

102.16 Sec. 131. Minnesota Statutes 2006, section 103G.2242, subdivision 12, is amended to
102.17 read:

102.18 Subd. 12. **Replacement credits.** (a) No public or private wetland restoration,
102.19 enhancement, or construction may be allowed for replacement unless specifically
102.20 designated for replacement and paid for by the individual or organization performing the
102.21 wetland restoration, enhancement, or construction, and is completed prior to any draining
102.22 or filling of the wetland.

102.23 (b) Paragraph (a) does not apply to a wetland whose owner has paid back with
102.24 interest the individual or organization restoring, enhancing, or constructing the wetland.

102.25 (c) Notwithstanding section 103G.222, subdivision 1, paragraph ~~(h)~~ (i), the
102.26 following actions, and others established in rule, that are consistent with criteria in rules
102.27 adopted by the board in conjunction with the commissioners of natural resources and
102.28 agriculture, are eligible for replacement credit as determined by the local government unit,
102.29 including enrollment in a statewide wetlands bank:

102.30 (1) reestablishment of permanent native, noninvasive vegetative cover on a wetland
102.31 on agricultural land that was planted with annually seeded crops, was in a crop rotation
102.32 seeding of pasture grasses or legumes, or was in a land retirement program during the
102.33 past ten years;

102.34 (2) buffer areas of permanent native, noninvasive vegetative cover established or
102.35 preserved on upland adjacent to replacement wetlands;

103.1 (3) wetlands restored for conservation purposes under terminated easements or
103.2 contracts; and

103.3 (4) water quality treatment ponds constructed to pretreat storm water runoff prior
103.4 to discharge to wetlands, public waters, or other water bodies, provided that the water
103.5 quality treatment ponds must be associated with an ongoing or proposed project that
103.6 will impact a wetland and replacement credit for the treatment ponds is based on the
103.7 replacement of wetland functions and on an approved stormwater management plan for
103.8 the local government.

103.9 (d) Notwithstanding section 103G.222, subdivision 1, paragraphs ~~(e)~~ (f) and ~~(f)~~ (g),
103.10 the board may establish by rule different replacement ratios for restoration projects with
103.11 exceptional natural resource value.

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

103.13 Sec. 132. Minnesota Statutes 2006, section 103G.2242, subdivision 15, is amended to
103.14 read:

103.15 Subd. 15. **Fees paid to board.** All fees established in ~~subdivision~~ subdivisions 9
103.16 and 14 must be paid to the Board of Water and Soil Resources ~~and credited to the general~~
103.17 ~~fund~~ to be used for the purpose of administration of the wetland bank and to process
103.18 appeals under section 103G.2242, subdivision 9.

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

103.20 Sec. 133. Minnesota Statutes 2006, section 103G.2243, subdivision 2, is amended to
103.21 read:

103.22 Subd. 2. **Plan contents.** A comprehensive wetland protection and management
103.23 plan may:

103.24 (1) provide for classification of wetlands in the plan area based on:

103.25 (i) an inventory of wetlands in the plan area;

103.26 (ii) an assessment of the wetland functions listed in section 103B.3355, using a
103.27 methodology chosen by the Technical Evaluation Panel from one of the methodologies
103.28 established or approved by the board under that section; and

103.29 (iii) the resulting public values;

103.30 (2) vary application of the sequencing standards in section 103G.222, subdivision 1,
103.31 paragraph (b), for projects based on the classification and criteria set forth in the plan;

103.32 (3) vary the replacement standards of section 103G.222, subdivision 1, paragraphs
103.33 ~~(e)~~ (f) and ~~(f)~~ (g), based on the classification and criteria set forth in the plan, for specific

104.1 wetland impacts provided there is no net loss of public values within the area subject to
104.2 the plan, and so long as:

104.3 (i) in a 50 to 80 percent area, a minimum acreage requirement of one acre of replaced
104.4 wetland for each acre of drained or filled wetland requiring replacement is met within
104.5 the area subject to the plan; and

104.6 (ii) in a less than 50 percent area, a minimum acreage requirement of two acres of
104.7 replaced wetland for each acre of drained or filled wetland requiring replacement is met
104.8 within the area subject to the plan, except that replacement for the amount above a 1:1
104.9 ratio can be accomplished as described in section 103G.2242, subdivision 12; and

104.10 (4) in a greater than 80 percent area, allow replacement credit, based on the
104.11 classification and criteria set forth in the plan, for any project that increases the public
104.12 value of wetlands, including activities on adjacent upland acres; and

104.13 ~~(5) in a greater than 80 percent area, based on the classification and criteria set forth~~
104.14 ~~in the plan, expand the application of the exemptions in section 103G.2241, subdivision~~
104.15 ~~1, paragraph (a), clause (4), to also include nonagricultural land, provided there is no~~
104.16 ~~net loss of wetland values.~~

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

104.18 Sec. 134. Minnesota Statutes 2006, section 103G.235, is amended to read:

104.19 **103G.235 RESTRICTIONS ON ACCESS TO PUBLIC WATERS WETLANDS.**

104.20 **Subdivision 1. Wetlands adjacent to roads.** To protect the public health or safety,
104.21 local units of government may by ordinance restrict public access to public waters
104.22 wetlands from municipality, county, or township roads that abut public waters wetlands.

104.23 **Subd. 2. Privately restored or created wetlands.** When a landowner creates a new
104.24 wetland or restores a formerly existing wetland on private land that is adjacent to public
104.25 land or a public road right-of-way, there is no public access to the created or restored
104.26 wetland if posted by the landowner.

104.27 Sec. 135. Minnesota Statutes 2006, section 103G.301, subdivision 2, is amended to
104.28 read:

104.29 **Subd. 2. Permit application fees.** (a) A permit application fee to defray the costs of
104.30 receiving, recording, and processing the application must be paid for a permit authorized
104.31 under this chapter and for each request to amend or transfer an existing permit.

104.32 **(b) The fee for a project appropriating water in excess of 100 million gallons per**
104.33 **year must be assessed to recover the reasonable costs of preparing and processing the**
104.34 **permit, including costs for environmental review. Fees collected under this paragraph**

105.1 must be credited to an account in the natural resources fund and are appropriated to the
105.2 commissioner for fiscal years 2008 and 2009.

105.3 ~~(b)~~ (c) The fee to apply for a permit to appropriate water, other than a permit subject
105.4 to the fee under paragraph (b); a permit to construct or repair a dam that is subject to dam
105.5 safety inspection; or a state general permit or to apply for the state water bank program is
105.6 \$150. The application fee for a permit to work in public waters or to divert waters for
105.7 mining must be at least \$150, but not more than \$1,000, according to a schedule of fees
105.8 adopted under section 16A.1285.

105.9 Sec. 136. Minnesota Statutes 2006, section 115.55, subdivision 1, is amended to read:

105.10 Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to sections
105.11 115.55 to 115.56.

105.12 (b) "Advisory committee" means the Advisory Committee on Individual Sewage
105.13 Treatment Systems established under the individual sewage treatment system rules. The
105.14 advisory committee must be appointed to ensure geographic representation of the state
105.15 and include elected public officials.

105.16 (c) "Applicable requirements" means:

105.17 (1) local ordinances that comply with the individual sewage treatment system rules,
105.18 as required in subdivision 2; or

105.19 (2) in areas not subject to the ordinances described in clause (1), the individual
105.20 sewage treatment system rules.

105.21 (d) "City" means a statutory or home rule charter city.

105.22 (e) "Commissioner" means the commissioner of the Pollution Control Agency.

105.23 (f) "Dwelling" means a building or place used or intended to be used by human
105.24 occupants as a single-family or two-family unit.

105.25 (g) "Individual sewage treatment system" or "system" means a sewage treatment
105.26 system, or part thereof, ~~servicing a dwelling, other establishment, or group thereof,~~ that
105.27 uses subsurface soil treatment and disposal, or a holding tank, servicing a dwelling, other
105.28 establishment, or a group thereof.

105.29 (h) "Individual sewage treatment system professional" means an inspector, installer,
105.30 site evaluator or designer, or pumper.

105.31 (i) "Individual sewage treatment system rules" means rules adopted by the agency
105.32 that establish minimum standards and criteria for the design, location, installation, use,
105.33 and maintenance of individual sewage treatment systems.

105.34 (j) "Inspector" means a person who inspects individual sewage treatment systems for
105.35 compliance with the applicable requirements.

106.1 (k) "Installer" means a person who constructs or repairs individual sewage treatment
106.2 systems.

106.3 (l) "Local unit of government" means a township, city, or county.

106.4 (m) "Performance-based system" means a system that is designed specifically for a
106.5 site and the environmental conditions on that site and designed to adequately protect the
106.6 public health and the environment and provide long-term performance. At a minimum, a
106.7 performance based system must ensure that applicable water quality standards are met in
106.8 both ground and surface water that ultimately receive the treated wastewater.

106.9 (n) "Pumper" means a person who maintains components of individual sewage
106.10 treatment systems including, but not limited to, septic, aerobic, and holding tanks.

106.11 ~~(n)~~ (o) "Seasonal dwelling" means a dwelling that is occupied or used for less than
106.12 180 days per year and less than 120 consecutive days.

106.13 ~~(o)~~ (p) "Septic system tank" means any covered receptacle designed, constructed,
106.14 and installed as part of an individual sewage treatment system.

106.15 ~~(p)~~ (q) "Site evaluator or designer" means a person who:

106.16 (1) investigates soils and site characteristics to determine suitability, limitations, and
106.17 sizing requirements; and

106.18 (2) designs individual sewage treatment systems.

106.19 ~~(q)~~ (r) "Straight-pipe system" means a sewage disposal system that includes toilet
106.20 waste and transports raw or partially settled sewage directly to a lake, a stream, a drainage
106.21 system, or ground surface.

106.22 Sec. 137. Minnesota Statutes 2006, section 115.55, subdivision 2, is amended to read:

106.23 Subd. 2. **Local ordinances.** (a) All counties ~~that did not adopt ordinances by~~
106.24 ~~May 7, 1994, or that do not have ordinances,~~ must adopt ordinances that comply with
106.25 revisions to the individual sewage treatment system rules by January 1, 1999, unless all
106.26 towns and cities in the county have adopted such ordinances within two years of the final
106.27 adoption by the agency. County ordinances must apply to all areas of the county other
106.28 than cities or towns that have adopted ordinances that comply with this section and are
106.29 as strict as the applicable county ordinances. ~~Any ordinance adopted by a local unit of~~
106.30 ~~government before May 7, 1994, to regulate individual sewage treatment systems must be~~
106.31 ~~in compliance with the individual sewage treatment system rules by January 1, 1998.~~

106.32 (b) A copy of each ordinance adopted under this subdivision must be submitted to
106.33 the commissioner upon adoption.

106.34 (c) A local unit of government must make available to the public upon request a
106.35 written list of any differences between its ordinances and rules adopted under this section.

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107.1 Sec. 138. Minnesota Statutes 2006, section 115.55, subdivision 3, is amended to read:

107.2 Subd. 3. **Rules.** (a) The agency shall adopt rules containing minimum standards and
107.3 criteria for the design, location, installation, use, and maintenance of individual sewage
107.4 treatment systems. The rules must include:

107.5 (1) how the agency will ensure compliance under subdivision 2;

107.6 (2) how local units of government shall enforce ordinances under subdivision 2,
107.7 including requirements for permits and inspection programs;

107.8 (3) how the advisory committee will participate in review and implementation of
107.9 the rules;

107.10 (4) provisions for ~~alternative~~ nonstandard systems and performance-based systems;

107.11 (5) provisions for handling and disposal of effluent;

107.12 (6) provisions for system abandonment; and

107.13 (7) procedures for variances, including the consideration of variances based on cost
107.14 and variances that take into account proximity of a system to other systems.

107.15 (b) The agency shall consult with the advisory committee before adopting rules
107.16 under this subdivision.

107.17 (c) Notwithstanding the repeal of the agency rule under which the commissioner
107.18 has established a list of warrantied individual sewage treatment systems, the warranties
107.19 for all systems so listed as of the effective date of the repeal shall continue to be valid
107.20 for the remainder of the warranty period.

107.21 (d) The rules required in paragraph (a) must also address the following:

107.22 (1) a definition of redoximorphic features and other criteria that can be used by
107.23 system designers and inspectors;

107.24 (2) direction on the interpretation of observed soil features that may be
107.25 redoximorphic and their relation to zones of seasonal saturation; and

107.26 (3) procedures on how to resolve professional disagreements on seasonally saturated
107.27 soils.

107.28 These rules must be in place by March 31, 2006.

107.29 Sec. 139. Minnesota Statutes 2006, section 115.55, is amended by adding a subdivision
107.30 to read:

107.31 Subd. 12. **Advisory committee; county individual sewage treatment system**

107.32 **management plan.** (a) A county may adopt an individual sewage treatment system

107.33 management plan that describes how the county plans on carrying out individual sewage

107.34 treatment system needs. The commissioner of the Pollution Control Agency shall form an

107.35 advisory committee to determine what the plans should address. The advisory committee

108.1 shall be made up of representatives of the Association of Minnesota Counties, Pollution
108.2 Control Agency, Board of Water and Soil Resources, Department of Health, and other
108.3 public agencies or local units of government that have an interest in individual sewage
108.4 treatment systems.

108.5 (b) The advisory committee shall advise the agency on the standards, management,
108.6 monitoring, and reporting requirements for performance-based systems.

108.7 Sec. 140. Minnesota Statutes 2006, section 116C.92, is amended to read:

108.8 **116C.92 COORDINATION OF ACTIVITIES.**

108.9 Subdivision 1. State coordinating organization. The Environmental Quality Board
108.10 is designated the state coordinating organization for state and federal regulatory activities
108.11 relating to genetically engineered organisms.

108.12 Subd. 2. Notice of nationwide action. The board shall notify interested parties if a
108.13 permit to release genetically engineered wild rice is issued anywhere in the United States.

108.14 For purposes of this subdivision, "interested parties" means:

108.15 (1) the state's wild rice industry;

108.16 (2) the legislature;

108.17 (3) federally recognized tribes within Minnesota; and

108.18 (4) individuals who request to be notified.

108.19 Sec. 141. Minnesota Statutes 2006, section 116C.94, subdivision 1, is amended to read:

108.20 Subdivision 1. **General authority.** (a) Except as provided in paragraph (b), the
108.21 board shall adopt rules consistent with sections 116C.91 to 116C.96 that require an
108.22 environmental assessment worksheet and otherwise comply with chapter 116D and rules
108.23 adopted under it for a proposed release and a permit for a release. The board may place
108.24 conditions on a permit and may deny, modify, suspend, or revoke a permit.

108.25 (b) The board shall adopt rules that require an environmental impact statement and
108.26 otherwise comply with chapter 116D and rules adopted under it for a proposed release and
108.27 a permit for a release of genetically engineered wild rice. The board may place conditions
108.28 on the permit and may deny, modify, suspend, or revoke the permit.

108.29 Sec. 142. Minnesota Statutes 2006, section 116C.97, subdivision 2, is amended to read:

108.30 Subd. 2. **Federal oversight.** (a) If the board determines, upon its own volition or at
108.31 the request of any person, that a federal program exists for regulating the release of certain
108.32 genetically engineered organisms and the federal oversight under the program is adequate
108.33 to protect human health or the environment, then any person may release such genetically

109.1 engineered organisms after obtaining the necessary federal approval and without obtaining
109.2 a state release permit or a significant environmental permit or complying with the other
109.3 requirements of sections 116C.91 to 116C.96 and the rules of the board adopted pursuant
109.4 to section 116C.94.

109.5 (b) If the board determines the federal program is adequate to meet only certain
109.6 requirements of sections 116C.91 to 116C.96 and the rules of the board adopted pursuant
109.7 to section 116C.94, the board may exempt such releases from those requirements.

109.8 (c) A person proposing a release for which a federal authorization is required may
109.9 apply to the board for an exemption from the board's permit or to a state agency with a
109.10 significant environmental permit for the proposed release for an exemption from the
109.11 agency's permit. The proposer must file with the board or state agency a written request
109.12 for exemption with a copy of the federal application and the information necessary to
109.13 determine if there is a potential for significant environmental effects under chapter 116D
109.14 and rules adopted under it. The board or state agency shall give public notice of the request
109.15 in the first available issue of the EQB Monitor and shall provide an opportunity for public
109.16 comment on the environmental review process consistent with chapter 116D and rules
109.17 adopted under it. The board or state agency may grant the exemption if the board or state
109.18 agency finds that the federal authorization issued is adequate to meet the requirements of
109.19 chapter 116D and rules adopted under it and any other requirement of the board's or state
109.20 agency's authority regarding the release of genetically engineered organisms. The board
109.21 or state agency must grant or deny the exemption within 45 days after the receipt of the
109.22 written request and the information required by the board or state agency.

109.23 (d) This subdivision does not apply to genetically engineered organisms for which
109.24 an environmental impact statement is required under sections 116C.91 to 116C.96.

109.25 Sec. 143. **[144.995] DEFINITIONS; ENVIRONMENTAL HEALTH TRACKING**
109.26 **AND BIOMONITORING.**

109.27 (a) For purposes of sections 144.995 to 144.998, the terms in this section have
109.28 the meanings given.

109.29 (b) "Advisory panel" means the Environmental Health Tracking and Biomonitoring
109.30 Advisory Panel established under section 144.998.

109.31 (c) "Biomonitoring" means the process by which chemicals and their metabolites are
109.32 identified and measured within a biospecimen.

109.33 (d) "Biospecimen" means a sample of human fluid, serum, or tissue that is reasonably
109.34 available as a medium to measure the presence and concentration of chemicals or their
109.35 metabolites in a human body.

110.1 (e) "Commissioner" means the commissioner of the Department of Health.

110.2 (f) "Community" means geographically or nongeographically based populations that
110.3 may participate in the biomonitoring program. A "nongeographical community" includes,
110.4 but is not limited to, populations that may share a common chemical exposure through
110.5 similar occupations, populations experiencing a common health outcome that may be
110.6 linked to chemical exposures, populations that may experience similar chemical exposures
110.7 because of comparable consumption, lifestyle, product use, and subpopulations that share
110.8 ethnicity, age, or gender.

110.9 (g) "Department" means the Department of Health.

110.10 (h) "Designated chemicals" means those chemicals that are known to, or strongly
110.11 suspected of, adversely impacting human health or development, based upon scientific,
110.12 peer-reviewed animal, human, or in vitro studies, and baseline human exposure data,
110.13 and consists of chemical families or metabolites that are included in the federal Centers
110.14 for Disease Control and Prevention studies that are known collectively as the National
110.15 Reports on Human Exposure to Environmental Chemicals Program and any substances
110.16 specified by the commissioner after receiving recommendations under section 144.998,
110.17 subdivision 3, clause (6).

110.18 (i) "Environmental hazard" means a chemical or other substance for which scientific,
110.19 peer-reviewed studies of humans, animals, or cells have demonstrated that the chemical is
110.20 known or reasonably anticipated to adversely impact human health.

110.21 (j) "Environmental health tracking" means collection, integration, analysis, and
110.22 dissemination of data on human exposures to chemicals in the environment and on
110.23 diseases potentially caused or aggravated by those chemicals.

110.24 Sec. 144. **[144.996] ENVIRONMENTAL HEALTH TRACKING;**
110.25 **BIOMONITORING.**

110.26 Subdivision 1. **Environmental health tracking.** In cooperation with the
110.27 commissioner of the Pollution Control Agency, the commissioner shall establish an
110.28 environmental health tracking program to:

110.29 (1) coordinate data collection with the Pollution Control Agency, Department of
110.30 Agriculture, University of Minnesota, and any other relevant state agency and work to
110.31 promote the sharing of and access to health and environmental databases to develop an
110.32 environmental health tracking system for Minnesota, consistent with applicable data
110.33 practices laws;

110.34 (2) facilitate the dissemination of aggregate public health tracking data to the public
110.35 and researchers in accessible format;

111.1 (3) develop a strategic plan that includes a mission statement, the identification
111.2 of core priorities for research and epidemiologic surveillance, and the identification of
111.3 internal and external stakeholders, and a work plan describing future program development
111.4 and addressing issues having to do with compatibility with the Centers for Disease Control
111.5 and Prevention's National Environmental Public Health Tracking Program;

111.6 (4) develop written data sharing agreements as needed with the Pollution Control
111.7 Agency, Department of Agriculture, and other relevant state agencies and organizations,
111.8 and develop additional procedures as needed to protect individual privacy;

111.9 (5) organize, analyze, and interpret available data, in order to:

111.10 (i) characterize statewide and localized trends and geographic patterns of
111.11 population-based measures of chronic diseases including, but not limited to, cancer,
111.12 respiratory diseases, reproductive problems, birth defects, neurologic diseases, and
111.13 developmental disorders;

111.14 (ii) characterize statewide and localized trends and geographic patterns in the
111.15 occurrence of environmental hazards and exposures;

111.16 (iii) assess the feasibility of integrating disease rate data with indicators of exposure
111.17 to the selected environmental hazards such as biomonitoring data, and other health and
111.18 environmental data;

111.19 (iv) incorporate newly collected and existing health tracking and biomonitoring
111.20 data into efforts to identify communities with elevated rates of chronic disease, higher
111.21 likelihood of exposure to environmental hazards, or both;

111.22 (v) analyze occurrence of environmental hazards, exposures, and diseases with
111.23 relation to socioeconomic status, race, and ethnicity;

111.24 (vi) develop and implement targeted plans to conduct more intensive health tracking
111.25 and biomonitoring among communities; and

111.26 (vii) work with the Pollution Control Agency, the Department of Agriculture, and
111.27 other relevant state agency personnel and organizations to develop, implement, and
111.28 evaluate preventive measures to reduce elevated rates of diseases and exposures identified
111.29 through activities performed under sections 144.995 to 144.998; and

111.30 (6) submit a biennial report to the chairs and ranking members of the committees
111.31 with jurisdiction over environment and health by January 15, beginning January 15, 2009,
111.32 on the status of environmental health tracking activities and related research programs,
111.33 with recommendations for a comprehensive environmental public health tracking program.

111.34 Subd. 2. **Biomonitoring.** The commissioner shall:

112.1 (1) conduct biomonitoring of communities on a voluntary basis by collecting and
112.2 analyzing biospecimens, as appropriate, to assess environmental exposures to designated
112.3 chemicals;

112.4 (2) conduct biomonitoring of pregnant women and minors on a voluntary basis,
112.5 when scientifically appropriate;

112.6 (3) communicate findings to the public, and plan ensuing stages of biomonitoring
112.7 and disease tracking work to further develop and refine the integrated analysis;

112.8 (4) share analytical results with the advisory panel and work with the panel
112.9 to interpret results, communicate findings to the public, and plan ensuing stages of
112.10 biomonitoring work; and

112.11 (5) submit a biennial report to the chairs and ranking members of the committees
112.12 with jurisdiction over environment and health by January 15, beginning January 15, 2009,
112.13 on the status of the biomonitoring program and any recommendations for improvement.

112.14 Subd. 3. **Health data.** Data collected under the biomonitoring program are health
112.15 data under section 13.3805.

112.16 Sec. 145. **[144.997] BIOMONITORING PILOT PROGRAM.**

112.17 Subdivision 1. **Pilot program.** With advice from the advisory panel, and after the
112.18 program guidelines in subdivision 4 are developed, the commissioner shall implement a
112.19 biomonitoring pilot program. The program shall collect one biospecimen from each of
112.20 the voluntary participants. The biospecimen selected must be the biospecimen that most
112.21 accurately represents body concentration of the chemical of interest. Each biospecimen
112.22 from the voluntary participants must be analyzed for one type or class of related chemicals.
112.23 The commissioner shall determine the chemical or class of chemicals to which community
112.24 members were most likely exposed. The program shall collect and assess biospecimens in
112.25 accordance with the following:

112.26 (1) 30 voluntary participants from each of three communities that the commissioner
112.27 identifies as likely to have been exposed to a designated chemical;

112.28 (2) 100 voluntary participants from each of two communities:

112.29 (i) that the commissioner identifies as likely to have been exposed to arsenic; and

112.30 (ii) that the commissioner identifies as likely to have been exposed to mercury; and

112.31 (3) 100 voluntary participants from each of two communities that the commissioner
112.32 identifies as likely to have been exposed to perfluorinated chemicals, including
112.33 perfluorobutanoic acid.

113.1 Subd. 2. **Base program.** (a) By January 15, 2008, the commissioner shall submit a
113.2 report on the results of the biomonitoring pilot program to the chairs and ranking members
113.3 of the committees with jurisdiction over health and environment.

113.4 (b) Following the conclusion of the pilot program, the commissioner shall:

113.5 (1) work with the advisory panel to assess the usefulness of continuing biomonitoring
113.6 among members of communities assessed during the pilot program and to identify other
113.7 communities and other designated chemicals to be assessed via biomonitoring;

113.8 (2) work with the advisory panel to assess the pilot program, including but not
113.9 limited to the validity and accuracy of the analytical measurements and adequacy of the
113.10 guidelines and protocols;

113.11 (3) communicate the results of the pilot program to the public; and

113.12 (4) after consideration of the findings and recommendations in clauses (1) and (2),
113.13 and within the appropriations available, develop and implement a base program.

113.14 Subd. 3. **Participation.** (a) Participation in the biomonitoring program by providing
113.15 biospecimens is voluntary and requires written, informed consent. Minors may participate
113.16 in the program if a written consent is signed by the minor's parent or legal guardian.
113.17 The written consent must include the information required to be provided under this
113.18 subdivision to all voluntary participants.

113.19 (b) All participants shall be evaluated for the presence of the designated chemical
113.20 of interest as a component of the biomonitoring process. Participants shall be provided
113.21 with information and fact sheets about the program's activities and its findings.

113.22 Individual participants shall, if requested, receive their complete results. Any results
113.23 provided to participants shall be subject to the Department of Health Institutional
113.24 Review Board protocols and guidelines. When either physiological or chemical data
113.25 obtained from a participant indicate a significant known health risk, program staff
113.26 experienced in communicating biomonitoring results shall consult with the individual
113.27 and recommend follow-up steps, as appropriate. Program administrators shall receive
113.28 training in administering the program in an ethical, culturally sensitive, participatory,
113.29 and community-based manner.

113.30 Subd. 4. **Program guidelines.** (a) The commissioner, in consultation with the
113.31 advisory panel, shall develop:

113.32 (1) protocols or program guidelines that address the science and practice of
113.33 biomonitoring to be utilized and procedures for changing those protocols to incorporate
113.34 new and more accurate or efficient technologies as they become available. The
113.35 commissioner and the advisory panel shall be guided by protocols and guidelines

114.1 developed by the Centers for Disease Control and Prevention and the National
114.2 Biomonitoring Program;

114.3 (2) guidelines for ensuring the privacy of information; informed consent; follow-up
114.4 counseling and support; and communicating findings to participants, communities, and
114.5 the general public. The informed consent used for the program must meet the informed
114.6 consent protocols developed by the National Institutes of Health;

114.7 (3) educational and outreach materials that are culturally appropriate for
114.8 dissemination to program participants and communities. Priority shall be given to the
114.9 development of materials specifically designed to ensure that parents are informed about
114.10 all of the benefits of breastfeeding so that the program does not result in an unjustified fear
114.11 of toxins in breast milk, which might inadvertently lead parents to avoid breastfeeding.
114.12 The materials shall communicate relevant scientific findings; data on the accumulation
114.13 of pollutants to community health; and the required responses by local, state, and other
114.14 governmental entities in regulating toxicant exposures;

114.15 (4) a training program that is culturally sensitive specifically for health care
114.16 providers, health educators, and other program administrators;

114.17 (5) a designation process for state and private laboratories that are qualified to
114.18 analyze biospecimens and report the findings; and

114.19 (6) a method for informing affected communities and local governments representing
114.20 those communities concerning biomonitoring activities and for receiving comments from
114.21 citizens concerning those activities.

114.22 (b) The commissioner may enter into contractual agreements with health clinics,
114.23 community-based organizations, or experts in a particular field to perform any of the
114.24 activities described under this section.

114.25 **Sec. 146. [144.998] ENVIRONMENTAL HEALTH TRACKING AND**
114.26 **BIOMONITORING ADVISORY PANEL.**

114.27 Subdivision 1. **Creation.** The commissioner shall establish the Environmental
114.28 Health Tracking and Biomonitoring Advisory Panel. The commissioner shall appoint,
114.29 from the panel's membership, a chair. The panel shall meet as often as it deems necessary
114.30 but, at a minimum, on a quarterly basis. Members of the panel shall serve without
114.31 compensation but shall be reimbursed for travel and other necessary expenses incurred
114.32 through performance of their duties. Members appointed by the commissioner are
114.33 appointed for a three-year term and may be reappointed. Legislative appointees serve at
114.34 the pleasure of the appointing authority.

115.1 Subd. 2. **Members.** (a) The commissioner shall appoint eight members, none of
115.2 whom may be lobbyists registered under chapter 10A, who have backgrounds or training
115.3 in designing, implementing, and interpreting health tracking and biomonitoring studies or
115.4 in related fields of science, including epidemiology, biostatistics, environmental health,
115.5 laboratory sciences, occupational health, industrial hygiene, toxicology, and public health,
115.6 including:

115.7 (1) at least two scientists representative of each of the following:

115.8 (i) nongovernmental organizations with a focus on environmental health,
115.9 environmental justice, children's health, or on specific chronic diseases; and

115.10 (ii) statewide business organizations; and

115.11 (2) at least one scientist who is a representative of the University of Minnesota.

115.12 (b) Two citizen panel members meeting the scientific qualifications in paragraph (a)
115.13 shall be appointed, one by the speaker of the house and one by the senate majority leader.

115.14 (c) In addition, one representative each shall be appointed by the commissioners of
115.15 the Pollution Control Agency and the Department of Agriculture, and by the commissioner
115.16 of health to represent the department's Health Promotion and Chronic Disease Division.

115.17 Subd. 3. **Duties.** The advisory panel shall make recommendations to the
115.18 commissioner and the legislature on:

115.19 (1) priorities for health tracking;

115.20 (2) priorities for biomonitoring that are based on sound science and practice, and
115.21 that will advance the state of public health in Minnesota;

115.22 (3) specific chronic diseases to study under the environmental health tracking system;

115.23 (4) specific environmental hazard exposures to study under the environmental health
115.24 tracking system, with the agreement of at least nine of the advisory panel members;

115.25 (5) specific communities and geographic areas on which to focus environmental
115.26 health tracking and biomonitoring efforts;

115.27 (6) specific chemicals to study under the biomonitoring program, with the agreement
115.28 of at least nine of the advisory panel members; in making these recommendations, the
115.29 panel may consider the following criteria:

115.30 (i) the degree of potential exposure to the public or specific subgroups, including,
115.31 but not limited to, occupational;

115.32 (ii) the likelihood of a chemical being a carcinogen or toxicant based on
115.33 peer-reviewed health data, the chemical structure, or the toxicology of chemically related
115.34 compounds;

115.35 (iii) the limits of laboratory detection for the chemical, including the ability to detect
115.36 the chemical at low enough levels that could be expected in the general population;

- 116.1 (iv) exposure or potential exposure to the public or specific subgroups;
116.2 (v) the known or suspected health effects resulting from the same level of exposure
116.3 based on peer-reviewed scientific studies;
116.4 (vi) the need to assess the efficacy of public health actions to reduce exposure to a
116.5 chemical;
116.6 (vii) the availability of a biomonitoring analytical method with adequate accuracy,
116.7 precision, sensitivity, specificity, and speed;
116.8 (viii) the availability of adequate biospecimen samples; or
116.9 (ix) other criteria that the panel may agree to; and
116.10 (7) other aspects of the design, implementation, and evaluation of the environmental
116.11 health tracking and biomonitoring system, including, but not limited to:
116.12 (i) identifying possible community partners and sources of additional public or
116.13 private funding;
116.14 (ii) developing outreach and educational methods and materials; and
116.15 (iii) disseminating environmental health tracking and biomonitoring findings to
116.16 the public.

116.17 Subd. 4. **Liability.** No member of the panel shall be held civilly or criminally liable
116.18 for an act or omission by that person if the act or omission was in good faith and within
116.19 the scope of the member's responsibilities under sections 144.995 to 144.998.

116.20 Sec. 147. Minnesota Statutes 2006, section 219.99, is amended to read:

116.21 **219.99 RAILROAD PRAIRIE RIGHT-OF-WAY; BEST MANAGEMENT**
116.22 **PRACTICES.**

116.23 The commissioner of natural resources shall conduct a field review of railroad
116.24 rights-of-way to identify native prairie. The priority will be to identify and conduct a field
116.25 review of any surveys which have been conducted previously, whether by public or private
116.26 persons, of native prairies within railroad rights-of-way in this state. In cooperation with
116.27 railroad companies, the commissioner shall identify management practices used to control
116.28 vegetation along railroad rights-of-way. The commissioner shall then assess the impact
116.29 of those management practices on the prairie lands within the railroad rights-of-way.
116.30 Based on that assessment, the commissioner and railroad companies shall jointly develop
116.31 voluntary best management practices for prairie lands within railroad rights-of-way. The
116.32 commissioner shall, to the extent feasible, work with private individuals and groups
116.33 to cause to be erected markers at either end of each native prairie within a railroad
116.34 right-of-way.

117.1 Sec. 148. Minnesota Statutes 2006, section 282.04, subdivision 1, is amended to read:

117.2 Subdivision 1. **Timber sales; land leases and uses.** (a) The county auditor may
117.3 sell timber upon any tract that may be approved by the natural resources commissioner.
117.4 The sale of timber shall be made for cash at not less than the appraised value determined
117.5 by the county board to the highest bidder after not less than one week's published notice
117.6 in an official paper within the county. Any timber offered at the public sale and not sold
117.7 may thereafter be sold at private sale by the county auditor at not less than the appraised
117.8 value thereof, until the time as the county board may withdraw the timber from sale. The
117.9 appraised value of the timber and the forestry practices to be followed in the cutting of
117.10 said timber shall be approved by the commissioner of natural resources.

117.11 (b) Payment of the full sale price of all timber sold on tax-forfeited lands shall be
117.12 made in cash at the time of the timber sale, except in the case of oral or sealed bid auction
117.13 sales, the down payment shall be no less than 15 percent of the appraised value, and the
117.14 balance shall be paid prior to entry. In the case of auction sales that are partitioned and
117.15 sold as a single sale with predetermined cutting blocks, the down payment shall be no less
117.16 than 15 percent of the appraised price of the entire timber sale which may be held until the
117.17 satisfactory completion of the sale or applied in whole or in part to the final cutting block.
117.18 The value of each separate block must be paid in full before any cutting may begin in that
117.19 block. With the permission of the county contract administrator the purchaser may enter
117.20 unpaid blocks and cut necessary timber incidental to developing logging roads as may
117.21 be needed to log other blocks provided that no timber may be removed from an unpaid
117.22 block until separately scaled and paid for. If payment is provided as specified in this
117.23 paragraph as security under paragraph (a) and no cutting has taken place on the contract,
117.24 the county auditor may credit the security provided, less any down payment required for
117.25 an auction sale under this paragraph, to any other contract issued to the contract holder
117.26 by the county under this chapter to which the contract holder requests in writing that it
117.27 be credited, provided the request and transfer is made within the same calendar year as
117.28 the security was received.

117.29 (c) The county board may ~~require final settlement on the basis of a scale of cut~~
117.30 ~~products~~ sell any timber, including biomass, as appraised or scaled. Any parcels of land
117.31 from which timber is to be sold by scale of cut products shall be so designated in the
117.32 published notice of sale under paragraph (a), in which case the notice shall contain a
117.33 description of the parcels, a statement of the estimated quantity of each species of timber,
117.34 and the appraised price of each species of timber for 1,000 feet, per cord or per piece, as
117.35 the case may be. In those cases any bids offered over and above the appraised prices shall
117.36 be by percentage, the percent bid to be added to the appraised price of each of the different

118.1 species of timber advertised on the land. The purchaser of timber from the parcels shall
118.2 pay in cash at the time of sale at the rate bid for all of the timber shown in the notice of
118.3 sale as estimated to be standing on the land, and in addition shall pay at the same rate for
118.4 any additional amounts which the final scale shows to have been cut or was available for
118.5 cutting on the land at the time of sale under the terms of the sale. Where the final scale
118.6 of cut products shows that less timber was cut or was available for cutting under terms
118.7 of the sale than was originally paid for, the excess payment shall be refunded from the
118.8 forfeited tax sale fund upon the claim of the purchaser, to be audited and allowed by the
118.9 county board as in case of other claims against the county. No timber, except hardwood
118.10 pulpwood, may be removed from the parcels of land or other designated landings until
118.11 scaled by a person or persons designated by the county board and approved by the
118.12 commissioner of natural resources. Landings other than the parcel of land from which
118.13 timber is cut may be designated for scaling by the county board by written agreement
118.14 with the purchaser of the timber. The county board may, by written agreement with the
118.15 purchaser and with a consumer designated by the purchaser when the timber is sold by the
118.16 county auditor, and with the approval of the commissioner of natural resources, accept the
118.17 consumer's scale of cut products delivered at the consumer's landing. No timber shall be
118.18 removed until fully paid for in cash. Small amounts of timber not exceeding \$3,000 in
118.19 appraised valuation may be sold for not less than the full appraised value at private sale
118.20 to individual persons without first publishing notice of sale or calling for bids, provided
118.21 that in case of a sale involving a total appraised value of more than \$200 the sale shall be
118.22 made subject to final settlement on the basis of a scale of cut products in the manner above
118.23 provided and not more than two of the sales, directly or indirectly to any individual shall
118.24 be in effect at one time.

118.25 (d) As directed by the county board, the county auditor may lease tax-forfeited land
118.26 to individuals, corporations or organized subdivisions of the state at public or private sale,
118.27 and at the prices and under the terms as the county board may prescribe, for use as cottage
118.28 and camp sites and for agricultural purposes and for the purpose of taking and removing of
118.29 hay, stumpage, sand, gravel, clay, rock, marl, and black dirt from the land, and for garden
118.30 sites and other temporary uses provided that no leases shall be for a period to exceed ten
118.31 years; provided, further that any leases involving a consideration of more than \$12,000 per
118.32 year, except to an organized subdivision of the state shall first be offered at public sale in
118.33 the manner provided herein for sale of timber. Upon the sale of any leased land, it shall
118.34 remain subject to the lease for not to exceed one year from the beginning of the term of the
118.35 lease. Any rent paid by the lessee for the portion of the term cut off by the cancellation

119.1 shall be refunded from the forfeited tax sale fund upon the claim of the lessee, to be
119.2 audited and allowed by the county board as in case of other claims against the county.

119.3 (e) As directed by the county board, the county auditor may lease tax-forfeited land
119.4 to individuals, corporations, or organized subdivisions of the state at public or private sale,
119.5 at the prices and under the terms as the county board may prescribe, for the purpose
119.6 of taking and removing for use for road construction and other purposes tax-forfeited
119.7 stockpiled iron-bearing material. The county auditor must determine that the material is
119.8 needed and suitable for use in the construction or maintenance of a road, tailings basin,
119.9 settling basin, dike, dam, bank fill, or other works on public or private property, and
119.10 that the use would be in the best interests of the public. No lease shall exceed ten years.
119.11 The use of a stockpile for these purposes must first be approved by the commissioner of
119.12 natural resources. The request shall be deemed approved unless the requesting county
119.13 is notified to the contrary by the commissioner of natural resources within six months
119.14 after receipt of a request for approval for use of a stockpile. Once use of a stockpile has
119.15 been approved, the county may continue to lease it for these purposes until approval is
119.16 withdrawn by the commissioner of natural resources.

119.17 (f) The county auditor, with the approval of the county board is authorized to grant
119.18 permits, licenses, and leases to tax-forfeited lands for the depositing of stripping, lean
119.19 ores, tailings, or waste products from mines or ore milling plants, upon the conditions and
119.20 for the consideration and for the period of time, not exceeding 15 years, as the county
119.21 board may determine. The permits, licenses, or leases are subject to approval by the
119.22 commissioner of natural resources.

119.23 (g) Any person who removes any timber from tax-forfeited land before said
119.24 timber has been scaled and fully paid for as provided in this subdivision is guilty of a
119.25 misdemeanor.

119.26 (h) The county auditor may, with the approval of the county board, and without first
119.27 offering at public sale, grant leases, for a term not exceeding 25 years, for the removal
119.28 of peat and for the production or removal of farm-grown closed-loop biomass as defined
119.29 in section 216B.2424, subdivision 1, or short-rotation woody crops from tax-forfeited
119.30 lands upon the terms and conditions as the county board may prescribe. Any lease for
119.31 the removal of peat, farm-grown closed-loop biomass, or short-rotation woody crops
119.32 from tax-forfeited lands must first be reviewed and approved by the commissioner of
119.33 natural resources if the lease covers 320 or more acres. No lease for the removal of
119.34 peat, farm-grown closed-loop biomass, or short-rotation woody crops shall be made by
119.35 the county auditor pursuant to this section without first holding a public hearing on the
119.36 auditor's intention to lease. One printed notice in a legal newspaper in the county at least

120.1 ten days before the hearing, and posted notice in the courthouse at least 20 days before
120.2 the hearing shall be given of the hearing.

120.3 (i) Notwithstanding any provision of paragraph (c) to the contrary, the St. Louis
120.4 County auditor may, at the discretion of the county board, sell timber to the party who
120.5 bids the highest price for all the several kinds of timber, as provided for sales by the
120.6 commissioner of natural resources under section 90.14. Bids offered over and above the
120.7 appraised price need not be applied proportionately to the appraised price of each of
120.8 the different species of timber.

120.9 (j) In lieu of any payment or deposit required in paragraph (b), as directed by the
120.10 county board and under terms set by the county board, the county auditor may accept an
120.11 irrevocable bank letter of credit in the amount equal to the amount otherwise determined
120.12 in paragraph (b). If an irrevocable bank letter of credit is provided under this paragraph,
120.13 at the written request of the purchaser, the county may periodically allow the bank letter
120.14 of credit to be reduced by an amount proportionate to the value of timber that has been
120.15 harvested and for which the county has received payment. The remaining amount of
120.16 the bank letter of credit after a reduction under this paragraph must not be less than 20
120.17 percent of the value of the timber purchased. If an irrevocable bank letter of credit or
120.18 cash deposit is provided for the down payment required in paragraph (b), and no cutting
120.19 of timber has taken place on the contract for which a letter of credit has been provided,
120.20 the county may allow the transfer of the letter of credit to any other contract issued to the
120.21 contract holder by the county under this chapter to which the contract holder requests in
120.22 writing that it be credited.

120.23 Sec. 149. **[325E.385] PRODUCTS CONTAINING POLYBROMINATED**
120.24 **DIPHENYL ETHER.**

120.25 Subdivision 1. Definitions. For the purposes of sections 325E.386 to 325E.388,
120.26 the terms in this section have the meanings given them.

120.27 Subd. 2. Commercial decabromodiphenyl ether. "Commercial
120.28 decabromodiphenyl ether" means the chemical mixture of decabromodiphenyl ether,
120.29 including associated polybrominated diphenyl ether impurities not intentionally added.

120.30 Subd. 3. Commissioner. "Commissioner" means the commissioner of the Pollution
120.31 Control Agency.

120.32 Subd. 4. Manufacturer. "Manufacturer" means any person, firm, association,
120.33 partnership, corporation, governmental entity, organization, or joint venture that produces

121.1 a product containing polybrominated diphenyl ethers or an importer or domestic
121.2 distributor of a noncombustible product containing polybrominated diphenyl ethers.

121.3 Subd. 5. **Polybrominated diphenyl ethers or PBDE's.** "Polybrominated diphenyl
121.4 ethers" or "PBDE's" means chemical forms that consist of diphenyl ethers bound with
121.5 bromine atoms. Polybrominated diphenyl ethers include, but are not limited to, the
121.6 three primary forms of the commercial mixtures known as pentabromodiphenyl ether,
121.7 octabromodiphenyl ether, and decabromodiphenyl ether.

121.8 Subd. 6. **Retailer.** "Retailer" means a person who offers a product for sale at retail
121.9 through any means, including, but not limited to, remote offerings such as sales outlets,
121.10 catalogs, or the Internet, but does not include a sale that is a wholesale transaction with a
121.11 distributor or a retailer.

121.12 Subd. 7. **Used product.** "Used product" means any product that has been previously
121.13 owned, purchased, or sold in commerce. Used product does not include any product
121.14 manufactured after January 1, 2008.

121.15 Sec. 150. **[325E.386] PRODUCTS CONTAINING CERTAIN**
121.16 **POLYBROMINATED DIPHENYL ETHERS BANNED; EXEMPTIONS.**

121.17 Subdivision 1. **Penta- and octabromodiphenyl ethers.** Except as provided in
121.18 subdivision 3, beginning January 1, 2008, a person may not manufacture, process, or
121.19 distribute in commerce a product or flame-retardant part of a product containing more
121.20 than one-tenth of one percent of pentabromodiphenyl ether or octabromodiphenyl ether
121.21 by mass.

121.22 Subd. 2. **Exemptions.** The following products containing polybrominated diphenyl
121.23 ethers are exempt from subdivision 1 and section 325E.387, subdivision 2:

121.24 (1) the sale or distribution of any used transportation vehicle with component parts
121.25 containing polybrominated diphenyl ethers;

121.26 (2) the sale or distribution of any used transportation vehicle parts or new
121.27 transportation vehicle parts manufactured before January 1, 2008, that contain
121.28 polybrominated diphenyl ethers;

121.29 (3) the manufacture, sale, repair, distribution, maintenance, refurbishment, or
121.30 modification of equipment containing polybrominated diphenyl ethers and used primarily
121.31 for military or federally funded space program applications. This exemption does not
121.32 cover consumer-based goods with broad applicability;

121.33 (4) the sale or distribution by a business, charity, public entity, or private party of
121.34 any used product containing polybrominated diphenyl ethers;

122.1 (5) the manufacture, sale, or distribution of new carpet cushion made from recycled
122.2 foam containing more than one-tenth of one percent polybrominated diphenyl ether;
122.3 (6) medical devices; or
122.4 (7) the manufacture, sale, repair, distribution, maintenance, refurbishment, or
122.5 modification of telecommunications equipment containing polybrominated diphenyl
122.6 ethers used by entities eligible to hold authorization in the Public Safety Pool under Code
122.7 of Federal Regulations, title 47, part 90.

122.8 In-state retailers in possession of products on January 1, 2008, that are banned for
122.9 sale under subdivision 1 may exhaust their stock through sales to the public. Nothing in
122.10 this section restricts the ability of a manufacturer, importer, or distributor from transporting
122.11 products containing polybrominated diphenyl ethers through the state, or storing such
122.12 products in the state for later distribution outside the state.

122.13 Sec. 151. **[325E.387] REVIEW OF DECABROMODIPHENYL ETHER.**

122.14 Subdivision 1. Commissioner duties. The commissioner in consultation
122.15 with the commissioners of health and public safety shall review uses of commercial
122.16 decabromodiphenyl ether, availability of technically feasible and safer alternatives, fire
122.17 safety, and any evidence regarding the potential harm to public health and the environment
122.18 posed by commercial decabromodiphenyl ether and the alternatives. The commissioner
122.19 must consult with key stakeholders. The commissioner must also review the findings from
122.20 similar state and federal agencies and must report their findings and recommendations to
122.21 the appropriate committees of the legislature no later than January 15, 2008.

122.22 Subd. 2. State procurement. By January 1, 2008, the commissioner of
122.23 administration shall make available for purchase and use by all state agencies equipment,
122.24 supplies, and other products that do not contain polybrominated diphenyl ethers, unless
122.25 exempted under section 325E.386, subdivision 2.

122.26 Sec. 152. **[325E.388] PENALTIES.**

122.27 A manufacturer who violates sections 325E.386 to 325E.388 is subject to a
122.28 civil penalty not to exceed \$1,000 for each violation in the case of a first offense. A
122.29 manufacturer is subject to a civil penalty not to exceed \$5,000 for each repeat offense.
122.30 Penalties collected under this section must be deposited in an account in the special
122.31 revenue fund and are appropriated in fiscal years 2008 and 2009 to the commissioner to
122.32 implement and enforce this section.

122.33 Sec. 153. Minnesota Statutes 2006, section 394.23, is amended to read:

123.1 **394.23 COMPREHENSIVE PLAN.**

123.2 The board has the power and authority to prepare and adopt by ordinance, a
123.3 comprehensive plan. A comprehensive plan or plans when adopted by ordinance must be
123.4 the basis for official controls adopted under the provisions of sections 394.21 to 394.37.
123.5 The commissioner of natural resources must provide the natural heritage data from the
123.6 county biological survey, if available, to each county for use in the comprehensive plan.

123.7 Sec. 154. Minnesota Statutes 2006, section 462.353, subdivision 2, is amended to read:

123.8 Subd. 2. **Studies and reports.** In exercising its powers under subdivision 1, a
123.9 municipality may collect and analyze data, prepare maps, charts, tables, and other
123.10 illustrations and displays, and conduct necessary studies. A municipality may publicize its
123.11 purposes, suggestions, and findings on planning matters, may distribute reports thereon,
123.12 and may advise the public on the planning matters within the scope of its duties and
123.13 objectives. The commissioner of natural resources must provide the natural heritage
123.14 data from the county biological survey, if available, to each municipality for use in the
123.15 comprehensive plan.

123.16 Sec. 155. Laws 2003, chapter 128, article 1, section 167, subdivision 1, as amended by
123.17 Laws 2005, First Special Session chapter 1, article 2, section 152, is amended to read:

123.18 Subdivision 1. **Forest classification status review.** (a) By December 31, 2006, the
123.19 commissioner of natural resources shall complete a review of the forest classification status
123.20 of all state forests classified as managed or limited, all forest lands under the authority of
123.21 the commissioner as defined in Minnesota Statutes, section 89.001, subdivision 13, and
123.22 lands managed by the commissioner under Minnesota Statutes, section 282.011. The
123.23 review must be conducted on a forest-by-forest and area-by-area basis in accordance with
123.24 the process and criteria under Minnesota Rules, part 6100.1950. Except as provided in
123.25 paragraph (d), after each forest is reviewed, the commissioner must change ~~its~~ the status
123.26 of the lands within each forest to limited or closed, and. The commissioner may classify
123.27 portions of a limited forest as closed. The commissioner must also provide a similar
123.28 status for each of the other areas subject to review under this section after each individual
123.29 review is completed.

123.30 (b) If the commissioner determines on January 1, 2005, that the review required
123.31 under this section cannot be completed by December 31, 2006, the completion date for the
123.32 review shall be extended to December 31, 2008. By January 15, 2005, the commissioner
123.33 shall report to the chairs of the legislative committees with jurisdiction over natural
123.34 resources policy and finance regarding the status of the process required by this section.

S.F. No. 2096, Conference Committee Report - 85th Legislative Session (2007-2008)

124.1 (c) Until December 31, 2010, the state forests and areas subject to review under this
124.2 section are exempt from Minnesota Statutes, section 84.777, unless an individual forest or
124.3 area has been classified as limited or closed.

124.4 (d) Notwithstanding the restrictions in paragraph (a), and Minnesota Statutes,
124.5 section 84.777, subdivision 1, all forest lands under the authority of the commissioner as
124.6 defined in Minnesota Statutes, section 89.001, subdivision 13, and lands managed by the
124.7 commissioner under Minnesota Statutes, section 282.011, that are north of U.S. Highway
124.8 2 shall maintain their present classification unless the commissioner reclassifies the lands
124.9 under Minnesota Rules, part 6100.1950. The commissioner shall provide for seasonal
124.10 trail closures when conditions warrant them. By December 31, 2008, the commissioner
124.11 shall complete the review and designate trails on forest lands north of Highway 2 as
124.12 provided in this section.

124.13 Sec. 156. Laws 2003, chapter 128, article 1, section 169, is amended to read:

124.14 Sec. 169. **CONTINUOUS TRAIL DESIGNATION.**

124.15 (a) The commissioner of natural resources shall locate, plan, design, map, construct,
124.16 designate, and sign a new trail for use by all-terrain vehicles and off-highway motorcycles
124.17 of not less than 70 continuous miles in length on any land owned by the state or in
124.18 cooperation with any county on land owned by that county or on a combination of any of
124.19 these lands. This new trail shall be ready for use by ~~April 1, 2007~~ June 30, 2009.

124.20 (b) All funding for this new trail shall come from the all-terrain vehicle dedicated
124.21 account and is appropriated each year as needed.

124.22 (c) This new trail shall have at least two areas of access complete with appropriate
124.23 parking for vehicles and trailers and enough room for loading and unloading all-terrain
124.24 vehicles. Some existing trails, that are strictly all-terrain vehicle trails, and are not
124.25 inventoried forest roads, may be incorporated into the design of this new all-terrain vehicle
124.26 trail. This new trail may be of a continuous loop design and shall provide for spurs to other
124.27 all-terrain vehicle trails as long as those spurs do not count toward the 70 continuous miles
124.28 of this new all-terrain vehicle trail. Four rest areas shall be provided along the way.

124.29 Sec. 157. Laws 2006, chapter 236, article 1, section 21, is amended to read:

124.30 Sec. 21. **EXCHANGE OF TAX-FORFEITED LAND; PRIVATE SALE;**
124.31 **ITASCA COUNTY.**

124.32 (a) For the purpose of a land exchange for use in connection with a proposed
124.33 steel mill in Itasca County referenced in Laws 1999, chapter 240, article 1, section 8,
124.34 subdivision 3, title examination and approval of the land described in paragraph (b)
124.35 shall be undertaken as a condition of exchange of the land for class B land, and shall be

125.1 governed by Minnesota Statutes, section 94.344, subdivisions 9 and 10, and the provisions
125.2 of this section. Notwithstanding the evidence of title requirements in Minnesota Statutes,
125.3 section 94.344, subdivisions 9 and 10, the county attorney shall examine one or more title
125.4 reports or title insurance commitments prepared or underwritten by a title insurer licensed
125.5 to conduct title insurance business in this state, regardless of whether abstracts were
125.6 created or updated in the preparation of the title reports or commitments. The opinion of
125.7 the county attorney, and approval by the attorney general, shall be based on those title
125.8 reports or commitments.

125.9 (b) The land subject to this section is located in Itasca County and is described as:

125.10 (1) Sections 3, 4, 7, 10, 14, 15, 16, 17, 18, 20, 21, 22, 23, 26, 28, and 29, Township
125.11 56 North, Range 22 West;

125.12 (2) Sections 3, 4, 9, 10, 13, and 14, Township 56 North, Range 23 West;

125.13 (3) Section 30, Township 57 North, Range 22 West; and

125.14 (4) Sections 25, 26, 34, 35, and 36, Township 57 North, Range 23 West.

125.15 (c) Riparian land given in exchange by Itasca County for the purpose of the steel
125.16 mill referenced in paragraph (a), is exempt from the restrictions imposed by Minnesota
125.17 Statutes, section 94.342, subdivision 3.

125.18 (d) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1,
125.19 and the public sale provisions of Minnesota Statutes, chapter 282, Itasca County may sell,
125.20 by private sale, any land received in exchange for the purpose of the steel mill referenced
125.21 in paragraph (a), under the remaining provisions of Minnesota Statutes, chapter 282. The
125.22 sale must be in a form approved by the attorney general.

125.23 (e) Notwithstanding Minnesota Statutes, section 284.28, subdivision 8, or any other
125.24 law to the contrary, land acquired through an exchange under this section is exempt from
125.25 payment of three percent of the sales price required to be collected by the county auditor
125.26 at the time of sale for deposit in the state treasury.

125.27 Sec. 158. **RELIEF PAYMENTS FOR TIMBER SALE PERMITS.**

125.28 (a) Notwithstanding Minnesota Statutes, section 90.161, 90.173, 90.211, or other law
125.29 to the contrary, the commissioner of natural resources shall provide payment to permittees
125.30 with eligible permits subject to the following limits and conditions:

125.31 (1) permittees will receive a payment equal to the lesser of \$2,250 or 60 percent of
125.32 the 15 percent down payment required under Minnesota Statutes, section 90.14, for each
125.33 eligible permit forfeited within 60 days following the effective date of this section; or

125.34 (2) permittees will receive a payment equal to 60 percent of the 15 percent down
125.35 payment required under Minnesota Statutes, section 90.14, for each eligible permit the

126.1 permittee commits to cut and close by the earlier of June 30, 2010, or when the permit
126.2 expires. This commitment must be made within 60 days following the effective date of
126.3 this section. Payment must be returned to the state for each permit for which the permittee
126.4 fails to fulfill the commitment under this clause.

126.5 (b) Payments under paragraph (a) shall be mailed to permittees by August 31, 2007.

126.6 (c) An "eligible permit" means a state timber permit:

126.7 (1) that was issued on or after June 1, 2004, but before April 1, 2006; and

126.8 (2) for which there has been no harvesting, road building, or other on-the-ground
126.9 actions taken.

126.10 (d) Permittees in default or trespass status are not eligible for payments under this
126.11 section. A permittee may forfeit any number of complete permits, not to exceed 7,500
126.12 cords in total. Partial permits may not be forfeited to meet the 7,500-cord maximum.

126.13 (e) The commissioner shall reoffer the forfeited sales no later than January 31, 2008.

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

126.15 Sec. 159. **FOREST PROTECTION PLAN.**

126.16 Subdivision 1. **Task force plan.** (a) The Forest Resources Council shall create a task
126.17 force to develop a plan to prepare the state for early detection, appropriate response, and
126.18 educating the public regarding invasive pests that threaten the tree cover of Minnesota. The
126.19 task force also may give advice on how to best promote forest diversity and the planting of
126.20 trees to address environmental challenges with the state. The plan must address:

126.21 (1) current efforts to address forest pests, what geographic areas and property types
126.22 have regular and active monitoring of forest pests, and gaps in the adequacy of the current
126.23 oversight and detection system;

126.24 (2) how the state may establish a flexible, yet comprehensive, system of tree
126.25 monitoring so that trees in all areas of Minnesota will be covered by active early pest
126.26 detection efforts. In analyzing this, the task force shall consider possible roles for certified
126.27 tree inspectors, volunteers, and state and local government;

126.28 (3) current storm damage response and how that might be improved for forest health
126.29 and to minimize vulnerability to pest infection;

126.30 (4) the adequacy of the current response plan, the clarity of state and local roles and
126.31 responsibilities, emergency communication plans, and the availability of needed funding
126.32 for pest outbreak response and how to scale it up should a major outbreak be detected;

126.33 (5) recommendations for clear delineation of state and local roles in notifying
126.34 property owners and enforcing remediation actions;

127.1 (6) the best approach to broad public education on the threats of new invasive tree
127.2 pests, the expected response to an outbreak, the value of trees to our environment, and the
127.3 promotion of a more diversified tree cover statewide; and

127.4 (7) an assessment of funding needs and options for the above activities and possible
127.5 funding approaches to promote the planting of a more diverse tree cover, along with
127.6 assisting in the costs of tree removal and replacement for public entities and property
127.7 owners.

127.8 (b) A report and recommendations to the legislative committees with jurisdiction
127.9 over natural resources and to the Legislative-Citizen Commission on Minnesota Resources
127.10 shall be due on December 15, 2007.

127.11 Subd. 2. **Task force creation.** The chair of the Forest Resources Council and the
127.12 commissioners of agriculture and natural resources shall jointly appoint the members
127.13 of the task force, which shall include up to 15 members with representatives of the
127.14 University of Minnesota; city, township, and county associations; commercial timber
127.15 and forest industries of varying size; nursery and landscape architecture; arborists and
127.16 certified tree inspectors; nonprofit organizations engaged in tree advocacy, planting, and
127.17 education; master gardeners; and the Minnesota Shade Tree Advisory Council and a tribal
127.18 representative recommended by the Indian Affairs Council.

127.19 Representatives of the Departments of Agriculture and Natural Resources shall serve
127.20 as ex-officio members and assist the task force in its work.

127.21 Sec. 160. **ENDOCRINE DISRUPTOR REPORT.**

127.22 (a) The commissioner of the Pollution Control Agency, in consultation with the
127.23 commissioner of agriculture, the commissioner of health, the commissioner of natural
127.24 resources, the University of Minnesota, and the United States Environmental Protection
127.25 Agency, shall prepare a report on strategies to address endocrine disruptors in waters of
127.26 the state. The report shall include:

127.27 (1) a review of the current literature of known endocrine-disrupting compounds to
127.28 determine which ones are most likely to be of significance to humans, fish, and wildlife
127.29 in Minnesota;

127.30 (2) a review of scientific studies to determine whether these compounds have the
127.31 potential to account for known effects on humans, fish, and wildlife in Minnesota;

127.32 (3) a review of the comparative risk posed by endocrine-disrupting compounds to
127.33 the long-term viability of populations of fish and wildlife; and

128.1 (4) an evaluation of the practicability and the cost of prevention and remediation
128.2 strategies for any endocrine-disrupting compounds found in clauses (1) and (2), as well as
128.3 other potential endocrine disruptors.

128.4 (b) By January 15, 2008, the commissioner shall submit the report to the house of
128.5 representatives and senate committees and divisions with jurisdiction over environment
128.6 and natural resources policy and finance.

128.7 Sec. 161. **EASEMENT REPORT REQUIRED.**

128.8 By January 1, 2008, the commissioner of natural resources must report to the
128.9 house and senate committees with jurisdiction over environment and natural resources
128.10 finance with proposed minimum legal and conservation standards that could be applied
128.11 to conservation easements acquired with public money.

128.12 Sec. 162. **TAX-FORFEITED LANDS LEASE; ITASCA COUNTY.**

128.13 Notwithstanding Minnesota Statutes, section 282.04, or other law to the contrary,
128.14 the Itasca County auditor may lease tax-forfeited land to a proposed steel mill in Itasca
128.15 County for a period of 20 years, for use as a tailings basin and buffer area. A lease entered
128.16 under this section is renewable.

128.17 Sec. 163. **WILD RICE STUDY.**

128.18 By February 15, 2008, the commissioner of natural resources must prepare a study
128.19 for natural wild rice that includes:

- 128.20 (1) the current location and estimated acreage and area of natural stands;
128.21 (2) potential threats to natural stands, including, but not limited to, development
128.22 pressure, water levels, pollution, invasive species, and genetically engineered strains; and
128.23 (3) recommendations to the house and senate committees with jurisdiction over
128.24 natural resources on protecting and increasing natural wild rice stands in the state.

128.25 In developing the study, the commissioner must contact and ask for comments
128.26 from the state's wild rice industry, the commissioner of agriculture, local officials with
128.27 significant areas of wild rice within their jurisdictions, tribal leaders within affected
128.28 federally recognized tribes, and interested citizens.

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

128.30 Sec. 164. **CONSTRUCTION.**

128.31 Nothing in sections 139, 140, 141, and 162 affects, alters, or modifies the authorities,
128.32 responsibilities, obligations, or powers of the state or any political subdivision thereof or
128.33 any federally recognized tribe.

129.1 Sec. 165. **SEPTIC BEST PRACTICES ASSISTANCE.**

129.2 The commissioner of the Pollution Control Agency shall establish a database of
129.3 best practices regarding the installation, management, and maintenance of individual
129.4 sewage treatment systems. The database must be made available to any interested public
129.5 or private party.

129.6 Sec. 166. **RULEMAKING.**

129.7 Within 90 days of the effective date of this section, the Board of Water and Soil
129.8 Resources shall adopt rules that amend Minnesota Rules, chapter 8420, to incorporate
129.9 statute changes and to address the related wetland exemption provisions in Minnesota
129.10 Rules, parts 8420.0115 to 8420.0210, and the wetland replacement and banking provisions
129.11 in Minnesota Rules, parts 8420.0500 to 8420.0760. These rules are exempt from the
129.12 rulemaking provisions of Minnesota Statutes, chapter 14, except that Minnesota Statutes,
129.13 section 14.386, applies and the proposed rules must be submitted to the senate and house
129.14 committees having jurisdiction over environment and natural resources at least 30 days
129.15 prior to being published in the State Register. The amended rules are effective for two
129.16 years from the date of publication in the State Register unless they are superseded by
129.17 permanent rules.

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

129.19 Sec. 167. **GREENLEAF LAKE STATE RECREATION AREA.**

129.20 **Subdivision 1. [85.013] [Subd. 11b.] Greenleaf Lake State Recreation Area.**
129.21 In addition to the lands designated under Laws 2003, First Special Session chapter 13,
129.22 section 6, as amended by Laws 2004, chapter 262, article 2, section 10, the following lands
129.23 are added to the Greenleaf Lake State Recreation Area:
129.24 (1) the West 1104.98 feet of Government Lot 4, Section 21, Township 118 North, Range
129.25 30 West, Meeker County, Minnesota; and
129.26 (2) that part of Government Lot 7 of Section 20, Township 118, Range 30, which lies
129.27 south of the following described line and its extensions: said line commencing at the
129.28 southwest corner of said Section 20; thence on an assumed bearing of North 08 degrees
129.29 22 minutes 44 seconds West, along the west line of said section, a distance of 1350.00
129.30 feet to the point of beginning of the line to be described; thence North 88 degrees 28
129.31 minutes 35 seconds East, a distance of 699 feet to the shoreline of Greenleaf Lake and
129.32 said line terminating thereat; and Government Lot 8 of said section except the following
129.33 described tract: said tract being that part of said Government Lot 8 lying east of the
129.34 following described line: said line commencing at the southwest corner of said section;

130.1 thence easterly, along the south line of said section, a distance of 734.60 feet to the point
130.2 of beginning of the line to be described; thence north at a right angle, a distance of 100
130.3 feet and said line terminating thereat.

130.4 Subd. 2. **Management.** The commissioner of natural resources, in consultation with
130.5 local elected officials and citizens of Meeker County and other interested stakeholders,
130.6 shall develop a comprehensive management plan that provides for opportunities for
130.7 outdoor recreation, as defined under Minnesota Statutes, section 86A.03, subdivision 3, in
130.8 Greenleaf Lake State Recreation Area. The completed management plan shall serve as the
130.9 master plan for purposes of Minnesota Statutes, section 86A.09.

130.10 Sec. 168. **VERMILLION HIGHLANDS WILDLIFE MANAGEMENT AREA.**

130.11 (a) The following area is established and designated as the Vermillion Highlands
130.12 Wildlife Management Area, subject to the special permitted uses authorized in this section:

130.13 The approximately 2,840 acres owned by the University of Minnesota lying within
130.14 the area legally described as approximately the southerly 3/4 of the Southwest 1/4 of
130.15 Section 1, the Southeast 1/4 of Section 2, the East 1/2 of Section 10, Section 11, the
130.16 West 1/2 of Section 12, Section 13, and Section 14, all in Township 114 North, Range
130.17 19 West, Dakota County.

130.18 (b) Notwithstanding Minnesota Statutes, section 86A.05, subdivision 8, paragraph

130.19 (c), permitted uses in the Vermillion Highlands Wildlife Management Area include:

130.20 (1) education, outreach, and agriculture with the intent to eventually phase out
130.21 agriculture leases and plant and restore native prairie;

130.22 (2) research by the University of Minnesota or other permitted researchers;

130.23 (3) hiking, hunting, fishing, trapping, and other compatible wildlife-related
130.24 recreation of a natural outdoors experience, without constructing new hard surface trails
130.25 or roads, and supporting management and improvements;

130.26 (4) designated trails for hiking, horseback riding, biking, and cross-country skiing
130.27 and necessary trailhead support with minimal impact on the permitted uses in clause (3);

130.28 (5) shooting sports facilities for sporting clays, skeet, trapshooting, and rifle and
130.29 pistol shooting, including sanctioned events and training for responsible handling and
130.30 use of firearms;

130.31 (6) grant-in-aid snowmobile trails; and

130.32 (7) leases for small-scale farms to market vegetable farming.

130.33 (c) With the concurrence of representatives of the University of Minnesota and
130.34 Dakota County, the commissioner of natural resources may, by posting or rule, restrict the
130.35 permitted uses as follows:

131.1 (1) temporarily close areas or trails, by posting at the access points, to facilitate
131.2 hunting. When temporarily closing trails under this clause, the commissioner shall avoid
131.3 closing all trail loops simultaneously whenever practical; or

131.4 (2) limit other permitted uses to accommodate hunting and trapping after providing
131.5 advance public notice. Research conducted by the university may not be limited unless
131.6 mutually agreed by the commissioner and the University of Minnesota.

131.7 (d) Road maintenance within the wildlife management area shall be minimized, with
131.8 the intent to abandon interior roads when no longer needed for traditional agriculture
131.9 purposes.

131.10 (e) Money collected on leases from lands within the wildlife management area
131.11 must be kept in a separate account and spent within the wildlife management area under
131.12 direction of the representatives listed in paragraph (c). \$200,000 of this money may be
131.13 transferred to the commissioner of natural resources for a master planning process and
131.14 resource inventory of the land identified in Minnesota Statutes, section 137.50, subdivision
131.15 6, in order to provide needed prairie and wetland restoration. The commissioner must work
131.16 with affected officials from the University of Minnesota and Dakota County to complete
131.17 these requirements and inform landowners and lessees about the planning process.

131.18 (f) Notwithstanding Minnesota Statutes, sections 97A.061 and 477A.11, the state
131.19 of Minnesota shall not provide payments in lieu of taxes for the lands described in
131.20 paragraph (a).

131.21 Sec. 169. **INFORMATION SHARING.**

131.22 On or before August 1, 2007, the commissioner of health, the Pollution Control
131.23 Agency, and the University of Minnesota are requested to jointly develop and sign
131.24 a memorandum of understanding declaring their intent to share new and existing
131.25 environmental hazard, exposure, and health outcome data, within applicable data privacy
131.26 laws, and to cooperate and communicate effectively to ensure sufficient clarity and
131.27 understanding of the data by divisions and offices within both departments. The signed
131.28 memorandum of understanding shall be reported to the chairs and ranking members of
131.29 the senate and house of representatives committees having jurisdiction over judiciary,
131.30 environment, and health and human services.

131.31 Sec. 170. **REPEALER.**

131.32 (a) Minnesota Statutes 2006, sections 18G.16; and 89.51, subdivision 8, are repealed.

131.33 (b) Minnesota Statutes 2006, section 103G.2241, subdivision 8, is repealed the
131.34 day following final enactment.

131.35 (c) Minnesota Statutes 2006, section 85.012, subdivision 24b, is repealed.

ARTICLE 2

ENERGY

Section 1. SUMMARY OF APPROPRIATIONS.

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

	<u>2008</u>		<u>2009</u>		<u>Total</u>
General	\$ 37,870,000	\$	29,459,000	\$	67,329,000
Petroleum Tank Cleanup	1,084,000		1,084,000		2,168,000
Workers' Compensation	835,000		835,000		1,670,000
Special Revenue	7,725,000		7,725,000		15,450,000
Total	\$ 47,514,000	\$	39,103,000	\$	86,617,000

Sec. 2. ENERGY FINANCE 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 "2008" and "2009" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2008, or June 30, 2009, respectively. "The first year" is fiscal year 2008. "The second year" is fiscal year 2009. "The biennium" is fiscal years 2008 and 2009. Appropriations for the fiscal year ending June 30, 2007, are effective the day following final enactment.

APPROPRIATIONS
Available for the Year
Ending June 30
2008 2009

Sec. 3. DEPARTMENT OF COMMERCE.

Subdivision 1. Total Appropriation \$ 42,167,000 \$ 33,670,000

Appropriations by Fund

	<u>2008</u>	<u>2009</u>
General	32,523,000	24,026,000
Petroleum Cleanup	1,084,000	1,084,000
Workers' Compensation	835,000	835,000
Special Revenue	7,725,000	7,725,000

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

Subd. 2. Financial Examinations 6,489,000 6,637,000

Subd. 3. Petroleum Tank Release Cleanup Board 1,084,000 1,084,000

S.F. No. 2096, Conference Committee Report - 85th Legislative Session (2007-2008)

133.1	<u>This appropriation is from the petroleum</u>		
133.2	<u>tank release cleanup fund.</u>		
133.3	<u>Subd. 4. Administrative Services</u>	<u>4,508,000</u>	<u>4,604,000</u>
133.4	<u>Subd. 5. Market Assurance</u>	<u>6,950,000</u>	<u>7,097,000</u>
133.5	<u>Appropriations by Fund</u>		
133.6	<u>General</u>	<u>6,115,000</u>	<u>6,262,000</u>
133.7	<u>Workers'</u>		
133.8	<u>Compensation</u>	<u>835,000</u>	<u>835,000</u>
133.9	<u>Subd. 6. Energy and Telecommunications</u>	<u>\$ 23,036,000</u>	<u>\$ 14,148,000</u>
133.10	<u>Appropriations by Fund</u>		
133.11	<u>General</u>	<u>15,411,000</u>	<u>6,523,000</u>
133.12	<u>Special Revenue</u>	<u>7,625,000</u>	<u>7,625,000</u>
133.13	<u>The utility subject to Minnesota Statutes,</u>		
133.14	<u>section 116C.779, shall transfer \$7,625,000</u>		
133.15	<u>in fiscal year 2008 and \$7,625,000 in fiscal</u>		
133.16	<u>year 2009 to the Department of Commerce</u>		
133.17	<u>on a schedule to be determined by the</u>		
133.18	<u>commissioner of commerce. The funds must</u>		
133.19	<u>be deposited in the special revenue fund</u>		
133.20	<u>and are appropriated to the commissioner</u>		
133.21	<u>for grants to promote renewable energy</u>		
133.22	<u>projects and community energy outreach and</u>		
133.23	<u>assistance. Of the amounts identified:</u>		
133.24	<u>(1) \$500,000 each year for capital grants for</u>		
133.25	<u>on-farm biogas recovery facilities; eligible</u>		
133.26	<u>projects will be selected in coordination</u>		
133.27	<u>with the Department of Agriculture and the</u>		
133.28	<u>Pollution Control Agency;</u>		
133.29	<u>(2) \$500,000 each year to provide financial</u>		
133.30	<u>rebates to new solar electricity projects;</u>		
133.31	<u>(3) \$625,000 each year for continued funding</u>		
133.32	<u>of community energy technical assistance</u>		
133.33	<u>and outreach on renewable energy and</u>		
133.34	<u>energy efficiency, as described in section 25.</u>		
133.35	<u>Of this amount, \$125,000 is for technical</u>		
133.36	<u>assistance in the metropolitan area;</u>		

134.1 (4) \$1,000,000 each year is for technical
134.2 analysis and demonstration funding for
134.3 automotive technology projects, with a
134.4 special focus on plug-in hybrid electric
134.5 vehicles and to study environmental-friendly
134.6 manufacturing and assembly processes to
134.7 identify ones that could employ workers
134.8 formerly employed at the St. Paul Ford
134.9 manufacturing plant and other large
134.10 manufacturing facilities in Minnesota;
134.11 (5) \$750,000 in the first year is for the
134.12 purpose of preparing the hydrogen road map
134.13 and making grants under Minnesota Statutes,
134.14 section 216B.813;
134.15 (6) \$2,000,000 in the first year is for deposit
134.16 with the rural wind energy development
134.17 revolving loan fund under Minnesota
134.18 Statutes, section 216C.39;
134.19 (7) \$2,250,000 the first year and \$2,000,000
134.20 the second year are to provide competitive,
134.21 cost-share grants to fund renewable energy
134.22 research in Minnesota. These grants must be
134.23 awarded by a three-member panel made up
134.24 of the commissioners of commerce, pollution
134.25 control, and agriculture, or their designees.
134.26 Grant applications must be ranked and grants
134.27 issued according to how well the applications
134.28 meet state energy policy research goals
134.29 established by the commissioners, the quality
134.30 and experience of the research teams, the
134.31 cross-interdisciplinary and cross-institutional
134.32 nature of the research teams, and the ability
134.33 of the research team to leverage nonstate
134.34 funds; and
134.35 (8) \$3,000,000 the second year is for a grant
134.36 to the Board of Regents of the University of

135.1 Minnesota for the Initiative for Renewable
135.2 Energy and the Environment. The grant
135.3 is for the purposes set forth in Minnesota
135.4 Statutes, section 216B.241, subdivision 6.
135.5 The appropriation is available until spent.
135.6 The budget for this grant to the Board of
135.7 Regents of the University of Minnesota for
135.8 the Initiative for Renewable Energy and the
135.9 Environment is \$5,000,000 each year in the
135.10 2010-2011 fiscal biennium.
135.11 As a condition of this grant, beginning in
135.12 the 2010-2011 biennium, the Initiative for
135.13 Renewable Energy and the Environment
135.14 must set aside at least 15 percent of the
135.15 funds received annually under the grant for
135.16 qualified projects conducted at a rural campus
135.17 or experiment station. Any amount of the
135.18 set aside funds that has not been awarded to
135.19 a rural campus or experiment station at the
135.20 end of the fiscal year must revert back to the
135.21 initiative for its exclusive use.
135.22 \$1,500,000 the first year and \$1,500,000 the
135.23 second year are for E85 cost-share grants.
135.24 The commissioner may reimburse owners
135.25 of gasoline service stations for up to 75
135.26 percent of the total cost of installing an E85
135.27 pump, including the tank and any related
135.28 components, up to a maximum of \$15,000
135.29 per E85 pump. Notwithstanding Minnesota
135.30 Statutes, section 16A.28, this appropriation is
135.31 available until expended. Up to ten percent of
135.32 the funds may be used for cost-share grants to
135.33 convert or install underground tanks at retail
135.34 gasoline service stations storing biodiesel
135.35 fuel that is at least 99.9 percent biodiesel
135.36 fuel by volume for on-site blending and for

136.1 dispensing systems at retail gasoline service
136.2 stations that dispense biodiesel fuel blends of
136.3 at least ten percent biodiesel fuel by volume.
136.4 In awarding grants, the commissioner of
136.5 commerce must consult with the Minnesota
136.6 Soybean Growers Association and may
136.7 consult with other organizations deemed
136.8 appropriate. This is a onetime appropriation.
136.9 \$4,500,000 the first year is for a onetime
136.10 grant to the St. Paul Port Authority in part
136.11 for a study related to a steam and electrical
136.12 energy facility to supply energy to a customer
136.13 using steam in a paper recycling operation.
136.14 The port authority shall convene and
136.15 regularly involve a citizen advisory
136.16 committee composed of members
136.17 recommended by St. Paul district councils
136.18 11, 12, 13, and 14 and other members as
136.19 appropriate to advise on the scope of the
136.20 study. The citizen advisory committee
136.21 must meet regularly throughout the course
136.22 of the study and the development of
136.23 recommendations. The citizen advisory
136.24 committee shall have the right to include
136.25 its separate recommendations as part of the
136.26 port authority recommendations submitted at
136.27 the public meeting and to the St. Paul City
136.28 Council.
136.29 The study shall:
136.30 (1) assess the economic and technical
136.31 feasibility of various fuel types to power the
136.32 plant;
136.33 (2) provide a full description and analysis of
136.34 each fuel type and their respective economic
136.35 and noneconomic impacts;

137.1 (3) provide a full description and analysis
137.2 of each fuel type and their respective
137.3 environmental emissions, including carbon
137.4 dioxide, and the cost of controlling those
137.5 emissions that affect human health;
137.6 (4) describe public subsidies related to the
137.7 production and use of each fuel type;
137.8 (5) describe potential energy efficiency
137.9 improvement that can be made to the paper
137.10 recycling operation and subsidies available
137.11 for each improvement; and
137.12 (6) evaluate additional uses for the steam and
137.13 electricity produced at the facility and the
137.14 cost of infrastructure needed to implement
137.15 the additional uses.
137.16 In addition, the grant may be used
137.17 for environmental review, permitting,
137.18 preliminary engineering, and development of
137.19 total project cost estimates, including project
137.20 design and engineering, other preliminary
137.21 work, and a preliminary financing plan for
137.22 the steam and electricity producing facility.
137.23 The St. Paul Port Authority shall present
137.24 the findings of its analysis and its preferred
137.25 alternative for an eligible energy technology
137.26 fuel mix in at least two public meetings
137.27 that must be held in the area encompassing
137.28 districts 11, 12, 13, and 14 in the city of
137.29 St. Paul. "Eligible energy technology" has
137.30 the meaning given in Minnesota Statutes,
137.31 section 216B.1691, subdivision 1, except
137.32 that it does not include mixed municipal
137.33 solid waste as an eligible energy technology.
137.34 The recommendation of the St. Paul Port
137.35 Authority concerning its preferred alternative
137.36 fuel mix must be based on the alternative

138.1 that has the least environmental impact
138.2 consistent with the economic viability
138.3 and technical feasibility of the facility.
138.4 Testimony shall be taken at the meetings
138.5 from citizens who live in the affected
138.6 communities. Resolutions concerning the
138.7 facility from district councils 11, 12, 13,
138.8 and 14 must be solicited by the city council.
138.9 Construction of the facility may not be
138.10 commenced unless and until the St. Paul City
138.11 Council has adopted a resolution approving
138.12 the construction after consideration of the
138.13 findings of the port authority, resolutions
138.14 from the district councils, and other public
138.15 input. The appropriation does not cancel and
138.16 is available until expended. Of this amount,
138.17 \$500,000 is transferred to the Department
138.18 of Natural Resources for the Ecological
138.19 Services Division to prepare, authorize, and
138.20 implement habitat restoration plans on public
138.21 or private properties to fulfill ecological
138.22 principles of restoration ecology, while
138.23 providing roadside access to the byproduct
138.24 of the management actions at no cost to the
138.25 operator of a biomass-fueled cogeneration
138.26 facility located in St. Paul. The division
138.27 may provide grants or otherwise transfer
138.28 some or all of these funds to other public or
138.29 private entities to accomplish these purposes.
138.30 If a higher value nonbiomass market is
138.31 available for some of the byproduct of this
138.32 management, the division is authorized to
138.33 sell the material to that market, provided
138.34 that all of the proceeds are spent for the
138.35 further purposes of this appropriation.
138.36 The nonbiomass market sales of material

139.1 from this management cannot exceed 20
139.2 percent by weight of the total byproducts
139.3 produced by all approved activities under
139.4 this appropriation. The restoration activities
139.5 shall take place on land located within 75
139.6 miles by road of the city of St. Paul. The
139.7 division shall consult with the operator of the
139.8 biomass facility and other appropriate parties
139.9 regarding planned projects to be funded with
139.10 this appropriation. The division shall report
139.11 annually to the legislative policy and finance
139.12 committees for natural resources and energy
139.13 regarding the expenditures and results of the
139.14 program. This appropriation does not cancel
139.15 but is available until spent.
139.16 \$150,000 the first year is appropriated to the
139.17 commissioner of commerce for grants for
139.18 demonstration projects of electric vehicles
139.19 with advanced transmission technologies
139.20 incorporating, if feasible, batteries,
139.21 converters, and other components developed
139.22 in Minnesota. Funds may be expended
139.23 under the grants only if grantees enter into
139.24 agreements specifying that commercial
139.25 production of these vehicles and components
139.26 will, to the extent possible, take place in
139.27 Minnesota.
139.28 (a) \$1,000,000 each year is to the Center for
139.29 Rural Policy and Development at Minnesota
139.30 State University at Mankato to make a grant
139.31 to a nonprofit organization with experience
139.32 dealing with energy and community wind
139.33 issues to design and implement a rural wind
139.34 energy development assistance program.
139.35 This is a onetime only appropriation. The
139.36 program must be designed to maximize rural

140.1 economic development and stabilize rural
140.2 community institutions, including hospitals
140.3 and schools, by increasing the income of
140.4 local residents and increasing local tax
140.5 revenues. The grant may be disbursed in
140.6 two installments. The program must provide
140.7 assistance to rural entities seeking to develop
140.8 wind energy electric generation projects
140.9 and to sell the energy from the projects.
140.10 Among other strategies, the program may
140.11 consider combining rural entities and others
140.12 into groups with the size and market power
140.13 necessary for planning and developing
140.14 significant rural wind energy projects.
140.15 (b) The program must provide assistance by,
140.16 among other things:
140.17 (1) providing legal, engineering, and
140.18 financial services;
140.19 (2) identifying target communities with
140.20 favorable wind resources, community
140.21 interest, and local political support;
140.22 (3) providing assistance to reserve, obtain,
140.23 and assure the maintenance over time of
140.24 wind turbines;
140.25 (4) creating market opportunities for utilities
140.26 to meet their renewable energy obligations
140.27 through purchases of rural community wind;
140.28 (5) assisting in the negotiation of fair power
140.29 purchase agreements;
140.30 (6) facilitating transmission interconnection
140.31 and delivery of energy from rural and
140.32 community wind projects; and
140.33 (7) lowering the market risk facing potential
140.34 wind investors by supporting local wind
140.35 development from start to finish.

141.1 The grantee must demonstrate an ability
141.2 to sustain program functions with ongoing
141.3 revenue from sources other than state funding
141.4 and shall provide a 35 percent grant match
141.5 in the first year. The grant must be awarded
141.6 on a competitive basis. The center must use
141.7 best practices regarding grant management
141.8 functions, including selection and monitoring
141.9 of the grantee, compliance review, and
141.10 financial oversight. Grant management fees
141.11 are limited to 2.5 percent of the grant.
141.12 (c) The commissioner of commerce shall
141.13 monitor the activities of the rural wind
141.14 energy development assistance program
141.15 created under paragraphs (a) to (c). By
141.16 November 1, 2008, the commissioner shall
141.17 submit an evaluation of the program to
141.18 the chairs of the house of representatives
141.19 and senate committees with jurisdiction
141.20 over energy policy and finance, including
141.21 recommendations for legislative or
141.22 administrative action to better achieve the
141.23 program goals described in paragraph (a).
141.24 \$1,000,000 in fiscal year 2008 is for
141.25 distribution to eligible households for home
141.26 heating assistance during the 2007 calendar
141.27 year. The commissioner must distribute
141.28 funds to eligible households according to
141.29 the formula developed for the distribution
141.30 of the federal Low-Income Home Energy
141.31 Assistance Program for fiscal year 2008.
141.32 This appropriation is available until spent.
141.33 \$3,250,000 the first year is for the renewable
141.34 hydrogen initiative in Minnesota Statutes,
141.35 section 216B.813, to fund the competitive
141.36 grant program included in that section. The

142.1 commissioner may use up to two percent of
142.2 the competitive grant program appropriation
142.3 for grant administration and to develop and
142.4 implement the renewable hydrogen road
142.5 map. This is a onetime appropriation and is
142.6 available until expended.
142.7 \$50,000 the first year is a onetime
142.8 appropriation for a comprehensive technical,
142.9 economic, and environmental analysis of the
142.10 benefits to be derived from greater use in this
142.11 state of geothermal heat pump systems for
142.12 heating and cooling air and heating water.
142.13 The analysis must:
142.14 (1) estimate the extent of geothermal heat
142.15 pump systems currently installed in this state
142.16 in residential, commercial, and institutional
142.17 buildings;
142.18 (2) estimate energy and economic savings of
142.19 geothermal heat pump systems in comparison
142.20 with fossil fuel-based heating and cooling
142.21 systems, including electricity use, on a
142.22 capital cost and life-cycle cost basis, for both
142.23 newly constructed and retrofitted residential,
142.24 commercial, and institutional buildings;
142.25 (3) compare the emission of pollutants and
142.26 greenhouse gases from geothermal heat
142.27 pump systems and fossil fuel-based heating
142.28 and cooling systems;
142.29 (4) identify financial assistance available
142.30 from state and federal sources and Minnesota
142.31 utilities to defray the costs of installing
142.32 geothermal heat pump systems;
142.33 (5) identify Minnesota firms currently
142.34 manufacturing or installing the physical
142.35 components of geothermal heat pump
142.36 systems and estimate the economic

143.1 development potential in this state if demand
 143.2 for such systems increases significantly;
 143.3 (6) identify the barriers to more widespread
 143.4 adoption of geothermal heat pump systems in
 143.5 this state and suggest strategies to overcome
 143.6 those barriers; and
 143.7 (7) make recommendations for legislative
 143.8 action.

143.9 Not later than March 15, 2008, the
 143.10 commissioner shall submit the results of the
 143.11 analysis in a report to the chairs of the senate
 143.12 and house of representatives committees
 143.13 with primary jurisdiction over energy policy.

143.14 \$45,000 the first year is a onetime
 143.15 appropriation for a grant to Linden Hills
 143.16 Power and Light for preliminary engineering
 143.17 design work and other technical and legal
 143.18 services required for a community digester
 143.19 and neighborhood district heating and
 143.20 cooling system demonstration project in the
 143.21 Linden Hills neighborhood of Minneapolis.

143.22 Funds may be expended upon a determination
 143.23 by the commissioner of commerce that the
 143.24 project is technically and economically
 143.25 feasible. A portion of the appropriation
 143.26 may be used to expand the scope of the
 143.27 project feasibility study to include portions
 143.28 of adjacent communities including St. Louis
 143.29 Park and Edina.

143.30 Subd. 7. **Telecommunications Access**
 143.31 **Minnesota**

100,000

100,000

143.32 \$100,000 the first year and \$100,000
 143.33 the second year are for transfer to the
 143.34 commissioner of human services to
 143.35 supplement the ongoing operational expenses
 143.36 of the Minnesota Commission Serving

144.1 Deaf and Hard-of-Hearing People. This
144.2 appropriation is from the telecommunication
144.3 access Minnesota fund, and is added to the
144.4 commission's base.

144.5 Sec. 4. **PUBLIC UTILITIES COMMISSION** \$ **5,347,000** \$ **5,433,000**

144.6 Sec. 5. **NEXTGEN ENERGY BOARD**

144.7 By October 1 of 2007 and 2008, an entity
144.8 receiving renewable development funds to
144.9 conduct energy research under this article
144.10 must present a research plan outlining the
144.11 activities to be conducted with those funds,
144.12 and any results from research completed with
144.13 those funds during the previous year, to the
144.14 NextGen Energy Board established under
144.15 Minnesota Statutes, section 41A.05, for its
144.16 review and comment.

144.17 Sec. 6. **[16C.141] EMPLOYEE SUGGESTIONS; ENERGY SAVINGS**
144.18 **INCENTIVE PROGRAM.**

144.19 Subdivision 1. **Creation of program.** The commissioner of administration must
144.20 implement a program using best practices and develop policies under which state
144.21 employees may receive cash awards for making suggestions that result in documented
144.22 cost savings to state agencies from reduced energy usage in state-owned buildings. The
144.23 program must be structured to provide state employees an opportunity to receive a cash
144.24 award for suggestions that are implemented and result in documented cost savings to state
144.25 agencies from reduced energy use in state-owned buildings. The program must also
144.26 include methods to document submissions of suggestions and energy and cost savings
144.27 resulting from the implementation of employee suggestions.

144.28 Subd. 2. **Funding.** To the extent necessary to fund the program under this section,
144.29 the commissioner of administration, with approval of the commissioner of finance, may
144.30 transfer a portion of the documented cost savings resulting from a suggestion under this
144.31 section from the general services revolving fund to an energy savings reward account.
144.32 Money in the energy savings reward account is appropriated to the commissioner for
144.33 purposes of making cash rewards and paying the commissioner's incentive program
144.34 developments costs and administrative expenses under this section.

145.1 Subd. 3. **Report to legislature.** The commissioner of administration shall report to
145.2 the chairs of the senate and house of representatives committees with jurisdiction over
145.3 energy policy by January 1, 2008, on the development of the incentive program, and
145.4 by January 15 each year thereafter on the implementation of this section, including the
145.5 ideas submitted and energy savings realized.

145.6 Subd. 4. **Minnesota State Colleges and Universities.** This section does not apply to
145.7 the Minnesota State Colleges and Universities, except to the extent the Board of Trustees
145.8 of the Minnesota State Colleges and Universities provides that the section does apply.

145.9 Subd. 5. **Repeal.** This section is repealed July 1, 2009.

145.10 Sec. 7. Minnesota Statutes 2006, section 116C.775, is amended to read:

145.11 **116C.775 SHIPMENT PRIORITIES; ~~PRAIRIE ISLAND~~ NUCLEAR PLANTS.**

145.12 If a storage or disposal site becomes available outside of the state to accept
145.13 high-level nuclear waste stored at Prairie Island or Monticello, the waste contained in dry
145.14 casks shall be shipped to that site before the shipment of any waste from the spent nuclear
145.15 fuel storage pool. Once waste is shipped that was contained in a cask, the cask must be
145.16 decommissioned and not used for further storage.

145.17 Sec. 8. Minnesota Statutes 2006, section 116C.777, is amended to read:

145.18 **116C.777 SITE.**

145.19 The spent fuel contents of dry casks located on Prairie Island must be moved
145.20 immediately upon the availability of another site for storage of the spent fuel that is not
145.21 located on Prairie Island or at Monticello.

145.22 Sec. 9. Minnesota Statutes 2006, section 116C.779, subdivision 1, is amended to read:

145.23 Subdivision 1. **Renewable development account.** (a) The public utility that owns
145.24 the Prairie Island nuclear generating plant must transfer to a renewable development
145.25 account \$16,000,000 annually each year the plant is in operation, and \$7,500,000 each
145.26 year the plant is not in operation if ordered by the commission pursuant to paragraph
145.27 ~~(c)~~ (d). The fund transfer must be made if nuclear waste is stored in a dry cask at the
145.28 independent spent-fuel storage facility at Prairie Island for any part of a year. Funds
145.29 in the account may be expended only for development of renewable energy sources.
145.30 Preference must be given to development of renewable energy source projects located
145.31 within the state. The utility that owns a nuclear generating plant is eligible to apply for
145.32 renewable development fund grants. The utility's proposals must be evaluated by the

146.1 renewable development fund board in a manner consistent with that used to evaluate other
146.2 renewable development fund project proposals.

146.3 (b) The public utility that owns the Monticello nuclear generating plant must transfer
146.4 to the renewable development account \$350,000 each year for each dry cask containing
146.5 spent fuel that is located at the Monticello nuclear power plant for each year the plant is
146.6 in operation, and \$5,250,000 each year the plant is not in operation if ordered by the
146.7 commission pursuant to paragraph (d). The fund transfer must be made if nuclear waste
146.8 is stored in a dry cask at the independent spent-fuel storage facility at Monticello for
146.9 any part of a year.

146.10 ~~(b)~~ (c) Expenditures from the account may only be made after approval by order of
146.11 the Public Utilities Commission upon a petition by the public utility.

146.12 ~~(c)~~ (d) After discontinuation of operation of the Prairie Island nuclear plant or the
146.13 Monticello nuclear plant and each year spent nuclear fuel is stored in dry cask at the
146.14 ~~Prairie Island~~ discontinued facility, the commission shall require the public utility to pay
146.15 \$7,500,000 for the discontinued Prairie Island facility and \$5,250,000 for the discontinued
146.16 Monticello facility for any year in which the commission finds, by the preponderance of
146.17 the evidence, that the public utility did not make a good faith effort to remove the spent
146.18 nuclear fuel stored at ~~Prairie Island~~ the facility to a permanent or interim storage site out
146.19 of the state. This determination shall be made at least every two years.

146.20 Sec. 10. **[173.0851] STATE ENERGY CITY.**

146.21 The city of Elk River is designated as a state energy city.

146.22 Sec. 11. **[216B.091] MONTHLY REPORTS.**

146.23 (a) Each public utility must report the following data on residential customers to the
146.24 commission monthly, in a format determined by the commission:

146.25 (1) number of customers;

146.26 (2) number and total amount of accounts past due;

146.27 (3) average customer past due amount;

146.28 (4) total revenue received from the low-income home energy assistance program and
146.29 other sources contributing to the bills of low-income persons;

146.30 (5) average monthly bill;

146.31 (6) total sales revenue;

146.32 (7) total write-offs due to uncollectible bills;

146.33 (8) number of disconnection notices mailed;

146.34 (9) number of accounts disconnected for nonpayment;

146.35 (10) number of accounts reconnected to service; and

- 147.1 (11) number of accounts that remain disconnected, grouped by the duration of
147.2 disconnection, as follows:
- 147.3 (i) 1-30 days;
147.4 (ii) 31-60 days; and
147.5 (iii) more than 60 days.
- 147.6 (b) Monthly reports for October through April must also include the following data:
- 147.7 (1) number of cold weather protection requests;
147.8 (2) number of payment arrangement requests received and granted;
147.9 (3) number of right to appeal notices mailed to customers;
147.10 (4) number of reconnect request appeals withdrawn;
147.11 (5) number of occupied heat-affected accounts disconnected for 24 hours or more
147.12 for electric and natural gas service separately;
- 147.13 (6) number of occupied non-heat-affected accounts disconnected for 24 hours or
147.14 more for electric and gas service separately;
- 147.15 (7) number of customers granted cold weather rule protection;
147.16 (8) number of customers disconnected who did not request cold weather rule
147.17 protection; and
- 147.18 (9) number of customers disconnected who requested cold weather rule protection.
- 147.19 (c) The data reported under paragraphs (a) and (b) is presumed to be accurate upon
147.20 submission and must be made available through the commission's electronic filing system.

147.21 **Sec. 12. [216B.0951] PROPANE PREPURCHASE PROGRAM.**

147.22 Subdivision 1. **Establishment.** The commissioner of commerce shall operate, or
147.23 contract to operate, a propane fuel prepurchase fuel program. The commissioner may
147.24 contract at any time of the year to purchase the lesser of one-third of the liquid propane
147.25 fuel consumed by low-income home energy assistance program recipients during the
147.26 previous heating season or the amount that can be purchased with available funds. The
147.27 propane fuel prepurchase program must be available statewide through each local agency
147.28 that administers the energy assistance program. The commissioner may decide to limit or
147.29 not engage in prepurchasing if the commissioner finds that there is a reasonable likelihood
147.30 that prepurchasing will not provide fuel-cost savings.

147.31 Subd. 2. **Hedge account.** The commissioner may establish a hedge account with
147.32 realized program savings due to prepurchasing. The account must be used to compensate
147.33 program recipients an amount up to the difference in cost for fuel provided to the recipient
147.34 if winter-delivered fuel prices are lower than the prepurchase or summer-fill price. No

148.1 more than ten percent of the aggregate prepurchase program savings may be used to
148.2 establish the hedge account.

148.3 Subd. 3. **Report.** The Department of Commerce shall issue a report by June 30,
148.4 2008, made available electronically on its Web site and in print upon request, that contains
148.5 the following information:

148.6 (1) the cost per gallon of prepurchased fuel;

148.7 (2) the total gallons of fuel prepurchased;

148.8 (3) the average cost of propane each month between October and the following April;

148.9 (4) the number of energy assistance program households receiving prepurchased
148.10 fuel; and

148.11 (5) the average savings accruing or benefit increase provided to energy assistance
148.12 households.

148.13 Sec. 13. [216B.096] COLD WEATHER RULE; PUBLIC UTILITIES.

148.14 Subdivision 1. **Scope.** This section applies only to residential customers of a utility.

148.15 Subd. 2. **Definitions.** (a) The terms used in this section have the meanings given
148.16 them in this subdivision.

148.17 (b) "Cold weather period" means the period from October 15 through April 15 of
148.18 the following year.

148.19 (c) "Customer" means a residential customer of a utility.

148.20 (d) "Disconnection" means the involuntary loss of utility heating service as a result
148.21 of a physical act by a utility to discontinue service. Disconnection includes installation of
148.22 a service or load limiter or any device that limits or interrupts utility service in any way.

148.23 (e) "Household income" means the combined income, as defined in section 290A.03,
148.24 subdivision 3, of all residents of the customer's household, computed on an annual basis.
148.25 Household income does not include any amount received for energy assistance.

148.26 (f) "Reasonably timely payment" means payment within five working days of
148.27 agreed-upon due dates.

148.28 (g) "Reconnection" means the restoration of utility heating service after it has been
148.29 disconnected.

148.30 (h) "Summary of rights and responsibilities" means a commission-approved notice
148.31 that contains, at a minimum, the following:

148.32 (1) an explanation of the provisions of subdivision 5;

148.33 (2) an explanation of no-cost and low-cost methods to reduce the consumption
148.34 of energy;

148.35 (3) a third-party notice;

- 149.1 (4) ways to avoid disconnection;
- 149.2 (5) information regarding payment agreements;
- 149.3 (6) an explanation of the customer's right to appeal a determination of income by the
149.4 utility and the right to appeal if the utility and the customer cannot arrive at a mutually
149.5 acceptable payment agreement; and
- 149.6 (7) a list of names and telephone numbers for county and local energy assistance and
149.7 weatherization providers in each county served by the utility.
- 149.8 (i) "Third-party notice" means a commission-approved notice containing, at a
149.9 minimum, the following information:
- 149.10 (1) a statement that the utility will send a copy of any future notice of proposed
149.11 disconnection of utility heating service to a third party designated by the residential
149.12 customer;
- 149.13 (2) instructions on how to request this service; and
- 149.14 (3) a statement that the residential customer should contact the person the customer
149.15 intends to designate as the third-party contact before providing the utility with the party's
149.16 name.
- 149.17 (j) "Utility" means a public utility as defined in section 216B.02, and a cooperative
149.18 electric association electing to be a public utility under section 216B.026. Utility also
149.19 means a municipally owned gas or electric utility for nonresident consumers of the
149.20 municipally owned utility and a cooperative electric association when a complaint in
149.21 connection with utility heating service during the cold weather period is filed under
149.22 section 216B.17, subdivision 6 or 6a.
- 149.23 (k) "Utility heating service" means natural gas or electricity used as a primary
149.24 heating source, including electricity service necessary to operate gas heating equipment,
149.25 for the customer's primary residence.
- 149.26 (l) "Working days" means Mondays through Fridays, excluding legal holidays. The
149.27 day of receipt of a personally served notice and the day of mailing of a notice shall not
149.28 be counted in calculating working days.
- 149.29 Subd. 3. **Utility obligations before cold weather period.** Each year, between
149.30 September 1 and October 15, each utility must provide all customers, personally or by first
149.31 class mail, a summary of rights and responsibilities. The summary must also be provided
149.32 to all new residential customers when service is initiated.
- 149.33 Subd. 4. **Notice before disconnection during cold weather period.** Before
149.34 disconnecting utility heating service during the cold weather period, a utility must
149.35 provide, personally or by first class mail, a commission-approved notice to a customer,

150.1 in easy-to-understand language, that contains, at a minimum, the date of the scheduled
150.2 disconnection, the amount due, and a summary of rights and responsibilities.

150.3 Subd. 5. **Cold weather rule.** (a) During the cold weather period, a utility may not
150.4 disconnect and must reconnect utility heating service of a customer whose household
150.5 income is at or below 50 percent of the state median income if the customer enters into
150.6 and makes reasonably timely payments under a mutually acceptable payment agreement
150.7 with the utility that is based on the financial resources and circumstances of the household;
150.8 provided that, a utility may not require a customer to pay more than ten percent of the
150.9 household income toward current and past utility bills for utility heating service.

150.10 (b) A utility may accept more than ten percent of the household income as the
150.11 payment arrangement amount if agreed to by the customer.

150.12 (c) The customer or a designated third party may request a modification of the terms
150.13 of a payment agreement previously entered into if the customer's financial circumstances
150.14 have changed or the customer is unable to make reasonably timely payments.

150.15 (d) The payment agreement terminates at the expiration of the cold weather period
150.16 unless a longer period is mutually agreed to by the customer and the utility.

150.17 Subd. 6. **Verification of income.** (a) In verifying a customer's household income,
150.18 a utility may:

150.19 (1) accept the signed statement of a customer that the customer is income eligible;

150.20 (2) obtain income verification from a local energy assistance provider or a
150.21 government agency;

150.22 (3) consider one or more of the following:

150.23 (i) the most recent income tax return filed by members of the customer's household;

150.24 (ii) for each employed member of the customer's household, paycheck stubs for the
150.25 last two months or a written statement from the employer reporting wages earned during
150.26 the preceding two months;

150.27 (iii) documentation that the customer receives a pension from the Department of
150.28 Human Services, the Social Security Administration, the Veteran's Administration, or
150.29 other pension provider;

150.30 (iv) a letter showing the customer's dismissal from a job or other documentation of
150.31 unemployment; or

150.32 (v) other documentation that supports the customer's declaration of income
150.33 eligibility.

150.34 (b) A customer who receives energy assistance benefits under any federal, state,
150.35 or county government programs in which eligibility is defined as household income at

151.1 or below 50 percent of state median income is deemed to be automatically eligible for
151.2 protection under this section and no other verification of income may be required.

151.3 Subd. 7. **Prohibitions and requirements.** (a) This subdivision applies during
151.4 the cold weather period.

151.5 (b) A utility may not charge a deposit or delinquency charge to a customer who has
151.6 entered into a payment agreement or a customer who has appealed to the commission
151.7 under subdivision 8.

151.8 (c) A utility may not disconnect service during the following periods:

151.9 (1) during the pendency of any appeal under subdivision 8;

151.10 (2) earlier than ten working days after a utility has deposited in first class mail,
151.11 or seven working days after a utility has personally served, the notice required under
151.12 subdivision 4 to a customer in an occupied dwelling;

151.13 (3) earlier than ten working days after the utility has deposited in first class mail
151.14 the notice required under subdivision 4 to the recorded billing address of the customer,
151.15 if the utility has reasonably determined from an on-site inspection that the dwelling
151.16 is unoccupied;

151.17 (4) on a Friday, unless the utility makes personal contact with, and offers a payment
151.18 agreement consistent with this section to the customer;

151.19 (5) on a Saturday, Sunday, holiday, or the day before a holiday;

151.20 (6) when utility offices are closed;

151.21 (7) when no utility personnel are available to resolve disputes, enter into payment
151.22 agreements, accept payments, and reconnect service; or

151.23 (8) when commission offices are closed.

151.24 (d) A utility may not discontinue service until the utility investigates whether the
151.25 dwelling is actually occupied. At a minimum, the investigation must include one visit
151.26 by the utility to the dwelling during normal working hours. If no contact is made and
151.27 there is reason to believe that the dwelling is occupied, the utility must attempt a second
151.28 contact during nonbusiness hours. If personal contact is made, the utility representative
151.29 must provide notice required under subdivision 4 and, if the utility representative is not
151.30 authorized to enter into a payment agreement, the telephone number the customer can call
151.31 to establish a payment agreement.

151.32 (e) Each utility must reconnect utility service if, following disconnection, the
151.33 dwelling is found to be occupied and the customer agrees to enter into a payment
151.34 agreement or appeals to the commission because the customer and the utility are unable to
151.35 agree on a payment agreement.

152.1 Subd. 8. Disputes; customer appeals. (a) A utility must provide the customer
152.2 and any designated third party with a commission-approved written notice of the right
152.3 to appeal:

152.4 (1) a utility determination that the customer's household income is more than 50
152.5 percent of state median household income; or

152.6 (2) when the utility and customer are unable to agree on the establishment or
152.7 modification of a payment agreement.

152.8 (b) A customer's appeal must be filed with the commission no later than seven
152.9 working days after the customer's receipt of a personally served appeal notice, or within
152.10 ten working days after the utility has deposited a first class mail appeal notice.

152.11 (c) The commission must determine all customer appeals on an informal basis,
152.12 within 20 working days of receipt of a customer's written appeal. In making its
152.13 determination, the commission must consider one or more of the factors in subdivision 6.

152.14 (d) Notwithstanding any other law, following an appeals decision adverse to the
152.15 customer, a utility may not disconnect utility heating service for seven working days
152.16 after the utility has personally served a disconnection notice, or for ten working days
152.17 after the utility has deposited a first class mail notice. The notice must contain, in
152.18 easy-to-understand language, the date on or after which disconnection will occur, the
152.19 reason for disconnection, and ways to avoid disconnection.

152.20 Subd. 8a. Cooperative and municipal disputes. Complaints in connection with
152.21 utility heating service during the cold weather period filed against a municipal or a
152.22 cooperative electric association with the commission under section 216B.17, subdivision 6
152.23 or 6a, are governed by section 216B.097.

152.24 Subd. 9. Customers above 50 percent of state median income. During the
152.25 cold weather period, a customer whose household income is above 50 percent of state
152.26 median income:

152.27 (1) has the right to a payment agreement that takes into consideration any
152.28 extenuating circumstances of the household; and

152.29 (2) may not be disconnected and must be reconnected if the customer makes timely
152.30 payments under a payment agreement accepted by a utility.

152.31 Subdivision 7, paragraph (b), does not apply to customers whose household income is
152.32 above 50 percent of state median income.

152.33 Subd. 10. Reporting. Annually on November 1, a utility must electronically file
152.34 with the commission a report, in a format specified by the commission, specifying the
152.35 number of utility heating service customers whose service is disconnected or remains

153.1 disconnected for nonpayment as of October 1 and October 15. If customers remain
153.2 disconnected on October 15, a utility must file a report each week between November 1
153.3 and the end of the cold weather period specifying:

153.4 (1) the number of utility heating service customers that are or remain disconnected
153.5 from service for nonpayment; and

153.6 (2) the number of utility heating service customers that are reconnected to service
153.7 each week. The utility may discontinue weekly reporting if the number of utility heating
153.8 service customers that are or remain disconnected reaches zero before the end of the
153.9 cold weather period.

153.10 The data reported under this subdivision are presumed to be accurate upon submission and
153.11 must be made available through the commission's electronic filing system.

153.12 Sec. 14. Minnesota Statutes 2006, section 216B.097, subdivision 1, is amended to read:

153.13 Subdivision 1. **Application; notice to residential customer.** (a) A municipal utility
153.14 or a cooperative electric association must not disconnect and must reconnect the utility
153.15 service of a residential customer during the period between October 15 and April 15 if
153.16 the disconnection affects the primary heat source for the residential unit ~~when~~ and all of
153.17 the following conditions are met:

153.18 ~~(1) the customer has declared inability to pay on forms provided by the utility. For~~
153.19 ~~the purposes of this clause, a customer that is receiving energy assistance is deemed~~
153.20 ~~to have demonstrated an inability to pay;~~

153.21 ~~(2)~~ The household income of the customer is ~~less than~~ at or below 50 percent of the
153.22 state median household income; A municipal utility or cooperative electric association
153.23 utility may (i) verify income on forms it provides or (ii) obtain

153.24 ~~(3)~~ verification of income ~~may be conducted by~~ from the local energy assistance
153.25 provider ~~or the utility, unless the.~~ A customer is ~~automatically eligible for protection~~
153.26 ~~against disconnection as a recipient of~~ deemed to meet the income requirements of this
153.27 clause if the customer receives any form of public assistance, including energy assistance,
153.28 that uses an income eligibility ~~in an amount~~ threshold set at or below ~~the income eligibility~~
153.29 ~~in clause (2)~~ 50 percent of the state median household income;

153.30 ~~(4)~~ ~~(2)~~ A customer ~~whose account is current for the billing period immediately prior~~
153.31 ~~to October 15 or who, at any time, enters into~~ and makes reasonably timely payments
153.32 under a payment schedule agreement that considers the financial resources of the
153.33 household ~~and is reasonably current with payments under the schedule; and~~

154.1 ~~(5) the~~ (3) A customer receives referrals to energy assistance programs,
154.2 weatherization, conservation, or other programs likely to reduce the customer's energy
154.3 bills.

154.4 (b) A municipal utility or a cooperative electric association must, between August
154.5 15 and October 15 of each year, notify all residential customers of the provisions of this
154.6 section.

154.7 Sec. 15. Minnesota Statutes 2006, section 216B.097, subdivision 3, is amended to read:

154.8 Subd. 3. **Restrictions if disconnection necessary.** (a) If a residential customer must
154.9 be involuntarily disconnected between October 15 and April 15 for failure to comply with
154.10 ~~the provisions of~~ subdivision 1, the disconnection must not occur:

154.11 (1) on a Friday or on the day before a holiday, unless the customer declines to enter
154.12 into a payment agreement offered that day in person or via personal contact by telephone
154.13 by a municipal utility or cooperative electric association;

154.14 (2) on a weekend, holiday, or the day before a holiday;

154.15 (3) when utility offices are closed; or

154.16 (4) after the close of business on a day when disconnection is permitted, unless
154.17 a field representative of a municipal utility or cooperative electric association who is
154.18 authorized to enter into a payment agreement, accept payment, and continue service,
154.19 offers a payment agreement to the customer.

154.20 Further, the disconnection must not occur until at least 20 days after the notice required
154.21 in subdivision 2 has been mailed to the customer or 15 days after the notice has been
154.22 personally delivered to the customer.

154.23 (b) If a customer does not respond to a disconnection notice, the customer must
154.24 not be disconnected until the utility investigates whether the residential unit is actually
154.25 occupied. If the unit is found to be occupied, the utility must immediately inform the
154.26 occupant of the provisions of this section. If the unit is unoccupied, the utility must give
154.27 seven days' written notice of the proposed disconnection to the local energy assistance
154.28 provider before making a disconnection.

154.29 (c) If, prior to disconnection, a customer appeals a notice of involuntary
154.30 disconnection, as provided by the utility's established appeal procedure, the utility must
154.31 not disconnect until the appeal is resolved.

154.32 Sec. 16. Minnesota Statutes 2006, section 216B.098, subdivision 4, is amended to read:

154.33 Subd. 4. **Undercharges.** (a) A utility shall offer a payment agreement to customers
154.34 who have been undercharged if no culpable conduct by the customer or resident of
154.35 the customer's household caused the undercharge. The agreement must cover a period

155.1 equal to the time over which the undercharge occurred or a different time period that is
155.2 mutually agreeable to the customer and the utility, except that the duration of a payment
155.3 agreement offered by a utility to a customer whose household income is at or below 50
155.4 percent of state median household income must consider the financial circumstances of
155.5 the customer's household.

155.6 (b) No interest or delinquency fee may be charged ~~under this~~ as part of an
155.7 undercharge agreement under this subdivision.

155.8 (c) If a customer inquiry or complaint results in the utility's discovery of the
155.9 undercharge, the utility may bill for undercharges incurred after the date of the inquiry
155.10 or complaint only if the utility began investigating the inquiry or complaint within a
155.11 reasonable time after when it was made.

155.12 Sec. 17. Minnesota Statutes 2006, section 216B.812, subdivision 1, is amended to read:

155.13 Subdivision 1. **Early purchase and deployment of renewable hydrogen, fuel**
155.14 **cells, and related technologies by the state.** (a) The Department of Commerce, in
155.15 ~~conjunction~~ coordination with the Department of Administration and the Pollution Control
155.16 Agency, shall identify opportunities for ~~demonstrating the use of~~ deploying renewable
155.17 hydrogen, fuel cells, and related technologies within state-owned facilities, vehicle fleets,
155.18 and operations in ways that demonstrate their commercial performance and economics.

155.19 (b) The Department of Commerce shall recommend to the Department of
155.20 Administration, ~~when feasible,~~ the purchase and ~~demonstration~~ deployment of hydrogen,
155.21 fuel cells, and related technologies, when feasible, in ways that strategically contribute
155.22 to realizing Minnesota's hydrogen economy goal as set forth in section 216B.8109, and
155.23 which contribute to the following nonexclusive list of objectives:

155.24 (1) provide needed performance data to the marketplace;

155.25 (2) identify code and regulatory issues to be resolved;

155.26 (3) foster economic development and job creation in the state;

155.27 (4) raise public awareness of renewable hydrogen, fuel cells, and related
155.28 technologies; or

155.29 (5) reduce emissions of carbon dioxide and other pollutants.

155.30 (c) The Department of Commerce and the Pollution Control Agency shall also
155.31 recommend to the Department of Administration changes to the state's procurement
155.32 guidelines and contracts in order to facilitate the purchase and deployment of cost-effective
155.33 renewable hydrogen, fuel cells, and related technologies by all levels of government.

155.34 Sec. 18. Minnesota Statutes 2006, section 216B.16, subdivision 10, is amended to read:

156.1 Subd. 10. **Intervenor ~~payment~~ compensation**. (a) A nonprofit organization or
156.2 an individual granted formal intervenor status by the commission is eligible to receive
156.3 compensation.

156.4 (b) The commission may order a utility to ~~pay all or a portion of a party's intervention~~
156.5 compensate all or part of an eligible intervenor's reasonable costs ~~not to exceed \$20,000~~
156.6 ~~per intervenor in any proceeding~~ of participation in a general rate case that comes before
156.7 the commission when the commission finds that the intervenor has materially assisted
156.8 the commission's deliberation ~~and the intervenor has insufficient financial resources to~~
156.9 ~~afford the costs of intervention~~ and when a lack of compensation would present financial
156.10 hardship to the intervenor. Compensation may not exceed \$50,000 for a single intervenor
156.11 in any proceeding. For the purpose of this subdivision, "materially assisted" means that
156.12 the intervenor's participation and presentation was useful and seriously considered, or
156.13 otherwise substantially contributed to the commission's deliberations in the proceeding.

156.14 (c) In determining whether an intervenor has materially assisted the commission's
156.15 deliberation, the commission must consider, among other factors, whether:

156.16 (1) the intervenor represented an interest that would not otherwise have been
156.17 adequately represented;

156.18 (2) the evidence or arguments presented or the positions taken by the intervenor
156.19 were an important factor in producing a fair decision;

156.20 (3) the intervenor's position promoted a public purpose or policy;

156.21 (4) the evidence presented, arguments made, issues raised, or positions taken by the
156.22 intervenor would not have been a part of the record without the intervenor's participation;
156.23 and

156.24 (5) the administrative law judge or the commission adopted, in whole or in part, a
156.25 position advocated by the intervenor.

156.26 (d) In determining whether the absence of compensation would present financial
156.27 hardship to the intervenor, the commission must consider:

156.28 (1) whether the costs presented in the intervenor's claim reflect reasonable fees for
156.29 attorneys and expert witnesses and other reasonable costs; and

156.30 (2) the ratio between the costs of intervention and the intervenor's unrestricted funds.

156.31 (e) An intervenor seeking compensation must file a request and an affidavit of service
156.32 with the commission, and serve a copy of the request on each party to the proceeding.

156.33 The request must be filed 30 days after the later of (1) the expiration of the period within
156.34 which a petition for rehearing, amendment, vacation, reconsideration, or reargument must
156.35 be filed or (2) the date the commission issues an order following rehearing, amendment,
156.36 vacation, reconsideration, or reargument.

157.1 (f) The compensation request must include:

157.2 (1) the name and address of the intervenor or representative of the nonprofit
157.3 organization the intervenor is representing;

157.4 (2) proof of the organization's nonprofit, tax-exempt status;

157.5 (3) the name and docket number of the proceeding for which compensation is
157.6 requested;

157.7 (4) a list of actual annual revenues and expenses of the organization the intervenor is
157.8 representing for the preceding year and projected revenues, revenue sources, and expenses
157.9 for the current year;

157.10 (5) the organization's balance sheet for the preceding year and a current monthly
157.11 balance sheet;

157.12 (6) an itemization of intervenor costs and the total compensation request; and

157.13 (7) a narrative explaining why additional organizational funds cannot be devoted
157.14 to the intervention.

157.15 (g) Within 30 days after service of the request for compensation, a party may file
157.16 a response, together with an affidavit of service, with the commission. A copy of the
157.17 response must be served on the intervenor and all other parties to the proceeding.

157.18 (h) Within 15 days after the response is filed, the intervenor may file a reply with
157.19 the commission. A copy of the reply and an affidavit of service must be served on all
157.20 other parties to the proceeding.

157.21 (i) If additional costs are incurred as a result of additional proceedings following
157.22 the commission's initial order, the intervenor may file an amended request within 30
157.23 days after the commission issues an amended order. Paragraphs (e) to (h) apply to an
157.24 amended request.

157.25 (j) The commission must issue a decision on intervenor compensation within 60
157.26 days of a filing by an intervenor.

157.27 (k) A party may request reconsideration of the commission's compensation decision
157.28 within 30 days of the decision.

157.29 (l) If the commission issues an order requiring payment of intervenor compensation,
157.30 the utility that was the subject of the proceeding must pay the compensation to the
157.31 intervenor, and file with the commission proof of payment, within 30 days after the later
157.32 of (1) the expiration of the period within which a petition for reconsideration of the
157.33 commission's compensation decision must be filed or (2) the date the commission issues
157.34 an order following reconsideration of its order on intervenor compensation.

157.35 Sec. 19. Minnesota Statutes 2006, section 216B.16, subdivision 15, is amended to read:

158.1 Subd. 15. **Low-income affordability programs.** (a) The commission ~~may~~ must
158.2 consider ability to pay as a factor in setting utility rates and may establish affordability
158.3 programs for low-income residential ratepayers in order to ensure affordable, reliable, and
158.4 continuous service to low-income utility customers. By September 1, 2007, a public
158.5 utility serving low-income residential ratepayers who use natural gas for heating must
158.6 file an affordability program with the commission. For purposes of this subdivision,
158.7 "low-income residential ratepayers" means ratepayers who receive energy assistance from
158.8 the low-income home energy assistance program (LIHEAP).

158.9 (b) ~~The purpose of the low-income programs is to~~ Any affordability program the
158.10 commission orders a utility to implement must:

158.11 (1) lower the percentage of income that participating low-income households devote
158.12 to energy bills;~~to;~~

158.13 (2) increase participating customer payments, and to over time by increasing the
158.14 frequency of payments;

158.15 (3) decrease or eliminate participating customer arrears;

158.16 (4) lower the utility costs associated with customer account collection activities; and

158.17 (5) coordinate the program with other available low-income bill payment assistance
158.18 and conservation resources.

158.19 In ordering ~~low-income~~ affordability programs, the commission may require public
158.20 utilities to file program evaluations, ~~including the coordination of other available~~
158.21 ~~low-income bill payment and conservation resources and~~ that measure the effect of the
158.22 affordability program on:

158.23 (1) ~~reducing~~ the percentage of income that participating households devote to energy
158.24 bills;

158.25 (2) service disconnections; and

158.26 (3) frequency of customer ~~payment behavior~~ payments, utility collection costs,
158.27 arrears, and bad debt.

158.28 (c) The commission must issue orders necessary to implement, administer, and
158.29 evaluate affordability programs, and to allow a utility to recover program costs, including
158.30 administrative costs, on a timely basis. The commission may not allow a utility to recover
158.31 administrative costs, excluding start-up costs, in excess of five percent of total program
158.32 costs, or program evaluation costs in excess of two percent of total program costs. The
158.33 commission must permit deferred accounting, with carrying costs, for recovery of program
158.34 costs incurred during the period between general rate cases.

158.35 (d) Public utilities may use information collected or created for the purpose of
158.36 administering energy assistance to administer affordability programs.

159.1 Sec. 20. [216B.1637] RECOVERY OF CERTAIN LIMITED UTILITY
159.2 GREENHOUSE GAS INFRASTRUCTURE COSTS.

159.3 A public utility that owns a nuclear power plant and a public utility furnishing gas
159.4 service may file for recovery of investments and expenses associated with the replacement
159.5 of cast iron natural gas distribution and service lines owned by the utility and to replace
159.6 breakers that contain sodium hexafluoride in order to reduce the risk of greenhouse gases
159.7 being released into the atmosphere. Upon a finding that the projects are consistent with
159.8 the public interest and do not impose excessive costs on customers, the commission shall
159.9 provide timely recovery of the utility's investment and expenses on any approved projects
159.10 through a rate adjustment mechanism similar to that provided for transmission projects
159.11 under section 216B.16, subdivision 7b, paragraphs (b) to (d).

159.12 Sec. 21. Minnesota Statutes 2006, section 216B.241, subdivision 6, is amended to read:

159.13 Subd. 6. **Renewable energy research.** (a) A public utility that owns a nuclear
159.14 generation facility in the state shall spend five percent of the total amount that utility
159.15 is required to spend under this section to support basic and applied research and
159.16 demonstration activities at the University of Minnesota Initiative for Renewable Energy
159.17 and the Environment for the development of renewable energy sources and technologies.
159.18 The utility shall transfer the required amount to the University of Minnesota on or before
159.19 July 1 of each year and that annual amount shall be deducted from the amount of money the
159.20 utility is required to spend under this section. The University of Minnesota shall transfer
159.21 at least ten percent of these funds to at least one rural campus or experiment station.

159.22 (b) Research Activities funded under this subdivision ~~shall~~ may include, but are
159.23 not limited to:

159.24 ~~(1) development of environmentally sound production, distribution, and use of~~
159.25 ~~energy, chemicals, and materials from renewable sources;~~

159.26 ~~(2) processing and utilization of agricultural and forestry plant products and other~~
159.27 ~~bio-based, renewable sources as a substitute for fossil-fuel-based energy, chemicals, and~~
159.28 ~~materials using a variety of means including biocatalysis, biorefining, and fermentation;~~

159.29 ~~(3) conversion of state wind resources to hydrogen for energy storage and~~
159.30 ~~transportation to areas of energy demand;~~

159.31 ~~(4) improvements in scalable hydrogen fuel cell technologies; and~~

159.32 ~~(5) production of hydrogen from bio-based, renewable sources; and sequestration~~
159.33 ~~of carbon.~~

159.34 (1) environmentally sound production of energy from a renewable energy source
159.35 including biomass;

160.1 (2) environmentally sound production of hydrogen from biomass and any other
160.2 renewable energy source for energy storage and energy utilization;

160.3 (3) development of energy conservation and efficient energy utilization technologies;

160.4 (4) energy storage technologies; and

160.5 (5) analysis of policy options to facilitate adoption of technologies that use or
160.6 produce low-carbon renewable energy.

160.7 (c) Notwithstanding other law to the contrary, the utility may, but is not required to,
160.8 spend more than two percent of its gross operating revenues from service provided in this
160.9 state under this section or section 216B.2411.

160.10 (d) For the purposes of this subdivision:

160.11 (1) "renewable energy source: means hydro, wind, solar, biomass and geothermal
160.12 energy, and microorganisms used as an energy source; and

160.13 (2) "biomass" means plant and animal material, agricultural and forest residues,
160.14 mixed municipal solid waste, and sludge from wastewater treatment.

160.15 (e) This subdivision expires June 30, ~~2008~~ 2010.

160.16 Sec. 22. Minnesota Statutes 2006, section 216B.812, subdivision 2, is amended to read:

160.17 Subd. 2. **Pilot projects.** (a) In consultation with appropriate representatives from
160.18 state agencies, local governments, universities, businesses, and other interested parties,
160.19 the Department of Commerce shall report back to the legislature by November 1, 2005,
160.20 and every two years thereafter, with a slate of proposed pilot projects that contribute to
160.21 realizing Minnesota's hydrogen economy goal as set forth in section 216B.8109. The
160.22 Department of Commerce must consider the following nonexclusive list of priorities in
160.23 developing the proposed slate of pilot projects:

160.24 (1) ~~demonstrate~~ deploy "bridge" technologies such as hybrid-electric, off-road, and
160.25 fleet vehicles running on hydrogen or fuels blended with hydrogen;

160.26 (2) ~~develop~~ lead to cost-competitive, on-site renewable hydrogen production
160.27 technologies;

160.28 (3) demonstrate nonvehicle applications for hydrogen;

160.29 (4) improve the cost and efficiency of hydrogen from renewable energy sources; and

160.30 (5) improve the cost and efficiency of hydrogen production using direct solar energy
160.31 without electricity generation as an intermediate step.

160.32 (b) For ~~all demonstrations~~ deployment projects that do not involve a demonstration
160.33 component, individual system components of the technology ~~must~~ should, if feasible, meet
160.34 commercial performance standards and systems modeling must be completed to predict

161.1 commercial performance, risk, and synergies. In addition, the proposed pilots should meet
161.2 as many of the following criteria as possible:

- 161.3 (1) advance energy security;
- 161.4 (2) capitalize on the state's native resources;
- 161.5 (3) result in economically competitive infrastructure being put in place;
- 161.6 (4) be located where it will link well with existing and related projects and be
161.7 accessible to the public, now or in the future;
- 161.8 (5) demonstrate multiple, integrated aspects of renewable hydrogen infrastructure;
- 161.9 (6) include an explicit public education and awareness component;
- 161.10 (7) be scalable to respond to changing circumstances and market demands;
- 161.11 (8) draw on firms and expertise within the state where possible;
- 161.12 (9) include an assessment of its economic, environmental, and social impact; and
- 161.13 (10) serve other needs beyond hydrogen development.

161.14 Sec. 23. **[216B.813] MINNESOTA RENEWABLE HYDROGEN INITIATIVE.**

161.15 Subdivision 1. **Road map.** The Department of Commerce shall coordinate and
161.16 administer directly or by contract the Minnesota renewable hydrogen initiative. If the
161.17 department decides to contract for its duties under this section, it must contract with a
161.18 nonpartisan, nonprofit organization within the state to develop the road map. The initiative
161.19 may be run as a public-private partnership representing business, academic, governmental,
161.20 and nongovernmental organizations. The initiative must oversee the development and
161.21 implementation of a renewable hydrogen road map, including appropriate technology
161.22 deployments, that achieve the hydrogen goal of section 216B.013. The road map should
161.23 be compatible with the United States Department of Energy's National Hydrogen Energy
161.24 Roadmap and be based on an assessment of marketplace economics and the state's
161.25 opportunities in hydrogen, fuel cells, and related technologies, so as to capitalize on
161.26 strengths. The road map should establish a vision, goals, general timeline, strategies for
161.27 working with industry, and measurable milestones for achieving the state's renewable
161.28 hydrogen goal. The road map should describe how renewable hydrogen and fuel cells fit
161.29 in Minnesota's overall energy system, and should help foster a consistent, predictable, and
161.30 prudent investment environment. The department must report to the legislature on the
161.31 progress in implementing the road map by November 1 of each odd-numbered year.

161.32 Subd. 2. **Grants.** (a) The commissioner of commerce shall operate a competitive
161.33 grant program for projects to assist the state in attaining its renewable hydrogen energy
161.34 goals. The commissioner of commerce shall assemble an advisory committee made up of
161.35 industry, university, government, and nongovernment organizations to:

162.1 (1) help identify the most promising technology deployment projects for public
162.2 investment;

162.3 (2) advise on the technical specifications for those projects; and

162.4 (3) make recommendations on project grants.

162.5 (b) The commissioner shall give preference to project concepts included in the
162.6 department's most recent biennial report: Strategic Demonstration Projects to Accelerate
162.7 the Commercialization of Renewable Hydrogen and Related Technologies in Minnesota.
162.8 Projects eligible for funding must combine one or more of the hydrogen production
162.9 options listed in the department's report with an end use that has significant commercial
162.10 potential, preferably high visibility, and relies on fuel cells or related technologies. Each
162.11 funded technology deployment must include an explicit education and awareness-raising
162.12 component, be compatible with the renewable hydrogen deployment criteria defined in
162.13 section 216B.812, and receive 50 percent of its total cost from nonstate sources. The 50
162.14 percent requirement does not apply for recipients that are public institutions.

162.15 Sec. 24. Minnesota Statutes 2006, section 216C.051, subdivision 2, is amended to read:

162.16 Subd. 2. **Establishment.** (a) There is established a Legislative Electric Energy Task
162.17 Force to study future electric energy sources and costs and to make recommendations
162.18 for legislation for an environmentally and economically sustainable and advantageous
162.19 electric energy supply.

162.20 (b) The task force consists of:

162.21 (1) ten members of the house of representatives including the chairs of the
162.22 Environment and Natural Resources Committee and ~~Regulated Industries Subcommittee~~
162.23 the Energy Finance and Policy Division and eight members to be appointed by the speaker
162.24 of the house, four of whom must be from the minority caucus; and

162.25 (2) ten members of the senate including the chairs of the Environment, Energy and
162.26 Natural Resources Budget Division and ~~Jobs, Energy, and Community Development~~
162.27 Utilities, Technology and Communications committees and eight members to be appointed
162.28 by the Subcommittee on Committees, four of whom must be from the minority caucus.

162.29 (c) The task force may employ staff, contract for consulting services, and may
162.30 reimburse the expenses of persons requested to assist it in its duties other than state
162.31 employees or employees of electric utilities. The director of the Legislative Coordinating
162.32 Commission shall assist the task force in administrative matters. The task force shall
162.33 elect cochairs, one member of the house and one member of the senate from among the
162.34 committee and subcommittee chairs named to the committee. The task force members

163.1 from the house shall elect the house cochair, and the task force members from the senate
163.2 shall elect the senate cochair.

163.3 Sec. 25. Minnesota Statutes 2006, section 216C.051, subdivision 9, is amended to read:

163.4 Subd. 9. **Expiration.** This section is repealed June 30, ~~2007~~ 2010.

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

163.6 Sec. 26. Minnesota Statutes 2006, section 216C.052, is amended by adding a
163.7 subdivision to read:

163.8 Subd. 8a. **Manitoba Hydro information.** By January 1, 2008, and each year
163.9 thereafter, the task force shall request the Manitoba Hydro-Electric Board to provide
163.10 the following information for each community that is a signatory to the Northern Flood
163.11 Agreement, including South Indian Lake:

163.12 (1) median household income and number of residents employed full time and
163.13 part time;

163.14 (2) the number of outstanding claims filed against Manitoba Hydro by individuals
163.15 and communities and the number of claims settled by Manitoba Hydro; and

163.16 (3) the amount of shoreline damaged by flooding and erosion and the amount of
163.17 shoreline restored and cleaned.

163.18 For the purposes of this subdivision, "Northern Flood Agreement" means the
163.19 agreement entered into by the Northern Flood Committee, Incorporated, the Manitoba
163.20 Hydro-Electric Board, the province of Manitoba, and the government of Canada on
163.21 December 16, 1977.

163.22 Sec. 27. **[216C.385] CLEAN ENERGY RESOURCE TEAMS.**

163.23 Subdivision 1. **Findings.** The legislature finds that community-based energy
163.24 programs are an effective means of implementing improved energy practices including
163.25 conservation, greater efficiency in energy use, and the production and use of renewable
163.26 resources such as wind, solar, biomass, and biofuels. Further, community-based energy
163.27 programs are found to be a public purpose for which public money may be spent.

163.28 Subd. 2. **Mission, organization, and membership.** The clean energy resource
163.29 teams (CERT's) project is an innovative state, university, and nonprofit partnership that
163.30 serves as a catalyst for community energy planning and projects. The mission of CERT's
163.31 is to give citizens a voice in the energy planning process by connecting them with the
163.32 necessary technical resources to identify and implement community-scale renewable
163.33 energy and energy efficiency projects. In 2003, the Department of Commerce designated

164.1 the CERT's project as a statewide collaborative venture and recognized six regional teams
164.2 based on their geography: Central, Northeast, Northwest, Southeast, Southwest, and
164.3 West-Central. Membership of CERT's may include but is not limited to representatives
164.4 of utilities; federal, state, and local governments; small business; labor; senior citizens;
164.5 academia; and other interested parties. The Department of Commerce may certify
164.6 additional clean energy resource teams by regional geography, including teams in the Twin
164.7 Cities metropolitan area.

164.8 Subd. 3. **Powers and duties.** In order to develop and implement community-based
164.9 energy programs, a clean energy resource team may:

164.10 (1) analyze social and economic impacts caused by energy expenditures;

164.11 (2) analyze regional renewable and energy efficiency resources and opportunities;

164.12 (3) link community members and community energy projects to the knowledge

164.13 and capabilities of the University of Minnesota, the State Energy Office, nonprofit

164.14 organizations, and regional community members, among others;

164.15 (4) plan, set priorities for, provide technical assistance to, and catalyze local energy

164.16 efficiency and renewable energy projects that help to meet state energy policy goals and

164.17 maximize local economic development opportunities;

164.18 (5) provide a broad-based resource and communications network that links local,

164.19 county, and regional energy efficiency and renewable energy project efforts around the

164.20 state (both interregional and intraregional);

164.21 (6) seek, accept, and disburse grants and other aids from public or private sources

164.22 for purposes authorized in this subdivision;

164.23 (7) provides a convening and networking function within CERT's regions to facilitate

164.24 education, knowledge formation, and project replication; and

164.25 (8) exercise other powers and duties imposed on it by statute, charter, or ordinance.

164.26 Subd. 4. **Department assistance.** The commissioner, via the clean energy resource

164.27 teams, may provide professional, technical, organizational, and financial assistance to

164.28 regions and communities to develop and implement community energy programs and

164.29 projects, within available resources.

164.30 Sec. 28. **[216C.39] RURAL WIND ENERGY DEVELOPMENT REVOLVING**
164.31 **LOAN FUND.**

164.32 Subdivision 1. **Establishment.** A rural wind energy development revolving loan

164.33 fund is established as an account in the special revenue fund in the state treasury. The

164.34 commissioner of finance shall credit to the account the amounts authorized under this

165.1 section and appropriations and transfers to the account. Earnings, such as interest,
165.2 dividends, and any other earnings arising from fund assets, must be credited to the account.

165.3 Subd. 2. **Purpose.** The rural wind energy development revolving loan fund
165.4 is created to provide financial assistance, through partnership with local owners and
165.5 communities, in developing community wind energy projects that meet the specifications
165.6 of section 216B.1612, subdivision 2, paragraph (f).

165.7 Subd. 3. **Expenditures.** Money in the fund is appropriated to the commissioner
165.8 of commerce, and may be used to make loans to qualifying owners of wind energy
165.9 projects, as defined in section 216B.1612, subdivision 2, paragraph (f), to assist in funding
165.10 wind studies and transmission interconnection studies. The loans must be structured
165.11 for repayment within 30 days after the project begins commercial operations or two
165.12 years from the date the loan is issued, whichever is sooner. The commissioner may pay
165.13 reasonable and actual costs of administering the loan program, not to exceed interest
165.14 earned on fund assets.

165.15 Subd. 4. **Limitations.** A loan may not be approved for an amount exceeding
165.16 \$100,000. This limit applies to all money loaned to a single project or single entity,
165.17 whether paid to one or more qualifying owners and whether paid in one or more fiscal
165.18 years.

165.19 Subd. 5. **Administration; eligible projects.** (a) Applications for a loan under
165.20 this section must be made in a manner and on forms prescribed by the commissioner.
165.21 Loans to eligible projects must be made in the order in which complete applications are
165.22 received by the commissioner. Loan funds must be disbursed to an applicant within ten
165.23 days of submission of a payment request by the applicant that demonstrates a payment
165.24 due to the Midwest Independent System Operator. Interest payable on the loan amount
165.25 may not exceed 1.5 percent per annum.

165.26 (b) A project is eligible for a loan under this program if:

165.27 (1) the project has completed an adequate interconnection feasibility study that
165.28 indicates the project may be interconnected with system upgrades of less than ten percent
165.29 of the estimated project costs;

165.30 (2) the project has a signed power purchase agreement with an electric utility or
165.31 provides evidence that the project is under serious consideration for such an agreement by
165.32 an electric utility;

165.33 (3) the ownership and structure of the project allows it to qualify as a
165.34 community-based energy development (C-BED) project under section 216B.1612, and the
165.35 developer commits to obtaining and maintaining C-BED status; and

166.1 (4) the commissioner has determined that sufficient funds are available to make a
166.2 loan to the project.

166.3 Sec. 29. Minnesota Statutes 2006, section 216C.41, subdivision 3, is amended to read:

166.4 Subd. 3. **Eligibility window.** Payments may be made under this section only for:

166.5 (a) electricity generated from:

166.6 (1) ~~from~~ a qualified hydroelectric facility that is operational and generating
166.7 electricity before December 31, 2009;

166.8 (2) ~~from~~ a qualified wind energy conversion facility that is operational and
166.9 generating electricity before January 1, 2008; or

166.10 (3) ~~from~~ a qualified on-farm biogas recovery facility from July 1, 2001, through
166.11 December 31, 2017; and

166.12 (b) gas generated from a qualified on-farm biogas recovery facility from July 1,
166.13 2007, through December 31, 2017.

166.14 Sec. 30. **PETROLEUM VIOLATION ESCROW FUNDS.**

166.15 (a) Petroleum violation escrow funds appropriated to the commissioner of commerce
166.16 by Laws 1988, chapter 686, article 1, section 38, for state energy loan programs for
166.17 schools, hospitals, and public buildings must be used for grants to kindergarten through
166.18 grade 12 schools to develop energy conservation or renewable energy projects. A grant
166.19 may not exceed \$500,000. The commissioner must endeavor to award grants throughout
166.20 the regions of the state. No more than one grant may be awarded in a county, unless an
166.21 insufficient number of applications is received from schools located in other counties to
166.22 exhaust available funds.

166.23 (b) The commissioner of commerce must petition the federal Department of Energy
166.24 for a waiver from any federal regulation that limits the proportion of federal funds
166.25 expended on state energy programs that may be spent on energy efficiency.

166.26 (c) For purposes of this subdivision, "renewable energy" means wind, solar,
166.27 hydroelectric with a capacity of less than 60 megawatts, geothermal, hydrogen, fuel cells
166.28 made from renewable resources, herbaceous crops, agricultural crops, agricultural waste,
166.29 and aquatic plant matter.

166.30 **EFFECTIVE DATE.** This section is effective the day after the commissioner of
166.31 commerce receives the waiver described in paragraph (b).

167.1 Sec. 31. **UNIFORM CODES AND STANDARDS FOR HYDROGEN, FUEL**
167.2 **CELLS, AND RELATED TECHNOLOGIES; RECOMMENDATIONS AND**
167.3 **REPORT.**

167.4 (a) The commissioner of labor and industry, in consultation with the Department of
167.5 Commerce and other relevant public and private interests, shall develop recommendations
167.6 regarding the adoption of uniform codes and standards for hydrogen infrastructure, fuel
167.7 cells, and related technologies, and report those recommendations to the legislature by
167.8 December 31, 2008.

167.9 (b) The goal of the recommendations is to have all regulatory jurisdictions in the
167.10 state have the same safety standards with regard to the production, storage, transportation,
167.11 distribution, and use of hydrogen, fuel cells, and related technologies. The commissioner's
167.12 recommendations must, without limitation, include:

167.13 (1) codes and standards that already exist for hydrogen, fuel cells, and related
167.14 technologies, and how the state should formalize their use;

167.15 (2) codes and standards still under development by various official standard-making
167.16 bodies;

167.17 (3) gaps between existing codes and standards, those under development, and those
167.18 that may still be needed but are not yet being developed;

167.19 (4) the need for, and estimated cost of, additional education and training for
167.20 emergency management and code officials;

167.21 (5) any changes needed to environmental and other permitting processes to
167.22 accommodate the commercialization of hydrogen, fuel cells, and related technologies; and

167.23 (6) recommendations on appropriate codes and standards for educational and
167.24 research institutions.

167.25 Sec. 32. **HYDROGEN REFUELING STATION GRANTS.**

167.26 In addition to the purposes specified in Laws 2005, chapter 97, article 13, section
167.27 4, for which the commissioner of commerce may make grants, the commissioner may
167.28 make grants under that law for the purpose of developing, deploying, and encouraging
167.29 commercially promising renewable hydrogen production systems and hydrogen end
167.30 uses in partnership with industry. The authority of the commissioner to make grants
167.31 and assessments under Laws 2005, chapter 97, article 13, section 4, continues until the
167.32 authorized grants and assessments are made.

167.33 Sec. 33. **OFF-SITE RENEWABLE DISTRIBUTED GENERATION.**

167.34 The commissioner of commerce shall convene a broad group of interested
167.35 stakeholders to evaluate the feasibility and potential for the interconnection and parallel

168.1 operation of off-site renewable distributed generation in a manner consistent with
168.2 Minnesota Statutes, sections 216B.37 to 216B.43, and shall issue recommendations to
168.3 the chairs of the house of representatives and senate committees with jurisdiction over
168.4 energy issues by February 1, 2008.

168.5 Sec. 34. **DEFINITIONS.**

168.6 For purposes of sections 32 to 34, the following definitions apply:

168.7 (1) "terrestrial carbon sequestration" means the long-term storage of carbon in soil
168.8 and vegetation to prevent its collection in the atmosphere as carbon dioxide; and

168.9 (2) "geologic carbon sequestration" means injecting carbon dioxide into underground
168.10 geologic formations where it can be stored for long periods of time to prevent its escape
168.11 to the atmosphere.

168.12 Sec. 35. **TERRESTRIAL CARBON SEQUESTRATION ACTIVITIES.**

168.13 Subdivision 1. **Study; scope.** The Board of Regents of the University of Minnesota
168.14 is requested to conduct a study assessing the potential capacity for carbon sequestration in
168.15 Minnesota's terrestrial systems. The study must:

168.16 (1) conduct a statewide inventory and construct a database of lands across several
168.17 land types, such as forests, agricultural lands, peatlands, and wetlands, that have the
168.18 potential to sequester significant quantities of carbon and of lands that currently contain
168.19 large stocks of carbon that are at risk of being emitted to the atmosphere as a result of
168.20 changes in land use and climate;

168.21 (2) quantify the ability of various land use practices, such as the growth of different
168.22 species of crops, grasses, and trees, to sequester carbon and their impacts on other
168.23 ecological services of value, including air and water quality, biodiversity, and wildlife
168.24 habitat;

168.25 (3) identify a network of benchmark monitoring sites to measure the impact of
168.26 long-term, large-scale factors, such as changes in climate, carbon dioxide levels, and land
168.27 use, on the terrestrial carbon sequestration capacity of various land types, to improve
168.28 understanding of carbon-terrestrial interactions and dynamics;

168.29 (4) identify long-term demonstration projects to measure the impact of deliberate
168.30 sequestration practices, including the establishment of biofuel production systems, on
168.31 forest, agricultural, wetland, and prairie ecosystems; and

168.32 (5) evaluate current state policies and programs that affect the levels of terrestrial
168.33 sequestration on public and private lands and identify gaps and recommend policy changes
168.34 to increase sequestration rates.

169.1 Subd. 2. **Coordination of terrestrial carbon sequestration activities.** Planning
169.2 and implementation of the study described in subdivision 1 will be coordinated by
169.3 the Minnesota Terrestrial Carbon Sequestration Initiative, a task force consisting of
169.4 representatives from the University of Minnesota, the Department of Agriculture, the
169.5 Board of Water and Soil Resources, the Department of Commerce, the Department
169.6 of Natural Resources, and the Pollution Control Agency and agricultural, forestry,
169.7 conservation, and business stakeholders.

169.8 Subd. 3. **Contracting.** The University of Minnesota may contract with another
169.9 party to perform any of the tasks listed in subdivision 1.

169.10 Subd. 4. **Report.** The commissioner of natural resources must submit a report
169.11 with the results of the study to the senate and house committees with jurisdiction over
169.12 environmental and energy policies no later than February 1, 2008.

169.13 **Sec. 36. GEOLOGIC CARBON SEQUESTRATION ASSESSMENT.**

169.14 Subdivision 1. **Study; scope.** (a) The Minnesota Geological Survey shall conduct
169.15 a study assessing the potential capacity for geologic carbon sequestration in the
169.16 Midcontinent Rift system in Minnesota. The study must assess the potential of porous
169.17 and permeable sandstone layers deeper than one kilometer below the surface that are
169.18 capped by less permeable shale and must identify potential risks to carbon storage, such
169.19 as areas of low permeability in injection zones, low storage capacity, and potential seal
169.20 failure. The study must identify the most promising formations and geographic areas for
169.21 physical analysis of carbon sequestration potential. The study must review geologic
169.22 maps, published reports and surveys, and any relevant unpublished raw data with respect
169.23 to attributes that are pertinent for the long-term sequestration of carbon in geologic
169.24 formations, in particular, those that bear on formation injectivity, capacity, and seal
169.25 effectiveness. The study must examine the following characteristics of key sedimentary
169.26 units within the Midcontinent Rift system in Minnesota:

169.27 (1) likely depth, temperature, and pressure;

169.28 (2) physical properties, including the ability to contain and transmit fluids;

169.29 (3) the type of rocks present;

169.30 (4) structure and geometry, including folds and faults; and

169.31 (5) hydrogeology, including water chemistry and water flow.

169.32 (b) The commissioner of natural resources, in consultation with the Minnesota
169.33 Geological Survey, shall contract for a study to estimate the properties of the Midcontinent
169.34 Rift system in Minnesota, as described in paragraph (a), clauses (1) to (5), through the

170.1 use of computer models developed for similar geologic formations located outside of
170.2 Minnesota which have been studied in greater detail.

170.3 Subd. 2. **Consultation.** The Minnesota Geological Survey shall consult with the
170.4 Minnesota Mineral Coordinating Committee, established in Minnesota Statutes, section
170.5 93.0015, in planning and implementing the study design.

170.6 Subd. 3. **Report.** The commissioner of natural resources must submit a report
170.7 with the results of the study to the senate and house committees with jurisdiction over
170.8 environmental and energy policies no later than February 1, 2008.

170.9 **Sec. 37. ST. PAUL PORT AUTHORITY.**

170.10 Notwithstanding Minnesota Statutes, section 465.717, the St. Paul Port Authority
170.11 may create a not-for-profit corporation for purposes of owning or operating, or both, a
170.12 steam and electricity producing facility to be located in St. Paul that uses primarily fuel
170.13 from an eligible energy technology as defined in Minnesota Statutes, section 216B.1691,
170.14 subdivision 1, except that it does not include mixed municipal solid waste as an eligible
170.15 energy technology. Steam produced by the facility may be used by a customer in a paper
170.16 recycling operation. Nothing in this section authorizes or prohibits the retail sale of energy
170.17 produced by the facility to other retail customers.

170.18 **Sec. 38. BIOFUEL PERMITTING REPORT.**

170.19 By January 15, 2008, the Pollution Control Agency, the commissioner of natural
170.20 resources, and the Environmental Quality Board shall report to the house of representatives
170.21 and senate committees and divisions with jurisdiction over agriculture and environment
170.22 policy and budget on the process to issue permits for biofuel production facilities. The
170.23 report shall include:

170.24 (1) information on the timing of the permits and measures taken to improve the
170.25 timing of the permitting process;

170.26 (2) recommended changes to statutes, rules, procedures, or fees to improve the
170.27 biofuel facility permitting process and reduce the groundwater needed for production; and

170.28 (3) other information or analysis that may be helpful in understanding or improving
170.29 the biofuel production facility permitting process.

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

170.31 **Sec. 39. WINONA COUNTY; ELECTRIC POWER PLANT.**

170.32 The county of Winona may own, construct, acquire, purchase, issue bonds and
170.33 certificates of indebtedness for, maintain, and operate a wind energy conversion system, or

171.1 a portion of a wind energy conversion system, within its corporate limits, and may sell the
171.2 output from that facility at wholesale on such terms and conditions as the county board
171.3 deems is in the best interests of the public. With respect to any wind energy conversion
171.4 system, or any portion of a wind energy conversion system, the county may exercise the
171.5 powers granted to a municipal power agency and to a city under Minnesota Statutes,
171.6 sections 453.52, subdivisions 1, 6, 7, and 9 to 13; 453.54, subdivisions 1, 2, 4 to 6, 10, 11,
171.7 14, 15, and 17 to 21; 453.55; 453.57; 453.58, subdivisions 2, 3, and 4; 453.59; 453.60;
171.8 453.61; and 453.62, except that output from that wind energy conversion system may not
171.9 be sold or distributed at retail or provided for end use by the county. Minnesota Statutes,
171.10 section 453.58, subdivision 3, does not give the county the authority to enter into contracts
171.11 with a municipal power agency for the purchase, sale, exchange, or transmission of
171.12 electric energy and other services.

171.13 **EFFECTIVE DATE.** This section is effective the day after the governing body of
171.14 the county of Winona and its chief clerical officer comply with Minnesota Statutes, section
171.15 645.021, subdivisions 2 and 3.

171.16 Sec. 40. **APPLICATION OF RULES.**

171.17 Minnesota Rules, parts 7831.0100; 7831.0200; 7831.0300; 7831.0400; 7831.0500;
171.18 7831.0600; 7831.0700; and 7831.0800, do not apply to a general rate case for a gas
171.19 or electric utility held before the commission. The Public Utilities Commission shall
171.20 timely adopt rules to conform with this section and Minnesota Statutes, section 216B.16,
171.21 subdivision 10, as amended by this act, under the exempt rule procedures of Minnesota
171.22 Statutes, section 14.388, subdivision 1, clause (3).

171.23 Sec. 41. **REVISOR'S INSTRUCTION.**

171.24 The revisor of statutes must change the reference from "216B.095" to "216B.096"
171.25 wherever found in Minnesota Rules, chapter 7820.

171.26 Sec. 42. **REPEALER.**

171.27 (a) Minnesota Statutes 2006, section 216B.095, is repealed.

171.28 (b) Minnesota Rules, parts 7820.1500; 7820.1600; 7820.1700; 7820.1750;
171.29 7820.1800; 7820.1900; 7820.2000; 7820.2100; 7820.2150; 7820.2200; and 7820.2300,
171.30 are repealed.

171.31 Sec. 43. **EFFECTIVE DATE.**

171.32 Sections 13, 39, and 40 are effective September 1, 2008.

ARTICLE 3

COMMERCE

172.1

172.2

172.3 Section 1. Minnesota Statutes 2006, section 13.712, is amended by adding a
172.4 subdivision to read:

172.5 Subd. 3. **Vehicle protection product warrantors.** Financial information provided
172.6 to the commissioner of commerce by vehicle protection product warrantors is classified
172.7 under section 59C.05, subdivision 3.

172.8 **EFFECTIVE DATE.** This section is effective January 1, 2008.

172.9 Sec. 2. Minnesota Statutes 2006, section 45.011, subdivision 1, is amended to read:

172.10 Subdivision 1. **Scope.** As used in chapters 45 to 83, 155A, 332, 332A, 345, and
172.11 359, and sections 325D.30 to 325D.42, 326.83 to 326.991, and 386.61 to 386.78, unless
172.12 the context indicates otherwise, the terms defined in this section have the meanings given
172.13 them.

172.14 **EFFECTIVE DATE.** This section is effective January 1, 2008.

172.15 Sec. 3. **[45.24] LICENSE TECHNOLOGY FEES.**

172.16 (a) The commissioner may establish and maintain an electronic licensing database
172.17 system for license origination, renewal, and tracking the completion of continuing
172.18 education requirements by individual licensees who have continuing education
172.19 requirements, and other related purposes.

172.20 (b) The commissioner shall pay for the cost of operating and maintaining the
172.21 electronic database system described in paragraph (a) through a technology surcharge
172.22 imposed upon the fee for license origination and renewal, for individual licenses that
172.23 require continuing education.

172.24 (c) The surcharge permitted under paragraph (b) shall be up to \$40 for each two-year
172.25 licensing period, except as otherwise provided in paragraph (f), and shall be payable at the
172.26 time of license origination and renewal.

172.27 (d) The Commerce Department technology account is hereby created as an account
172.28 in the special revenue fund.

172.29 (e) The commissioner shall deposit the surcharge permitted under this section in
172.30 the account created in paragraph (d), and funds in the account are appropriated to the
172.31 commissioner in the amounts needed for purposes of this section.

172.32 (f) The commissioner shall temporarily reduce or suspend the surcharge as necessary
172.33 if the balance in the account created in paragraph (d) exceeds \$2,000,000 as of the end of

173.1 any calendar year and shall increase or decrease the surcharge as necessary to keep the
173.2 fund balance at an adequate level but not in excess of \$2,000,000.

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

173.4 Sec. 4. Minnesota Statutes 2006, section 46.04, subdivision 1, is amended to read:

173.5 Subdivision 1. **General.** The commissioner of commerce, referred to in chapters
173.6 46 to 59A, and ~~sections 332.12 to 332.29~~ chapter 332A, as the commissioner, is vested
173.7 with all the powers, authority, and privileges which, prior to the enactment of Laws 1909,
173.8 chapter 201, were conferred by law upon the public examiner, and shall take over all
173.9 duties in relation to state banks, savings banks, trust companies, savings associations, and
173.10 other financial institutions within the state which, prior to the enactment of chapter 201,
173.11 were imposed upon the public examiner. The commissioner of commerce shall exercise
173.12 a constant supervision, either personally or through the examiners herein provided for,
173.13 over the books and affairs of all state banks, savings banks, trust companies, savings
173.14 associations, credit unions, industrial loan and thrift companies, and other financial
173.15 institutions doing business within this state; and shall, through examiners, examine each
173.16 financial institution at least once every 24 calendar months. In satisfying this examination
173.17 requirement, the commissioner may accept reports of examination prepared by a federal
173.18 agency having comparable supervisory powers and examination procedures. With the
173.19 exception of industrial loan and thrift companies which do not have deposit liabilities
173.20 and licensed regulated lenders, it shall be the principal purpose of these examinations to
173.21 inspect and verify the assets and liabilities of each and so far investigate the character
173.22 and value of the assets of each institution as to determine with reasonable certainty that
173.23 the values are correctly carried on its books. Assets and liabilities shall be verified in
173.24 accordance with methods of procedure which the commissioner may determine to be
173.25 adequate to carry out the intentions of this section. It shall be the further purpose of
173.26 these examinations to assess the adequacy of capital protection and the capacity of the
173.27 institution to meet usual and reasonably anticipated deposit withdrawals and other cash
173.28 commitments without resorting to excessive borrowing or sale of assets at a significant
173.29 loss, and to investigate each institution's compliance with applicable laws and rules. Based
173.30 on the examination findings, the commissioner shall make a determination as to whether
173.31 the institution is being operated in a safe and sound manner. None of the above provisions
173.32 limits the commissioner in making additional examinations as deemed necessary or
173.33 advisable. The commissioner shall investigate the methods of operation and conduct of
173.34 these institutions and their systems of accounting, to ascertain whether these methods and
173.35 systems are in accordance with law and sound banking principles. The commissioner may

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174.1 make requirements as to records as deemed necessary to facilitate the carrying out of the
174.2 commissioner's duties and to properly protect the public interest. The commissioner may
174.3 examine, or cause to be examined by these examiners, on oath, any officer, director,
174.4 trustee, owner, agent, clerk, customer, or depositor of any financial institution touching
174.5 the affairs and business thereof, and may issue, or cause to be issued by the examiners,
174.6 subpoenas, and administer, or cause to be administered by the examiners, oaths. In
174.7 case of any refusal to obey any subpoena issued under the commissioner's direction,
174.8 the refusal may at once be reported to the district court of the district in which the bank
174.9 or other financial institution is located, and this court shall enforce obedience to these
174.10 subpoenas in the manner provided by law for enforcing obedience to subpoenas of the
174.11 court. In all matters relating to official duties, the commissioner of commerce has the
174.12 power possessed by courts of law to issue subpoenas and cause them to be served and
174.13 enforced, and all officers, directors, trustees, and employees of state banks, savings banks,
174.14 trust companies, savings associations, and other financial institutions within the state,
174.15 and all persons having dealings with or knowledge of the affairs or methods of these
174.16 institutions, shall afford reasonable facilities for these examinations, make returns and
174.17 reports to the commissioner of commerce as the commissioner may require; attend and
174.18 answer, under oath, the commissioner's lawful inquiries; produce and exhibit any books,
174.19 accounts, documents, and property as the commissioner may desire to inspect, and in all
174.20 things aid the commissioner in the performance of duties.

174.21 **EFFECTIVE DATE.** This section is effective January 1, 2008.

174.22 Sec. 5. Minnesota Statutes 2006, section 46.05, is amended to read:

174.23 **46.05 SUPERVISION OVER FINANCIAL INSTITUTIONS.**

174.24 Every state bank, savings bank, trust company, savings association, debt
174.25 management services provider, and other financial institutions shall be at all times under
174.26 the supervision and subject to the control of the commissioner of commerce. If, and
174.27 whenever in the performance of duties, the commissioner finds it necessary to make a
174.28 special investigation of any financial institution under the commissioner's supervision,
174.29 and other than a complete examination, the commissioner shall make a charge therefor to
174.30 include only the necessary costs thereof. Such a fee shall be payable to the commissioner
174.31 on the commissioner's making a request for payment.

174.32 **EFFECTIVE DATE.** This section is effective January 1, 2008.

174.33 Sec. 6. Minnesota Statutes 2006, section 46.131, subdivision 2, is amended to read:

175.1 Subd. 2. **Assessment authority.** Each bank, trust company, savings bank, savings
175.2 association, regulated lender, industrial loan and thrift company, credit union, motor
175.3 vehicle sales finance company, debt ~~pro-rating agency~~ management services provider and
175.4 insurance premium finance company organized under the laws of this state or required
175.5 to be administered by the commissioner of commerce shall pay into the state treasury its
175.6 proportionate share of the cost of maintaining the Department of Commerce.

175.7 **EFFECTIVE DATE.** This section is effective January 1, 2008.

175.8 Sec. 7. Minnesota Statutes 2006, section 47.19, is amended to read:

175.9 **47.19 CORPORATION MAY BE MEMBER OR STOCKHOLDER OF**
175.10 **FEDERAL AGENCY.**

175.11 Any corporation is hereby empowered and authorized to become a member of,
175.12 or stockholder in, any such agency, and to that end to purchase stock in, or securities
175.13 of, or deposit money with, such agency and/or to comply with any other conditions of
175.14 membership or credit; to borrow money from such agency upon such rates of interest, not
175.15 exceeding the contract rate of interest in this state, and upon such terms and conditions
175.16 as may be agreed upon by such corporation and such agency, for the purpose of making
175.17 loans, paying withdrawals, paying maturities, paying debts, and for any other purpose not
175.18 inconsistent with the objects of the corporation; provided, that the aggregate amount of the
175.19 indebtedness, so incurred by such corporation, which shall be outstanding at any time shall
175.20 not exceed ~~25~~ 35 percent of the then total assets of the corporation; to assign, pledge and
175.21 hypothecate its bonds, mortgages or other assets; and, in case of savings associations, to
175.22 repledge with such agency the shares of stock in such association which any owner thereof
175.23 may have pledged as collateral security, without obtaining the consent thereunto of such
175.24 owner, as security for the repayment of the indebtedness so created by such corporation
175.25 and as evidenced by its note or other evidence of indebtedness given for such borrowed
175.26 money; and to do any and all things which shall or may be necessary or convenient in
175.27 order to comply with and to obtain the benefits of the provisions of any act of Congress
175.28 creating such agency, or any amendments thereto.

175.29 Sec. 8. Minnesota Statutes 2006, section 47.59, subdivision 6, is amended to read:

175.30 Subd. 6. **Additional charges.** (a) For purposes of this subdivision, "financial
175.31 institution" includes a person described in subdivision 4, paragraph (a). In addition to the
175.32 finance charges permitted by this section, a financial institution may contract for and
175.33 receive the following additional charges that may be included in the principal amount
175.34 of the loan or credit sale unpaid balances:

- 176.1 (1) official fees and taxes;
- 176.2 (2) charges for insurance as described in paragraph (b);
- 176.3 (3) with respect to a loan or credit sale contract secured by real estate, the following
- 176.4 "closing costs," if they are bona fide, reasonable in amount, and not for the purpose of
- 176.5 circumvention or evasion of this section:
- 176.6 (i) fees or premiums for title examination, abstract of title, title insurance, surveys,
- 176.7 or similar purposes;
- 176.8 (ii) fees for preparation of a deed, mortgage, settlement statement, or other
- 176.9 documents, if not paid to the financial institution;
- 176.10 (iii) escrows for future payments of taxes, including assessments for improvements,
- 176.11 insurance, and water, sewer, and land rents;
- 176.12 (iv) fees for notarizing deeds and other documents;
- 176.13 (v) appraisal and credit report fees; and
- 176.14 (vi) fees for determining whether any portion of the property is located in a flood
- 176.15 zone and fees for ongoing monitoring of the property to determine changes, if any,
- 176.16 in flood zone status;
- 176.17 (4) a delinquency charge on a payment, including the minimum payment due in
- 176.18 connection with open-end credit, not paid in full on or before the tenth day after its due
- 176.19 date in an amount not to exceed five percent of the amount of the payment or \$5.20,
- 176.20 whichever is greater;
- 176.21 (5) for a returned check or returned automatic payment withdrawal request, an
- 176.22 amount not in excess of the service charge limitation in section 604.113, except that, on
- 176.23 a loan transaction that is a consumer small loan as defined in section 47.60, subdivision
- 176.24 1, paragraph (a), in which cash is advanced in exchange for a personal check, the civil
- 176.25 penalty provisions of section 604.113, subdivision 2, paragraph (b), may not be demanded
- 176.26 or assessed against the borrower; and
- 176.27 (6) charges for other benefits, including insurance, conferred on the borrower that
- 176.28 are of a type that is not for credit.
- 176.29 (b) An additional charge may be made for insurance written in connection with the
- 176.30 loan or credit sale contract, which may be included in the principal amount of the loan or
- 176.31 credit sale unpaid balances:
- 176.32 (1) with respect to insurance against loss of or damage to property, or against
- 176.33 liability arising out of the ownership or use of property, if the financial institution furnishes
- 176.34 a clear, conspicuous, and specific statement in writing to the borrower setting forth the
- 176.35 cost of the insurance if obtained from or through the financial institution and stating that
- 176.36 the borrower may choose the person through whom the insurance is to be obtained;

177.1 (2) with respect to credit insurance or mortgage insurance providing life, accident,
177.2 health, or unemployment coverage, if the insurance coverage is not required by the
177.3 financial institution, and this fact is clearly and conspicuously disclosed in writing to
177.4 the borrower, and the borrower gives specific, dated, and separately signed affirmative
177.5 written indication of the borrower's desire to do so after written disclosure to the borrower
177.6 of the cost of the insurance; and

177.7 (3) with respect to the vendor's single interest insurance, but only (i) to the extent
177.8 that the insurer has no right of subrogation against the borrower; and (ii) to the extent that
177.9 the insurance does not duplicate the coverage of other insurance under which loss is
177.10 payable to the financial institution as its interest may appear, against loss of or damage
177.11 to property for which a separate charge is made to the borrower according to clause (1);
177.12 and (iii) if a clear, conspicuous, and specific statement in writing is furnished by the
177.13 financial institution to the borrower setting forth the cost of the insurance if obtained from
177.14 or through the financial institution and stating that the borrower may choose the person
177.15 through whom the insurance is to be obtained.

177.16 (c) In addition to the finance charges and other additional charges permitted by
177.17 this section, a financial institution may contract for and receive the following additional
177.18 charges in connection with open-end credit, which may be included in the principal
177.19 amount of the loan or balance upon which the finance charge is computed:

177.20 (1) annual charges, not to exceed \$50 per annum, payable in advance, for the
177.21 privilege of opening and maintaining open-end credit;

177.22 (2) charges for the use of an automated teller machine;

177.23 (3) charges for any monthly or other periodic payment period in which the borrower
177.24 has exceeded or, except for the financial institution's dishonor would have exceeded,
177.25 the maximum approved credit limit, in an amount not in excess of the service charge
177.26 permitted in section 604.113;

177.27 (4) charges for obtaining a cash advance in an amount not to exceed the service
177.28 charge permitted in section 604.113; and

177.29 (5) charges for check and draft copies and for the replacement of lost or stolen
177.30 credit cards.

177.31 (d) In addition to the finance charges and other additional charges permitted by this
177.32 section, a financial institution may contract for and receive a onetime loan administrative
177.33 fee not exceeding \$25 in connection with closed-end credit, which may be included in the
177.34 principal balance upon which the finance charge is computed. This paragraph applies only
177.35 to closed-end credit in an original principal amount of \$4,320 or less. The determination

178.1 of an original principal amount must exclude the administrative fee contracted for and
178.2 received according to this paragraph.

178.3 Sec. 9. Minnesota Statutes 2006, section 47.60, subdivision 2, is amended to read:

178.4 Subd. 2. **Authorization, terms, conditions, and prohibitions.** (a) In lieu of the
178.5 interest, finance charges, or fees in any other law, a consumer small loan lender may
178.6 charge the following:

178.7 (1) on any amount up to and including \$50, a charge of \$5.50 may be added;

178.8 (2) on amounts in excess of \$50, but not more than \$100, a charge may be added
178.9 equal to ten percent of the loan proceeds plus a \$5 administrative fee;

178.10 (3) on amounts in excess of \$100, but not more than \$250, a charge may be
178.11 added equal to seven percent of the loan proceeds with a minimum of \$10 plus a \$5
178.12 administrative fee;

178.13 (4) for amounts in excess of \$250 and not greater than the maximum in subdivision
178.14 1, paragraph (a), a charge may be added equal to six percent of the loan proceeds with a
178.15 minimum of \$17.50 plus a \$5 administrative fee.

178.16 (b) The term of a loan made under this section shall be for no more than 30 calendar
178.17 days.

178.18 (c) After maturity, the contract rate must not exceed 2.75 percent per month of the
178.19 remaining loan proceeds after the maturity date calculated at a rate of 1/30 of the monthly
178.20 rate in the contract for each calendar day the balance is outstanding.

178.21 (d) No insurance charges or other charges must be permitted to be charged, collected,
178.22 or imposed on a consumer small loan except as authorized in this section.

178.23 (e) On a loan transaction in which cash is advanced in exchange for a personal
178.24 check, a return check charge may be charged as authorized by section 604.113, subdivision
178.25 2, paragraph (a). The civil penalty provisions of section 604.113, subdivision 2, paragraph
178.26 (b), may not be demanded or assessed against the borrower.

178.27 (f) A loan made under this section must not be repaid by the proceeds of another
178.28 loan made under this section by the same lender or related interest. The proceeds from a
178.29 loan made under this section must not be applied to another loan from the same lender or
178.30 related interest. No loan to a single borrower made pursuant to this section shall be split or
178.31 divided and no single borrower shall have outstanding more than one loan with the result
178.32 of collecting a higher charge than permitted by this section or in an aggregate amount of
178.33 principal exceed at any one time the maximum of \$350.

178.34 Sec. 10. Minnesota Statutes 2006, section 47.62, subdivision 1, is amended to read:

179.1 Subdivision 1. **General authority.** Any person may establish and maintain one
179.2 or more electronic financial terminals. Any financial institution may provide for its
179.3 customers the use of an electronic financial terminal by entering into an agreement with
179.4 any person who has established and maintains one or more electronic financial terminals if
179.5 that person authorizes use of the electronic financial terminal to all financial institutions
179.6 on a nondiscriminatory basis pursuant to section 47.64. ~~Electronic financial terminals to~~
179.7 ~~be established and maintained in this state by financial institutions located in states other~~
179.8 ~~than Minnesota must file a notification to the commissioner as required in this section.~~
179.9 ~~The notification may be in the form lawfully required by the state regulator responsible~~
179.10 ~~for the examination and supervision of that financial institution. If there is no such~~
179.11 ~~requirement, then notification must be in the form required by this section for Minnesota~~
179.12 ~~financial institutions.~~

179.13 Sec. 11. Minnesota Statutes 2006, section 47.75, subdivision 1, is amended to read:

179.14 Subdivision 1. **Retirement, health savings, and medical savings accounts.** (a) A
179.15 commercial bank, savings bank, savings association, credit union, or industrial loan and
179.16 thrift company may act as trustee or custodian:

179.17 (1) under the Federal Self-Employed Individual Tax Retirement Act of 1962, as
179.18 amended;

179.19 (2) of a medical savings account under the Federal Health Insurance Portability and
179.20 Accountability Act of 1996, as amended;

179.21 (3) of a health savings account under the Medicare Prescription Drug, Improvement,
179.22 and Modernization Act of 2003, as amended; and

179.23 (4) under the Federal Employee Retirement Income Security Act of 1974, as
179.24 amended.

179.25 (b) The trustee or custodian may accept the trust funds if the funds are invested
179.26 only in savings accounts or time deposits in the commercial bank, savings bank, savings
179.27 association, credit union, or industrial loan and thrift company, except that health savings
179.28 accounts may also be invested in transaction accounts. Health savings accounts invested in
179.29 transaction accounts shall not be subject to the restrictions in section 48.512, subdivision
179.30 3. All funds held in the fiduciary capacity may be commingled by the financial institution
179.31 in the conduct of its business, but individual records shall be maintained by the fiduciary
179.32 for each participant and shall show in detail all transactions engaged under authority
179.33 of this subdivision.

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

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180.1 Sec. 12. Minnesota Statutes 2006, section 48.15, subdivision 4, is amended to read:

180.2 Subd. 4. **Retirement, health savings, and medical savings accounts.** (a) A state
180.3 bank may act as trustee or custodian:

180.4 (1) of a self-employed retirement plan under the Federal Self-Employed Individual
180.5 Tax Retirement Act of 1962, as amended;

180.6 (2) of a medical savings account under the Federal Health Insurance Portability and
180.7 Accountability Act of 1996, as amended;

180.8 (3) of a health savings account under the Medicare Prescription Drug, Improvement,
180.9 and Modernization Act of 2003, as amended; and

180.10 (4) of an individual retirement account under the Federal Employee Retirement
180.11 Income Security Act of 1974, as amended, if the bank's duties as trustee or custodian are
180.12 essentially ministerial or custodial in nature and the funds are invested only (i) in the
180.13 bank's own savings or time deposits, except that health savings accounts may also be
180.14 invested in transaction accounts. Health savings accounts invested in transaction accounts
180.15 shall not be subject to the restrictions in section 48.512, subdivision 3; or (ii) in any
180.16 other assets at the direction of the customer if the bank does not exercise any investment
180.17 discretion, invest the funds in collective investment funds administered by it, or provide
180.18 any investment advice with respect to those account assets.

180.19 (b) Affiliated discount brokers may be utilized by the bank acting as trustee or
180.20 custodian for self-directed IRAs, if specifically authorized and directed in appropriate
180.21 documents. The relationship between the affiliated broker and the bank must be fully
180.22 disclosed. Brokerage commissions to be charged to the IRA by the affiliated broker should
180.23 be accurately disclosed. Provisions should be made for disclosure of any changes in
180.24 commission rates prior to their becoming effective. The affiliated broker may not provide
180.25 investment advice to the customer.

180.26 (c) All funds held in the fiduciary capacity may be commingled by the financial
180.27 institution in the conduct of its business, but individual records shall be maintained by
180.28 the fiduciary for each participant and shall show in detail all transactions engaged under
180.29 authority of this subdivision.

180.30 (d) The authority granted by this section is in addition to, and not limited by, section
180.31 47.75.

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

180.33 Sec. 13. Minnesota Statutes 2006, section 58.04, subdivision 1, is amended to read:

180.34 Subdivision 1. **Residential mortgage originator licensing requirements.** (a)

180.35 ~~Beginning August 1, 1999,~~ No person shall act as a residential mortgage originator, or

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181.1 make residential mortgage loans without first obtaining a license from the commissioner
181.2 according to the licensing procedures provided in this chapter.

181.3 (b) A licensee must be either a partnership, limited liability partnership, association,
181.4 limited liability company, corporation, or other form of business organization, and must
181.5 have and maintain at all times one of the following: approval as a mortgagee by either the
181.6 federal Department of Housing and Urban Development or the Federal National Mortgage
181.7 Association; a minimum net worth, net of intangibles, of at least \$250,000; or a surety
181.8 bond or irrevocable letter of credit in the amount of \$50,000. Net worth, net of intangibles,
181.9 must be calculated in accordance with generally accepted accounting principles.

181.10 (c) The following persons are exempt from the residential mortgage originator
181.11 licensing requirements:

181.12 ~~(1) an employee of one mortgage originator licensee or one person holding a~~
181.13 ~~certificate of exemption;~~

181.14 ~~(2) a person licensed as a real estate broker under chapter 82 who is not licensed to~~
181.15 ~~another real estate broker;~~

181.16 ~~(3) an individual real estate licensee who is licensed to a real estate broker as~~
181.17 ~~described in clause (2) if:~~

181.18 ~~(i) the individual licensee acts only under the name, authority, and supervision of the~~
181.19 ~~broker to whom the licensee is licensed;~~

181.20 ~~(ii) the broker to whom the licensee is licensed obtains a certificate of exemption~~
181.21 ~~according to section 58.05, subdivision 2;~~

181.22 ~~(iii) the broker does not collect an advance fee for its residential mortgage-related~~
181.23 ~~activities; and~~

181.24 ~~(iv) the residential mortgage origination activities are incidental to the real estate~~
181.25 ~~licensee's primary activities as a real estate broker or salesperson;~~

181.26 ~~(4) an individual licensed as a property/casualty or life/health insurance agent under~~
181.27 ~~chapter 60K if:~~

181.28 ~~(i) the insurance agent acts on behalf of only one residential mortgage originator,~~
181.29 ~~which is in compliance with chapter 58;~~

181.30 ~~(ii) the insurance agent has entered into a written contract with the mortgage~~
181.31 ~~originator under the terms of which the mortgage originator agrees to accept responsibility~~
181.32 ~~for the insurance agent's residential mortgage-related activities;~~

181.33 ~~(iii) the insurance agent obtains a certificate of exemption under section 58.05,~~
181.34 ~~subdivision 2; and~~

181.35 ~~(iv) the insurance agent does not collect an advance fee for the insurance agent's~~
181.36 ~~residential mortgage-related activities;~~

182.1 ~~(5)~~ (1) a person who is not in the business of making residential mortgage loans and
182.2 who makes no more than three such loans, with its own funds, during any 12-month period;
182.3 ~~(6)~~ (2) a financial institution as defined in section 58.02, subdivision 10;
182.4 ~~(7)~~ (3) an agency of the federal government, or of a state or municipal government;
182.5 ~~(8)~~ (4) an employee or employer pension plan making loans only to its participants;
182.6 ~~(9)~~ (5) a person acting in a fiduciary capacity, such as a trustee or receiver, as a result
182.7 of a specific order issued by a court of competent jurisdiction; or
182.8 ~~(10)~~ (6) a person exempted by order of the commissioner.

182.9 Sec. 14. Minnesota Statutes 2006, section 58.05, is amended to read:

182.10 **58.05 EXEMPTIONS FROM LICENSE.**

182.11 Subdivision 1. **Exempt person.** An exempt person as defined by section 58.04,
182.12 subdivision 1, paragraph ~~(b)~~ (c), and subdivision 2, paragraph (b), is exempt from the
182.13 licensing requirements of this chapter, but is subject to all other provisions of this chapter.

182.14 Subd. 3. **Certificate of exemption.** A person must obtain a certificate of exemption
182.15 from the commissioner to qualify as an exempt person under section 58.04, subdivision
182.16 1, paragraph ~~(b)~~ (c), ~~as a real estate broker under clause (2), an insurance agent under~~
182.17 ~~clause (4)~~; a financial institution under clause ~~(6)~~ (2), or by order of the commissioner
182.18 under clause ~~(10)~~ (6); or under section 58.04, subdivision 2, paragraph (b), as a financial
182.19 institution under clause ~~(4)~~ (3), or by order of the commissioner under clause ~~(8)~~ (7).

182.20 Sec. 15. Minnesota Statutes 2006, section 58.06, subdivision 2, is amended to read:

182.21 Subd. 2. **Application contents.** (a) The application must contain the name and
182.22 complete business address or addresses of the license applicant. ~~If~~ The license applicant ~~is~~
182.23 must be a partnership, limited liability partnership, association, limited liability company,
182.24 corporation, or other form of business organization, and the application must contain the
182.25 names and complete business addresses of each partner, member, director, and principal
182.26 officer. The application must also include a description of the activities of the license
182.27 applicant, in the detail and for the periods the commissioner may require.

182.28 (b) An applicant must submit one of the following:

182.29 (1) evidence which shows, to the commissioner's satisfaction, that either the federal
182.30 Department of Housing and Urban Development or the Federal National Mortgage
182.31 Association has approved the applicant as a mortgagee;

182.32 (2) a surety bond or irrevocable letter of credit in the amount of not less than
182.33 \$50,000 in a form approved by the commissioner, issued by an insurance company or bank
182.34 authorized to do so in this state. The bond or irrevocable letter of credit must be available

183.1 for the recovery of expenses, fines, and fees levied by the commissioner under this chapter
183.2 and for losses incurred by borrowers. The bond or letter of credit must be submitted with
183.3 the license application, and evidence of continued coverage must be submitted with each
183.4 renewal. Any change in the bond or letter of credit must be submitted for approval by the
183.5 commissioner within ten days of its execution; or

183.6 (3) a copy of the applicant's most recent audited financial statement, including
183.7 balance sheet, statement of income or loss, statements of changes in shareholder equity,
183.8 and statement of changes in financial position. Financial statements must be as of a date
183.9 within 12 months of the date of application.

183.10 (c) The application must also include all of the following:

183.11 ~~(a)~~ (1) an affirmation under oath that the applicant:

183.12 ~~(1) will maintain competent staff and adequate staffing levels, through direct~~
183.13 ~~employees or otherwise, to meet the requirements of this chapter; (i) is in compliance~~
183.14 with the requirements of section 58.125;

183.15 (ii) will maintain a perpetual roster of individuals employed as residential mortgage
183.16 originators, including employees and independent contractors, which includes the date that
183.17 mandatory initial education was completed. In addition, the roster must be made available
183.18 to the commissioner on demand, within three business days of the commissioner's request;

183.19 ~~(2)~~ (iii) will advise the commissioner of any material changes to the information
183.20 submitted in the most recent application within ten days of the change;

183.21 ~~(3)~~ (iv) will advise the commissioner in writing immediately of any bankruptcy
183.22 petitions filed against or by the applicant or licensee;

183.23 ~~(4) is financially solvent;~~ (v) will maintain at all times either a net worth, net of
183.24 intangibles, of at least \$250,000 or a surety bond or irrevocable letter of credit in the
183.25 amount of at least \$50,000;

183.26 ~~(5)~~ (vi) complies with federal and state tax laws; and

183.27 ~~(6)~~ (vii) complies with sections 345.31 to 345.60, the Minnesota unclaimed property
183.28 law; ~~and~~

183.29 ~~(7) is, or that a person in control of the license applicant is, at least 18 years of age;~~

183.30 ~~(b)~~ (2) information as to the mortgage lending, servicing, or brokering experience
183.31 of the applicant and persons in control of the applicant;

183.32 ~~(c)~~ (3) information as to criminal convictions, excluding traffic violations, of persons
183.33 in control of the license applicant;

183.34 ~~(d)~~ (4) whether a court of competent jurisdiction has found that the applicant or
183.35 persons in control of the applicant have engaged in conduct evidencing gross negligence,

184.1 fraud, misrepresentation, or deceit in performing an act for which a license is required
184.2 under this chapter;

184.3 ~~(e)~~ (5) whether the applicant or persons in control of the applicant have been the
184.4 subject of: an order of suspension or revocation, cease and desist order, or injunctive
184.5 order, or order barring involvement in an industry or profession issued by this or another
184.6 state or federal regulatory agency or by the Secretary of Housing and Urban Development
184.7 within the ten-year period immediately preceding submission of the application; and
184.8 ~~(f)~~ (6) other information required by the commissioner.

184.9 Sec. 16. Minnesota Statutes 2006, section 58.06, is amended by adding a subdivision
184.10 to read:

184.11 Subd. 3. **Waiver.** The commissioner may, for good cause shown, waive any
184.12 requirement of this section with respect to an initial license application or to permit a
184.13 license applicant to submit substituted information in its license application in lieu of
184.14 the information required by this section.

184.15 Sec. 17. Minnesota Statutes 2006, section 58.08, subdivision 3, is amended to read:

184.16 Subd. 3. **Exemption.** ~~Subdivisions 1 and Subdivision 2 do~~ does not apply to
184.17 mortgage originators or mortgage servicers who are approved as seller/servicers by the
184.18 Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation.

184.19 Sec. 18. Minnesota Statutes 2006, section 58.10, subdivision 1, is amended to read:

184.20 Subdivision 1. **Amounts.** The following fees must be paid to the commissioner:

184.21 (1) for an initial residential mortgage originator license, ~~\$850~~ \$2,125, \$50 of which
184.22 is credited to the consumer education account in the special revenue fund;

184.23 (2) for a renewal license, ~~\$450~~ \$1,125, \$50 of which is credited to the consumer
184.24 education account in the special revenue fund;

184.25 (3) for an initial residential mortgage servicer's license, \$1,000;

184.26 (4) for a renewal license, \$500; and

184.27 (5) for a certificate of exemption, \$100.

184.28 Sec. 19. **[58.115] EXAMINATIONS.**

184.29 The commissioner has under this chapter the same powers with respect to
184.30 examinations that the commissioner has under section 46.04, including the authority to
184.31 charge for the direct costs of the examination, including travel and per diem expenses.

184.32 Sec. 20. **[58.126] EDUCATION REQUIREMENT.**

185.1 No individual shall engage in residential mortgage origination or make residential
185.2 mortgage loans, whether as an employee or independent contractor, before the completion
185.3 of 15 hours of educational training which has been approved by the commissioner, and
185.4 covering state and federal laws concerning residential mortgage lending.

185.5 **EFFECTIVE DATE.** This section is effective March 1, 2008.

185.6 Sec. 21. **[59C.01] SHORT TITLE.**

185.7 This chapter may be cited as the Vehicle Protection Product Act.

185.8 **EFFECTIVE DATE.** This section is effective January 1, 2008.

185.9 Sec. 22. **[59C.02] DEFINITIONS.**

185.10 Subdivision 1. **Terms.** For purposes of this chapter, the terms defined in subdivisions
185.11 2 to 11 have the meanings given them.

185.12 Subd. 2. **Administrator.** "Administrator" means a third party other than the
185.13 warrantor who is designated by the warrantor to be responsible for the administration
185.14 of vehicle protection product warranties.

185.15 Subd. 3. **Commissioner.** "Commissioner" means the commissioner of commerce.

185.16 Subd. 4. **Department.** "Department" means the Department of Commerce.

185.17 Subd. 5. **Incidental costs.** "Incidental costs" means expenses specified in the
185.18 warranty incurred by the warranty holder related to the failure of the vehicle protection
185.19 product to perform as provided in the warranty. Incidental costs may include, without
185.20 limitation, insurance policy deductibles, rental vehicle charges, the difference between the
185.21 actual value of the stolen vehicle at the time of theft and the cost of a replacement vehicle,
185.22 sales taxes, registration fees, transaction fees, and mechanical inspection fees.

185.23 Subd. 6. **Service contract.** "Service contract" means a contract or agreement as
185.24 regulated under chapter 59B.

185.25 Subd. 7. **Vehicle protection product.** "Vehicle protection product" means a vehicle
185.26 protection device, system, or service that:

185.27 (1) is installed on or applied to a vehicle;

185.28 (2) is designed to prevent loss or damage to a vehicle from a specific cause; and

185.29 (3) includes a written warranty.

185.30 For purposes of this section, vehicle protection product includes, without limitation,
185.31 alarm systems; body part marking products; steering locks; window etch products; pedal

186.1 and ignition locks; fuel and ignition kill switches; and electronic, radio, and satellite
186.2 tracking devices.

186.3 Subd. 8. **Vehicle protection product warranty or warranty.** "Vehicle protection
186.4 product warranty" or "warranty" means, for the purposes of this chapter, a written
186.5 agreement by a warrantor that provides if the vehicle protection product fails to prevent
186.6 loss or damage to a vehicle from a specific cause, that the warranty holder must be
186.7 paid specified incidental costs by the warrantor as a result of the failure of the vehicle
186.8 protection product to perform pursuant to the terms of the warranty.

186.9 Subd. 9. **Vehicle protection product warrantor or warrantor.** "Vehicle protection
186.10 product warrantor" or "warrantor," for the purposes of this chapter, means a person who is
186.11 contractually obligated to the warranty holder under the terms of the vehicle protection
186.12 product warranty agreement. Warrantor does not include an authorized insurer providing a
186.13 warranty reimbursement insurance policy.

186.14 Subd. 10. **Warranty holder.** "Warranty holder," for the purposes of this chapter,
186.15 means the person who purchases a vehicle protection product or who is a permitted
186.16 transferee.

186.17 Subd. 11. **Warranty reimbursement insurance policy.** "Warranty reimbursement
186.18 insurance policy" means a policy of insurance that is issued to the vehicle protection
186.19 product warrantor to provide reimbursement to, or to pay on behalf of, the warrantor all
186.20 covered contractual obligations incurred by the warrantor under the terms and conditions
186.21 of the insured vehicle protection product warranties sold by the warrantor.

186.22 **EFFECTIVE DATE.** This section is effective January 1, 2008.

186.23 Sec. 23. **[59C.03] SCOPE AND EXEMPTIONS.**

186.24 (a) No vehicle protection product may be sold or offered for sale in this state unless
186.25 the seller, warrantor, and administrator, if any, comply with the provisions of this chapter.

186.26 (b) Vehicle protection product warrantors and related vehicle protection product
186.27 sellers and warranty administrators complying with this chapter are not required to comply
186.28 with and are not subject to any other provision of chapters 59B to 72A, except that section
186.29 72A.20, subdivision 38, shall apply to vehicle protection product warranties in the same
186.30 manner it applies to service contracts.

186.31 (c) Service contract providers who do not sell vehicle protection products are not
186.32 subject to the requirements of this chapter and sales of vehicle protection products are
186.33 exempt from the requirements of chapter 59B.

187.1 (d) Warranties, indemnity agreements, and guarantees that are not provided as a part
187.2 of a vehicle protection product are not subject to the provisions of this chapter.

187.3 **EFFECTIVE DATE.** This section is effective January 1, 2008.

187.4 Sec. 24. **[59C.04] REGISTRATION AND FILING REQUIREMENTS OF**
187.5 **WARRANTORS.**

187.6 Subdivision 1. **General requirement.** A person may not operate as a warrantor or
187.7 represent to the public that the person is a warrantor unless the person is registered with
187.8 the department on a form prescribed by the commissioner.

187.9 Subd. 2. **Registration records.** A registrant shall file a warrantor registration
187.10 record annually and shall update it within 30 days of any change. A registration record
187.11 must contain the following information:

187.12 (1) the warrantor's name, any fictitious names under which the warrantor does
187.13 business in the state, principal office address, and telephone number;

187.14 (2) the name and address of the warrantor's agent for service of process in the state if
187.15 other than the warrantor;

187.16 (3) the names of the warrantor's executive officer or officers directly responsible for
187.17 the warrantor's vehicle protection product business;

187.18 (4) the name, address, and telephone number of any administrators designated by
187.19 the warrantor to be responsible for the administration of vehicle protection product
187.20 warranties in this state;

187.21 (5) a copy of the warranty reimbursement insurance policy or policies or other
187.22 financial information required by section 59C.05;

187.23 (6) a copy of each warranty the warrantor proposes to use in this state; and

187.24 (7) a statement indicating under which provision of section 59C.05 the warrantor
187.25 qualifies to do business in this state as a warrantor.

187.26 Subd. 3. **Registration fee.** The commissioner may charge each registrant a
187.27 reasonable fee to offset the cost of processing the registration and maintaining the records
187.28 in an amount of \$250 annually. The information in subdivision 2, clauses (1) and (2), must
187.29 be made available to the public.

187.30 Subd. 4. **Renewal.** The registrant will have 30 days to complete the renewal of the
187.31 registration before the commissioner suspends the registration.

187.32 Subd. 5. **Exception.** An administrator or person who sells or solicits a sale of a
187.33 vehicle protection product but who is not a warrantor shall not be required to register as a

188.1 warrantor or be licensed under the insurance laws of this state to sell vehicle protection
188.2 products.

188.3 **EFFECTIVE DATE.** This section is effective January 1, 2008.

188.4 Sec. 25. **[59C.05] FINANCIAL RESPONSIBILITY.**

188.5 Subdivision 1. **General requirements.** No vehicle protection product may be sold,
188.6 or offered for sale in this state unless the warrantor meets either the requirements of
188.7 subdivision 2 or 3 in order to ensure adequate performance under the warranty. No other
188.8 financial security requirements or financial standards for warrantors is required.

188.9 Subd. 2. **Warranty reimbursement insurance policy.** The vehicle protection
188.10 product warrantor shall be insured under a warranty reimbursement insurance policy
188.11 issued by an insurer authorized to do business in this state which provides that:

188.12 (1) the insurer will pay to, or on behalf of the warrantor, 100 percent of all sums
188.13 that the warrantor is legally obligated to pay according to the warrantor's contractual
188.14 obligations under the warrantor's vehicle protection product warranty;

188.15 (2) a true and correct copy of the warranty reimbursement insurance policy has been
188.16 filed with the commissioner by the warrantor; and

188.17 (3) the policy contains the provision required in section 59C.06.

188.18 Subd. 3. **Network or stockholder's equity.** (1) The vehicle protection product
188.19 warrantor, or its parent company in accordance with clause (2), shall maintain a net worth
188.20 or stockholders' equity of \$50,000,000; and

188.21 (2) the warrantor shall provide the commissioner with a copy of the warrantor's or
188.22 the warrantor's parent company's most recent Form 10-K or Form 20-F filed with the
188.23 Securities and Exchange Commission within the last calendar year or, if the warrantor
188.24 does not file with the Securities and Exchange Commission, a copy of the warrantor or
188.25 the warrantor's parent company's audited financial statements that shows a net worth of
188.26 the warrantor or its parent company of at least \$50,000,000. If the warrantor's parent
188.27 company's Form 10-K, Form 20-F, or audited financial statements are filed to meet
188.28 the warrantor's financial stability requirement, then the parent company shall agree to
188.29 guarantee the obligations of the warrantor relating to warranties issued by the warrantor in
188.30 this state. The financial information provided to the commissioner under this paragraph
188.31 is trade secret information for purposes of section 13.37.

188.32 **EFFECTIVE DATE.** This section is effective January 1, 2008.

189.1 Sec. 26. [59C.06] WARRANTY REIMBURSEMENT POLICY

189.2 REQUIREMENTS.

189.3 No warranty reimbursement insurance policy may be issued, sold, or offered for sale
189.4 in this state unless the policy meets the following conditions:

189.5 (1) the policy states that the issuer of the policy will reimburse, or pay on behalf of
189.6 the vehicle protection product warrantor, all covered sums that the warrantor is legally
189.7 obligated to pay, or will provide all service that the warrantor is legally obligated to
189.8 perform according to the warrantor's contractual obligations under the provisions of the
189.9 insured warranties sold by the warrantor;

189.10 (2) the policy states that in the event payment due under the terms of the warranty is
189.11 not provided by the warrantor within 60 days after proof of loss has been filed according
189.12 to the terms of the warranty by the warranty holder, the warranty holder may file directly
189.13 with the warranty reimbursement insurance company for reimbursement;

189.14 (3) the policy provides that a warranty reimbursement insurance company that
189.15 insures a warranty is deemed to have received payment of the premium if the warranty
189.16 holder paid for the vehicle protection product and the insurer's liability under the policy
189.17 shall not be reduced or relieved by a failure of the warrantor, for any reason, to report the
189.18 issuance of a warranty to the insurer; and

189.19 (4) the policy has the following provisions regarding cancellation of the policy:

189.20 (i) the issuer of a reimbursement insurance policy shall not cancel the policy until a
189.21 notice of cancellation in writing has been mailed or delivered to the commissioner and
189.22 each insured warrantor;

189.23 (ii) the cancellation of a reimbursement insurance policy shall not reduce the issuer's
189.24 responsibility for vehicle protection products sold prior to the date of cancellation; and

189.25 (iii) in the event an insurer cancels a policy that a warrantor has filed with the
189.26 commissioner, the warrantor shall do either of the following:

189.27 (A) file a copy of a new policy with the commissioner, before the termination of
189.28 the prior policy, providing no lapse in coverage following the termination of the prior
189.29 policy; or

189.30 (B) discontinue offering warranties as of the termination date of the policy until a
189.31 new policy becomes effective and is accepted by the commissioner.

189.32 **EFFECTIVE DATE.** This section is effective January 1, 2008.

189.33 Sec. 27. [59C.07] DISCLOSURE TO WARRANTY HOLDER.

189.34 A vehicle protection product warranty must not be sold or offered for sale in this
189.35 state unless the warranty:

190.1 (1) states, "The obligations of the warrantor to the warranty holder are guaranteed
190.2 under a warranty reimbursement insurance policy" if the warrantor elects to meet its
190.3 financial responsibility obligations under section 59C.05, subdivision 2, or states "The
190.4 obligations of the warrantor under this warranty are backed by the full faith and credit
190.5 of the warrantor" if the warrantor elects to meet its financial responsibility obligations
190.6 under section 59C.05, subdivision 3;

190.7 (2) states that in the event a warranty holder must make a claim against a party other
190.8 than the warranty reimbursement insurance policy issuer, the warranty holder is entitled to
190.9 make a direct claim against the insurer upon the failure of the warrantor to pay any claim
190.10 or meet any obligation under the terms of the warranty within 60 days after proof of loss
190.11 has been filed with the warrantor, if the warrantor elects to meet its financial responsibility
190.12 obligations under section 59C.05, subdivision 2;

190.13 (3) states the name and address of the issuer of the warranty reimbursement
190.14 insurance policy, and this information need not be preprinted on the warranty form, but
190.15 may be added to or stamped on the warranty, if the warrantor elects to meet its financial
190.16 responsibility obligations under section 59C.05, subdivision 2;

190.17 (4) identifies the warrantor, the seller, and the warranty holder;

190.18 (5) sets forth the total purchase price and the terms under which it is to be paid,
190.19 however, the purchase price is not required to be preprinted on the vehicle protection
190.20 product warranty and may be negotiated with the consumer at the time of sale;

190.21 (6) sets forth the procedure for making a claim, including a telephone number;

190.22 (7) specifies the payments or performance to be provided under the warranty
190.23 including payments for incidental costs expressed as either a fixed amount specified in the
190.24 warranty or sales agreement or by the use of a formula itemizing specific incidental costs
190.25 incurred by the warranty holder, the manner of calculation or determination of payments
190.26 or performance, and any limitations, exceptions, or exclusions;

190.27 (8) sets forth all of the obligations and duties of the warranty holder such as the duty
190.28 to protect against any further damage to the vehicle, the obligation to notify the warrantor
190.29 in advance of any repair, or other similar requirements, if any;

190.30 (9) sets forth any terms, restrictions, or conditions governing transferability and
190.31 cancellation of the warranty, if any; and

190.32 (10) contains a disclosure that reads substantially as follows: "This agreement is a
190.33 product warranty and is not insurance."

190.34 **EFFECTIVE DATE.** This section is effective January 1, 2008.

190.35 Sec. 28. **[59C.08] PROHIBITED ACTS.**

191.1 (a) Unless licensed as an insurance company, a vehicle protection product warrantor
191.2 shall not use in its name, contracts, or literature, any of the words "insurance," "casualty,"
191.3 "surety," "mutual," or any other words descriptive of the insurance, casualty, or surety
191.4 business or deceptively similar to the name or description of any insurance or surety
191.5 corporation, or any other vehicle protection product warrantor. A warrantor may use the
191.6 term "guaranty" or similar word in the warrantor's name.

191.7 (b) A vehicle protection product seller or warrantor may not require as a condition of
191.8 financing that a retail purchaser of a motor vehicle purchase a vehicle protection product.

191.9 **EFFECTIVE DATE.** This section is effective January 1, 2008.

191.10 Sec. 29. **[59C.09] RECORD KEEPING.**

191.11 (a) All vehicle protection product warrantors shall keep accurate accounts, books,
191.12 and records concerning transactions regulated under this chapter.

191.13 (b) A vehicle protection product warrantor's accounts, books, and records must
191.14 include:

191.15 (1) copies of all vehicle protection product warranties;

191.16 (2) the name and address of each warranty holder; and

191.17 (3) the dates, amounts, and descriptions of all receipts, claims, and expenditures.

191.18 (c) A vehicle protection product warrantor shall retain all required accounts, books,
191.19 and records pertaining to each warranty holder for at least two years after the specified
191.20 period of coverage has expired. A warrantor discontinuing business in this state shall
191.21 maintain its records until it furnishes the commissioner satisfactory proof that it has
191.22 discharged all obligations to warranty holders in this state.

191.23 **EFFECTIVE DATE.** This section is effective January 1, 2008.

191.24 Sec. 30. **[59C.10] COMMISSIONER'S POWERS AND DUTIES.**

191.25 Subdivision 1. **Examination and compliance powers.** The commissioner may
191.26 conduct examinations of warrantors, administrators, or other persons to enforce this
191.27 chapter and protect warranty holders in this state. Upon request of the commissioner, a
191.28 warrantor shall make available to the commissioner all accounts, books, and records
191.29 concerning vehicle protection products sold by the warrantor and transactions regulated
191.30 under this chapter that are necessary to enable the commissioner to reasonably determine
191.31 compliance or noncompliance with this chapter.

191.32 Subd. 2. **Enforcement authority.** The commissioner may take action that is
191.33 necessary or appropriate to enforce the provisions of this chapter and the commissioner's

192.1 rules and orders and to protect warranty holders in this state. The commissioner has the
192.2 enforcement authority in chapter 45 available to enforce the provisions of the chapter and
192.3 the rules adopted pursuant to it.

192.4 **EFFECTIVE DATE.** This section is effective January 1, 2008.

192.5 Sec. 31. **[59C.12] APPLICABILITY.**

192.6 This chapter applies to all vehicle protection products sold or offered for sale on
192.7 or after the effective date of this chapter. The failure of any person to comply with this
192.8 chapter before its effective date is not admissible in any court proceeding, administrative
192.9 proceeding, arbitration, or alternative dispute resolution proceeding and may not otherwise
192.10 be used to prove that the action of any person or the affected vehicle protection product
192.11 was unlawful or otherwise improper. The adoption of this chapter does not imply that
192.12 a vehicle protection product warranty was insurance before the effective date of this
192.13 chapter. Nothing in this section may be construed to require the application of the penalty
192.14 provisions where this section is not applicable.

192.15 **EFFECTIVE DATE.** This section is effective January 1, 2008.

192.16 Sec. 32. **[60K.365] PRODUCER TRAINING REQUIREMENTS FOR**
192.17 **LONG-TERM CARE INSURANCE PRODUCTS.**

192.18 (a) An individual may not sell, solicit, or negotiate long-term care insurance
192.19 unless the individual is licensed as an insurance producer for accident and health or
192.20 sickness insurance or life insurance and has completed an initial training course and
192.21 ongoing training every 24 months thereafter. The training must meet the requirements of
192.22 paragraph (b).

192.23 (b) The initial training course required by this section must be no less than eight
192.24 hours, and the ongoing training courses required by this section must be no less than four
192.25 hours every 24 months. The courses must be approved by the commissioner and may be
192.26 approved as continuing education courses under section 60K.56. The courses must consist
192.27 of topics related to long-term care insurance, long-term care services, and qualified state
192.28 long-term care insurance partnership programs, including, but not limited to:

192.29 (1) state and federal regulations and requirements and the relationship between
192.30 qualified state long-term care insurance partnership programs and other public and private
192.31 coverage of long-term care services, including Medicaid/Minnesota medical assistance;

192.32 (2) available long-term care services and providers;

192.33 (3) changes or improvements in long-term care services or providers;

192.34 (4) alternatives to the purchase of private long-term care insurance;

193.1 (5) the effect of inflation on benefits and the importance of inflation protection; and
193.2 (6) consumer suitability standards and guidelines.

193.3 The training required by this section must not include training that is insurer or
193.4 company product specific or that includes any sales or marketing information, materials,
193.5 or training, other than those required by state or federal law.

193.6 (c) Insurers shall obtain verification that a producer has received the training
193.7 required by this section before a producer is permitted to sell, solicit, or negotiate the
193.8 insurer's long-term care insurance products. Insurers shall maintain records verifying that
193.9 the producer has received the training contained in this section and make that verification
193.10 available to the commissioner upon request.

193.11 (d) The satisfaction of these initial training requirements in any state shall be deemed
193.12 to satisfy the initial training requirements of this section.

193.13 (e) Nonresident producers selling partnership policies shall be expected to
193.14 demonstrate knowledge about unique aspects of the Minnesota medical assistance system.
193.15 An insurer offering partnership products in Minnesota shall maintain records verifying that
193.16 its nonresident producers have attained the required training and make that verification
193.17 available to the commissioner upon request.

193.18 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following
193.19 final enactment; producers have until January 1, 2008, to complete the initial training
193.20 course.

193.21 Sec. 33. Minnesota Statutes 2006, section 60K.55, subdivision 2, is amended to read:

193.22 Subd. 2. **Licensing fees.** (a) In addition to fees provided for examinations and the
193.23 technology surcharge required under paragraph (d), each insurance producer licensed
193.24 under this chapter shall pay to the commissioner a fee of:

193.25 (1) \$50 for an initial life, accident and health, property, or casualty license issued to
193.26 an individual insurance producer, and a fee of \$50 for each renewal;

193.27 (2) \$50 for an initial variable life and variable annuity license issued to an individual
193.28 insurance producer, and a fee of \$50 for each renewal;

193.29 (3) \$50 for an initial personal lines license issued to an individual insurance
193.30 producer, and a fee of \$50 for each renewal;

193.31 (4) \$50 for an initial limited lines license issued to an individual insurance producer,
193.32 and a fee of \$50 for each renewal;

193.33 (5) \$200 for an initial license issued to a business entity, and a fee of \$200 for each
193.34 renewal; and

193.35 (6) \$500 for an initial surplus lines license, and a fee of \$500 for each renewal.

194.1 (b) Initial licenses issued under this chapter are valid for a period not to exceed 24
194.2 months and expire on October 31 of the renewal year assigned by the commissioner.
194.3 Each renewal insurance producer license is valid for a period of 24 months. Licensees
194.4 who submit renewal applications postmarked or delivered on or before October 15 of the
194.5 renewal year may continue to transact business whether or not the renewal license has been
194.6 received by November 1. Licensees who submit applications postmarked or delivered
194.7 after October 15 of the renewal year must not transact business after the expiration date
194.8 of the license until the renewal license has been received.

194.9 (c) All fees are nonreturnable, except that an overpayment of any fee may be
194.10 refunded upon proper application.

194.11 (d) In addition to the fees required under paragraph (a), individual insurance
194.12 producers shall pay, for each initial license and renewal, a technology surcharge of up to
194.13 \$40 under section 45.24, unless the commissioner has adjusted the surcharge as permitted
194.14 under that section.

194.15 **EFFECTIVE DATE.** This section is effective August 31, 2007.

194.16 Sec. 34. Minnesota Statutes 2006, section 80A.28, subdivision 1, is amended to read:

194.17 Subdivision 1. **Registration or notice filing fee.** (a) There shall be a filing fee of
194.18 \$100 for every application for registration or notice filing. There shall be an additional fee
194.19 of one-tenth of one percent of the maximum aggregate offering price at which the securities
194.20 are to be offered in this state, and the maximum combined fees shall not exceed \$300.

194.21 (b) When an application for registration is withdrawn before the effective date or a
194.22 preeffective stop order is entered under section 80A.13, subdivision 1, all but the \$100
194.23 filing fee shall be returned. If an application to register securities is denied, the total of all
194.24 fees received shall be retained.

194.25 (c) Where a filing is made in connection with a federal covered security under
194.26 section 18(b)(2) of the Securities Act of 1933, there is a fee of \$100 for every initial filing.
194.27 If the filing is made in connection with redeemable securities issued by an open end
194.28 management company or unit investment trust, as defined in the Investment Company
194.29 Act of 1940, there is an additional annual fee of 1/20 of one percent of the maximum
194.30 aggregate offering price at which the securities are to be offered in this state during the
194.31 notice filing period. The fee must be paid at the time of the initial filing and thereafter
194.32 in connection with each renewal no later than July 1 of each year and must be sufficient
194.33 to cover the shares the issuer expects to sell in this state over the next 12 months. If
194.34 during a current notice filing the issuer determines it is likely to sell shares in excess of
194.35 the shares for which fees have been paid to the commissioner, the issuer shall submit an

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195.1 amended notice filing to the commissioner under section 80A.122, subdivision 1, clause
195.2 (3), together with a fee of 1/20 of one percent of the maximum aggregate offering price
195.3 of the additional shares. Shares for which a fee has been paid, but which have not been
195.4 sold at the time of expiration of the notice filing, may not be sold unless an additional fee
195.5 to cover the shares has been paid to the commissioner as provided in this section and
195.6 section 80A.122, subdivision 4a. If the filing is made in connection with redeemable
195.7 securities issued by such a company or trust, there is no maximum fee for securities filings
195.8 made according to this paragraph. If the filing is made in connection with any other
195.9 federal covered security under Section 18(b)(2) of the Securities Act of 1933, there is an
195.10 additional fee of one-tenth of one percent of the maximum aggregate offering price at
195.11 which the securities are to be offered in this state, and the combined fees shall not exceed
195.12 \$300. Beginning with fiscal year 2001 and continuing each fiscal year thereafter, as of the
195.13 last day of each fiscal year, the commissioner shall determine the total amount of all fees
195.14 that were collected under this paragraph in connection with any filings made for that fiscal
195.15 year for securities of an open-end investment company on behalf of a security that is a
195.16 federal covered security pursuant to section 18(b)(2) of the Securities Act of 1933. To the
195.17 extent the total fees collected by the commissioner in connection with these filings exceed
195.18 ~~\$25,000,000~~ \$25,600,000 in a fiscal year, the commissioner shall refund, on a pro rata
195.19 basis, to all persons who paid any fees for that fiscal year, the amount of fees collected by
195.20 the commissioner in excess of ~~\$25,000,000~~ \$25,600,000. No individual refund is required
195.21 of amounts of \$100 or less for a fiscal year.

195.22 Sec. 35. Minnesota Statutes 2006, section 80A.65, subdivision 1, is amended to read:

195.23 Subdivision 1. **Registration or notice filing fee.** (a) There shall be a filing fee of
195.24 \$100 for every application for registration or notice filing. There shall be an additional fee
195.25 of one-tenth of one percent of the maximum aggregate offering price at which the securities
195.26 are to be offered in this state, and the maximum combined fees shall not exceed \$300.

195.27 (b) When an application for registration is withdrawn before the effective date
195.28 or a preeffective stop order is entered under section 80A.54, all but the \$100 filing fee
195.29 shall be returned. If an application to register securities is denied, the total of all fees
195.30 received shall be retained.

195.31 (c) Where a filing is made in connection with a federal covered security under
195.32 section 18(b)(2) of the Securities Act of 1933, there is a fee of \$100 for every initial filing.
195.33 If the filing is made in connection with redeemable securities issued by an open end
195.34 management company or unit investment trust, as defined in the Investment Company Act
195.35 of 1940, there is an additional annual fee of 1/20 of one percent of the maximum aggregate

196.1 offering price at which the securities are to be offered in this state during the notice filing
196.2 period. The fee must be paid at the time of the initial filing and thereafter in connection
196.3 with each renewal no later than July 1 of each year and must be sufficient to cover the
196.4 shares the issuer expects to sell in this state over the next 12 months. If during a current
196.5 notice filing the issuer determines it is likely to sell shares in excess of the shares for which
196.6 fees have been paid to the administrator, the issuer shall submit an amended notice filing
196.7 to the administrator under section 80A.50, together with a fee of 1/20 of one percent of the
196.8 maximum aggregate offering price of the additional shares. Shares for which a fee has
196.9 been paid, but which have not been sold at the time of expiration of the notice filing, may
196.10 not be sold unless an additional fee to cover the shares has been paid to the administrator
196.11 as provided in this section and section 80A.50. If the filing is made in connection with
196.12 redeemable securities issued by such a company or trust, there is no maximum fee for
196.13 securities filings made according to this paragraph. If the filing is made in connection with
196.14 any other federal covered security under Section 18(b)(2) of the Securities Act of 1933,
196.15 there is an additional fee of one-tenth of one percent of the maximum aggregate offering
196.16 price at which the securities are to be offered in this state, and the combined fees shall not
196.17 exceed \$300. Beginning with fiscal year 2001 and continuing each fiscal year thereafter,
196.18 as of the last day of each fiscal year, the administrator shall determine the total amount of
196.19 all fees that were collected under this paragraph in connection with any filings made for
196.20 that fiscal year for securities of an open-end investment company on behalf of a security
196.21 that is a federal covered security pursuant to section 18(b)(2) of the Securities Act of
196.22 1933. To the extent the total fees collected by the administrator in connection with these
196.23 filings exceed ~~\$25,000,000~~ \$25,600,000 in a fiscal year, the administrator shall refund,
196.24 on a pro rata basis, to all persons who paid any fees for that fiscal year, the amount of
196.25 fees collected by the administrator in excess of ~~\$25,000,000~~ \$25,600,000. No individual
196.26 refund is required of amounts of \$100 or less for a fiscal year.

196.27 Sec. 36. Minnesota Statutes 2006, section 82.24, subdivision 1, is amended to read:

196.28 Subdivision 1. **Amounts.** The following fees shall be paid to the commissioner:

196.29 (a) a fee of \$150 for each initial individual broker's license, and a fee of \$100 for
196.30 each renewal thereof;

196.31 (b) a fee of \$70 for each initial salesperson's license, and a fee of \$40 for each
196.32 renewal thereof;

196.33 (c) a fee of \$85 for each initial real estate closing agent license, and a fee of \$60
196.34 for each renewal thereof;

197.1 (d) a fee of \$150 for each initial corporate, limited liability company, or partnership
197.2 license, and a fee of \$100 for each renewal thereof;

197.3 (e) a fee for payment to the education, research and recovery fund in accordance
197.4 with section 82.43;

197.5 (f) a fee of \$20 for each transfer;

197.6 (g) a fee of \$50 for license reinstatement; ~~and~~

197.7 (h) a fee of \$20 for reactivating a corporate, limited liability company, or partnership
197.8 license without land; and

197.9 (i) in addition to the fees required under this subdivision, individual licensees under
197.10 clauses (a) and (b) shall pay, for each initial license and renewal, a technology surcharge
197.11 of up to \$40 under section 45.24, unless the commissioner has adjusted the surcharge
197.12 as permitted under that section.

197.13 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following
197.14 final enactment and applies to new licensees effective September 1, 2007.

197.15 Sec. 37. Minnesota Statutes 2006, section 82.24, subdivision 4, is amended to read:

197.16 Subd. 4. **Deposit of fees.** Unless otherwise provided by this chapter, all fees
197.17 collected under this chapter shall be deposited in the state treasury. The technology
197.18 surcharge shall be deposited as required under section 45.24.

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

197.20 Sec. 38. Minnesota Statutes 2006, section 82B.09, subdivision 1, is amended to read:

197.21 Subdivision 1. **Amounts.** (a) The following fees must be paid to the commissioner:

197.22 (1) \$150 for each initial individual real estate appraiser's license; and

197.23 (2) \$100 for each renewal.

197.24 (b) In addition to the fees required under this subdivision, individual real estate
197.25 appraisers shall pay a technology surcharge of up to \$40 under section 45.24, unless the
197.26 commissioner has adjusted the surcharge as permitted under that section.

197.27 **EFFECTIVE DATE.** This section is effective June 30, 2007.

197.28 Sec. 39. Minnesota Statutes 2006, section 118A.03, subdivision 2, is amended to read:

197.29 Subd. 2. **In lieu of surety bond.** The following are the allowable forms of collateral
197.30 in lieu of a corporate surety bond:

197.31 (1) United States government Treasury bills, Treasury notes, Treasury bonds;

198.1 (2) issues of United States government agencies and instrumentalities as quoted by a
198.2 recognized industry quotation service available to the government entity;

198.3 (3) general obligation securities of any state or local government with taxing powers
198.4 which is rated "A" or better by a national bond rating service, or revenue obligation
198.5 securities of any state or local government with taxing powers which is rated "AA" or
198.6 better by a national bond rating service;

198.7 (4) ~~unrated~~ general obligation securities of a local government with taxing powers
198.8 may be pledged as collateral against funds deposited by that same local government entity;

198.9 (5) irrevocable standby letters of credit issued by Federal Home Loan Banks to a
198.10 municipality accompanied by written evidence that the bank's public debt is rated "AA" or
198.11 better by Moody's Investors Service, Inc., or Standard & Poor's Corporation; and

198.12 (6) time deposits that are fully insured by any federal agency.

198.13 Sec. 40. Minnesota Statutes 2006, section 239.101, subdivision 3, is amended to read:

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

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

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

198.30 Sec. 41. **[325E.027] DISCRIMINATION PROHIBITION.**

198.31 (a) No dealer or distributor of liquid propane gas or number 1 or number 2 fuel oil
198.32 who has signed a low-income home energy assistance program vendor agreement with the
198.33 department of commerce may refuse to deliver liquid propane gas or number 1 or number
198.34 2 fuel oil to any person located within the dealer's or distributor's normal delivery area
198.35 who receives direct grants under the low-income home energy assistance program if:

- 199.1 (1) the person has requested delivery;
199.2 (2) the dealer or distributor has product available;
199.3 (3) the person requesting delivery is capable of making full payment at the time of
199.4 delivery; and
199.5 (4) the person is not in arrears regarding any previous fuel purchase from that dealer
199.6 or distributor.
199.7 (b) A dealer or distributor making delivery to a person receiving direct grants
199.8 under the low-income home energy assistance program may not charge that person any
199.9 additional costs or fees that would not be charged to any other customer and must make
199.10 available to that person any discount program on the same basis as the dealer or distributor
199.11 makes available to any other customer.

199.12 Sec. 42. Minnesota Statutes 2006, section 325E.311, subdivision 6, is amended to read:

199.13 Subd. 6. **Telephone solicitation.** "Telephone solicitation" means any voice
199.14 communication over a telephone line for the purpose of encouraging the purchase or
199.15 rental of, or investment in, property, goods, or services, whether the communication is
199.16 made by a live operator, through the use of an automatic dialing-announcing device as
199.17 defined in section 325E.26, subdivision 2, or by other means. Telephone solicitation
199.18 does not include communications:

199.19 (1) to any residential subscriber with that subscriber's prior express invitation or
199.20 permission; or

199.21 (2) by or on behalf of any person or entity with whom a residential subscriber has a
199.22 prior or current business or personal relationship.

199.23 Telephone solicitation also does not include communications if the caller is identified by a
199.24 caller identification service and the call is:

199.25 (i) by or on behalf of an organization that is identified as a nonprofit organization
199.26 under state or federal law, unless the organization is a debt management services provider
199.27 defined in section 332A.02;

199.28 (ii) by a person soliciting without the intent to complete, and who does not in
199.29 fact complete, the sales presentation during the call, but who will complete the sales
199.30 presentation at a later face-to-face meeting between the solicitor who makes the call
199.31 and the prospective purchaser; or

199.32 (iii) by a political party as defined under section 200.02, subdivision 6.

199.33 **EFFECTIVE DATE.** This section is effective January 1, 2008.

199.34 Sec. 43. Minnesota Statutes 2006, section 325N.01, is amended to read:

200.1 **325N.01 DEFINITIONS.**

200.2 The definitions in paragraphs (a) to (h) apply to sections 325N.01 to 325N.09.

200.3 (a) "Foreclosure consultant" means any person who, directly or indirectly, makes
200.4 any solicitation, representation, or offer to any owner to perform for compensation or
200.5 who, for compensation, performs any service which the person in any manner represents
200.6 will in any manner do any of the following:

200.7 (1) stop or postpone the foreclosure sale;

200.8 (2) obtain any forbearance from any beneficiary or mortgagee;

200.9 (3) assist the owner to exercise the right of reinstatement provided in section 580.30;

200.10 (4) obtain any extension of the period within which the owner may reinstate the
200.11 owner's obligation;

200.12 (5) obtain any waiver of an acceleration clause contained in any promissory note or
200.13 contract secured by a mortgage on a residence in foreclosure or contained in the mortgage;

200.14 (6) assist the owner in foreclosure or loan default to obtain a loan or advance
200.15 of funds;

200.16 (7) avoid or ameliorate the impairment of the owner's credit resulting from the
200.17 recording of a notice of default or the conduct of a foreclosure sale; or

200.18 (8) save the owner's residence from foreclosure.

200.19 (b) A foreclosure consultant does not include any of the following:

200.20 (1) a person licensed to practice law in this state when the person renders service
200.21 in the course of his or her practice as an attorney-at-law;

200.22 (2) a person licensed as a debt ~~prorater under sections 332.12 to 332.29~~ management
200.23 services provider under chapter 332A, when the person is acting as a debt ~~prorater~~
200.24 management services provider as defined in ~~these sections~~ that chapter;

200.25 (3) a person licensed as a real estate broker or salesperson under chapter 82 when the
200.26 person engages in acts whose performance requires licensure under that chapter unless the
200.27 person is engaged in offering services designed to, or purportedly designed to, enable the
200.28 owner to retain possession of the residence in foreclosure;

200.29 (4) a person licensed as an accountant under chapter 326A when the person is acting
200.30 in any capacity for which the person is licensed under those provisions;

200.31 (5) a person or the person's authorized agent acting under the express authority
200.32 or written approval of the Department of Housing and Urban Development or other
200.33 department or agency of the United States or this state to provide services;

200.34 (6) a person who holds or is owed an obligation secured by a lien on any residence
200.35 in foreclosure when the person performs services in connection with this obligation or lien

201.1 if the obligation or lien did not arise as the result of or as part of a proposed foreclosure
201.2 reconveyance;

201.3 (7) any person or entity doing business under any law of this state, or of the United
201.4 States relating to banks, trust companies, savings and loan associations, industrial loan and
201.5 thrift companies, regulated lenders, credit unions, insurance companies, or a mortgagee
201.6 which is a United States Department of Housing and Urban Development approved
201.7 mortgagee and any subsidiary or affiliate of these persons or entities, and any agent or
201.8 employee of these persons or entities while engaged in the business of these persons
201.9 or entities;

201.10 (8) a person licensed as a residential mortgage originator or servicer pursuant to
201.11 chapter 58, when acting under the authority of that license or a foreclosure purchaser as
201.12 defined in section 325N.10;

201.13 (9) a nonprofit agency or organization that offers counseling or advice to an owner
201.14 of a home in foreclosure or loan default if they do not contract for services with for-profit
201.15 lenders or foreclosure purchasers; and

201.16 (10) a judgment creditor of the owner, to the extent that the judgment creditor's claim
201.17 accrued prior to the personal service of the foreclosure notice required by section 580.03,
201.18 but excluding a person who purchased the claim after such personal service.

201.19 (c) "Foreclosure reconveyance" means a transaction involving:

201.20 (1) the transfer of title to real property by a foreclosed homeowner during a
201.21 foreclosure proceeding, either by transfer of interest from the foreclosed homeowner or
201.22 by creation of a mortgage or other lien or encumbrance during the foreclosure process
201.23 that allows the acquirer to obtain title to the property by redeeming the property as
201.24 a junior lienholder; and

201.25 (2) the subsequent conveyance, or promise of a subsequent conveyance, of an interest
201.26 back to the foreclosed homeowner by the acquirer or a person acting in participation with
201.27 the acquirer that allows the foreclosed homeowner to possess the real property following
201.28 the completion of the foreclosure proceeding, which interest includes, but is not limited to,
201.29 an interest in a contract for deed, purchase agreement, option to purchase, or lease.

201.30 (d) "Person" means any individual, partnership, corporation, limited liability
201.31 company, association, or other group, however organized.

201.32 (e) "Service" means and includes, but is not limited to, any of the following:

201.33 (1) debt, budget, or financial counseling of any type;

201.34 (2) receiving money for the purpose of distributing it to creditors in payment or
201.35 partial payment of any obligation secured by a lien on a residence in foreclosure;

201.36 (3) contacting creditors on behalf of an owner of a residence in foreclosure;

202.1 (4) arranging or attempting to arrange for an extension of the period within which
202.2 the owner of a residence in foreclosure may cure the owner's default and reinstate his or
202.3 her obligation pursuant to section 580.30;

202.4 (5) arranging or attempting to arrange for any delay or postponement of the time of
202.5 sale of the residence in foreclosure;

202.6 (6) advising the filing of any document or assisting in any manner in the preparation
202.7 of any document for filing with any bankruptcy court; or

202.8 (7) giving any advice, explanation, or instruction to an owner of a residence in
202.9 foreclosure, which in any manner relates to the cure of a default in or the reinstatement
202.10 of an obligation secured by a lien on the residence in foreclosure, the full satisfaction of
202.11 that obligation, or the postponement or avoidance of a sale of a residence in foreclosure,
202.12 pursuant to a power of sale contained in any mortgage.

202.13 (f) "Residence in foreclosure" means residential real property consisting of one to
202.14 four family dwelling units, one of which the owner occupies as his or her principal place
202.15 of residence, and against which there is an outstanding notice of pendency of foreclosure,
202.16 recorded pursuant to section 580.032, or against which a summons and complaint has
202.17 been served under chapter 581.

202.18 (g) "Owner" means the record owner of the residential real property in foreclosure at
202.19 the time the notice of pendency was recorded, or the summons and complaint served.

202.20 (h) "Contract" means any agreement, or any term in any agreement, between
202.21 a foreclosure consultant and an owner for the rendition of any service as defined in
202.22 paragraph (e).

202.23 **EFFECTIVE DATE.** This section is effective January 1, 2008.

202.24 Sec. 44. Minnesota Statutes 2006, section 332.54, subdivision 7, is amended to read:

202.25 Subd. 7. **Fees.** The fee for a credit services organization's registration is ~~\$100~~
202.26 \$1,000 for issuance or renewal for each location of business.

202.27 **EFFECTIVE DATE; APPLICATION.** This section is effective July 1, 2007, and
202.28 applies to registrations issued or renewed on or after that date.

202.29 Sec. 45. **[332A.02] DEFINITIONS.**

202.30 **Subdivision 1. Scope.** Unless a different meaning is clearly indicated by the context,
202.31 for the purposes of this chapter the terms defined in this section have the meanings given
202.32 them.

203.1 Subd. 2. **Accreditation.** "Accreditation" means certification as an accredited credit
203.2 counseling provider by the Council on Accreditation.

203.3 Subd. 3. **Attorney general.** "Attorney general" means the attorney general of the
203.4 state of Minnesota.

203.5 Subd. 4. **Commissioner.** "Commissioner" means commissioner of commerce.

203.6 Subd. 5. **Controlling or affiliated party.** "Controlling or affiliated party" means
203.7 any person directly or indirectly controlling, controlled by, or under common control
203.8 with another person.

203.9 Subd. 6. **Debt management services agreement.** "Debt management services
203.10 agreement" means the written contract between the debt management services provider
203.11 and the debtor.

203.12 Subd. 7. **Debt management services plan.** "Debt management services plan"
203.13 means the debtor's individualized package of debt management services set forth in the
203.14 debt management services agreement.

203.15 Subd. 8. **Debt management services provider.** "Debt management services
203.16 provider" means any person offering or providing debt management services to a debtor
203.17 domiciled in this state, regardless of whether or not a fee is charged for the services and
203.18 regardless of whether the person maintains a physical presence in the state. This term does
203.19 not include services performed by the following when engaged in the regular course of
203.20 their respective businesses and professions:

203.21 (1) attorneys at law, escrow agents, accountants, broker-dealers in securities;

203.22 (2) state or national banks, trust companies, savings associations, title insurance
203.23 companies, insurance companies, and all other lending institutions duly authorized to
203.24 transact business in Minnesota, provided no fee is charged for the service;

203.25 (3) persons who, as employees on a regular salary or wage of an employer not
203.26 engaged in the business of debt management, perform credit services for their employer;

203.27 (4) public officers acting in their official capacities and persons acting as a debt
203.28 management services provider pursuant to court order;

203.29 (5) any person while performing services incidental to the dissolution, winding up,
203.30 or liquidation of a partnership, corporation, or other business enterprise;

203.31 (6) the state, its political subdivisions, public agencies, and their employees;

203.32 (7) credit unions and collection agencies, provided no fee is charged for the service;

204.1 (8) "qualified organizations" designated as representative payees for purposes of the
204.2 Social Security and Supplemental Security Income Representative Payee System and the
204.3 federal Omnibus Budget Reconciliation Act of 1990, Public Law 101-508;

204.4 (9) accelerated mortgage payment providers. "Accelerated mortgage payment
204.5 providers" are persons who, after satisfying the requirements of sections 332.30 to
204.6 332.303, receive funds to make mortgage payments to a lender or lenders, on behalf
204.7 of mortgagors, in order to exceed regularly scheduled minimum payment obligations
204.8 under the terms of the indebtedness. The term does not include: (i) persons or entities
204.9 described in clauses (1) to (8); (ii) mortgage lenders or servicers, industrial loan and
204.10 thrift companies, or regulated lenders under chapter 56; or (iii) persons authorized to
204.11 make loans under section 47.20, subdivision 1. For purposes of this clause and sections
204.12 332.30 to 332.303, "lender" means the original lender or that lender's assignee, whichever
204.13 is the current mortgage holder;

204.14 (10) trustees, guardians, and conservators; and

204.15 (11) debt settlement providers.

204.16 Subd. 9. **Debt management services.** "Debt management services" means the
204.17 provision of any one or more of the following services in connection with debt incurred
204.18 primarily for personal, family, or household services:

204.19 (1) managing the financial affairs of an individual by distributing income or money
204.20 to the individual's creditors;

204.21 (2) receiving funds for the purpose of distributing the funds among creditors in
204.22 payment or partial payment of obligations of a debtor; or

204.23 (3) adjusting, prorating, pooling, or liquidating the indebtedness of a debtor. Any
204.24 person so engaged or holding out as so engaged is deemed to be engaged in the provision of
204.25 debt management services regardless of whether or not a fee is charged for such services.

204.26 Subd. 10. **Debtor.** "Debtor" means the person for whom the debt prorating service
204.27 is performed.

204.28 Subd. 11. **Person.** "Person" means any individual, firm, partnership, association,
204.29 or corporation.

204.30 Subd. 12. **Registrant.** "Registrant" means any person registered by the
204.31 commissioner pursuant to this chapter and, where used in conjunction with an act or
204.32 omission required or prohibited by this chapter, shall mean any person performing debt
204.33 management services.

205.1 Subd. 13. **Debt settlement provider.** "Debt settlement provider" means any person
205.2 engaging in or holding out as engaging in the business of negotiating, adjusting, or settling
205.3 debt incurred primarily for personal, family, or household purposes without holding or
205.4 receiving the debtor's funds or personal property and without paying the debtor's funds to,
205.5 or distributing the debtor's property among, creditors. The term shall not include persons
205.6 listed in subdivision 8, clauses (1) to (10).

205.7 **EFFECTIVE DATE.** This section is effective January 1, 2008.

205.8 Sec. 46. **[332A.03] REQUIREMENT OF REGISTRATION.**

205.9 On or after August 1, 2007, it is unlawful for any person, whether or not located in
205.10 this state, to operate as a debt management services provider or provide debt management
205.11 services, including but not limited to offering, advertising, or executing or causing to
205.12 be executed any debt management services or debt management services agreement,
205.13 except as authorized by law without first becoming registered as provided in this
205.14 chapter. A person who possesses a valid license as a debt prorater that was issued by the
205.15 commissioner before August 1, 2007, is deemed to be registered as a debt management
205.16 services provider until the date the debt prorater license expires, at which time the licensee
205.17 must obtain a renewal as a debt management services provider in compliance with this
205.18 chapter. Debt proraters who were not required to be licensed as debt proraters before
205.19 August 1, 2007, may continue to provide debt management services without complying
205.20 with this chapter to those debtors who entered into a contract to participate in a debt
205.21 management plan before August 1, 2007, except that the debt prorater must comply with
205.22 section 332A.13, subdivision 2.

205.23 **EFFECTIVE DATE.** This section is effective January 1, 2008.

205.24 Sec. 47. **[332A.04] REGISTRATION.**

205.25 Subdivision 1. **Form.** Application for registration to operate as a debt management
205.26 services provider in this state must be made in writing to the commissioner, under oath, in
205.27 the form prescribed by the commissioner, and must contain:

205.28 (1) the full name of each principal of the entity applying;

205.29 (2) the address, which must not be a post office box, and the telephone number and,
205.30 if applicable, e-mail address, of the applicant;

205.31 (3) identification of the trust account required under section 332A.13;

205.32 (4) consent to the jurisdiction of the courts of this state;

206.1 (5) the name and address of the registered agent authorized to accept service of
206.2 process on behalf of the applicant or appointment of the commissioner as the applicant's
206.3 agent for purposes of accepting service of process;

206.4 (6) disclosure of:

206.5 (i) whether any controlling or affiliated party has ever been convicted of a crime
206.6 or found civilly liable for an offense involving moral turpitude, including forgery,
206.7 embezzlement, obtaining money under false pretenses, larceny, extortion, conspiracy to
206.8 defraud, or any other similar offense or violation, or any violation of a federal or state law
206.9 or regulation in connection with activities relating to the rendition of debt management
206.10 services or involving any consumer fraud, false advertising, deceptive trade practices, or
206.11 similar consumer protection law;

206.12 (ii) any judgments, private or public litigation, tax liens, written complaints,
206.13 administrative actions, or investigations by any government agency against the applicant
206.14 or any officer, director, manager, or shareholder owning more than five percent interest
206.15 in the applicant, unresolved or otherwise, filed or otherwise commenced within the
206.16 preceding ten years;

206.17 (iii) whether the applicant or any person employed by the applicant has had a record
206.18 of having defaulted in the payment of money collected for others, including the discharge
206.19 of debts through bankruptcy proceedings; and

206.20 (iv) whether the applicant's license or registration to provide debt management
206.21 services in any other state has ever been revoked or suspended;

206.22 (7) a copy of the applicant's standard debt management services agreement that the
206.23 applicant intends to execute with debtors;

206.24 (8) proof of accreditation; and

206.25 (9) any other information and material as the commissioner may require.

206.26 Subd. 2. **Term and scope of registration.** The registration must remain in full force
206.27 and effect for one year or until it is surrendered by the registrant or revoked or suspended
206.28 by the commissioner. The registration is limited solely to the business of providing debt
206.29 management services.

206.30 Subd. 3. **Fees.** The registration application must be accompanied by payment of
206.31 \$1,000 as a registration fee.

206.32 Subd. 4. **Bond.** The registration application must be accompanied by payment of
206.33 the premium for a surety bond in which the applicant shall be the obligor, in a sum to be
206.34 determined by the commissioner but not less than \$5,000, and in which an insurance
206.35 company, which is duly authorized by the state of Minnesota to transact the business of

207.1 fidelity and surety insurance, shall be a surety. However, the commissioner may accept
207.2 a deposit in cash, or securities that may legally be purchased by savings banks or for
207.3 trust funds of an aggregate market value equal to the bond requirement, in lieu of the
207.4 surety bond. The cash or securities must be deposited with the commissioner of finance.
207.5 The commissioner may also require a fidelity bond in an appropriate amount covering
207.6 employees of any applicant. Each branch office or additional place of business in this state
207.7 of an applicant must be bonded as provided in this subdivision. In determining the bond
207.8 amount necessary for the maintenance of any office, whether it is a surety bond, fidelity
207.9 bond, or both, the commissioner shall consider the financial responsibility, experience,
207.10 character, and general fitness of the debt management services provider and its operators
207.11 and owners; the volume of business handled or proposed to be handled; the location of the
207.12 office and the geographical area served or proposed to be served; and other information the
207.13 commissioner may deem pertinent based upon past performance, previous examinations,
207.14 annual reports, and manner of business conducted in other states.

207.15 Subd. 5. **Condition of bond.** The bond must run to the state of Minnesota for the
207.16 use of the state and of any person or persons who may have a cause of action against the
207.17 obligor arising out of the obligor's activities as a debt management services provider to
207.18 a debtor domiciled in this state. The bond must be conditioned that the obligor will not
207.19 commit any fraudulent act and will faithfully conform to and abide by the provisions of
207.20 this chapter and of all rules lawfully made by the commissioner under this chapter and
207.21 pay to the state and to any such person or persons any and all money that may become
207.22 due or owing to the state or to such person or persons from the obligor under and by
207.23 virtue of this chapter.

207.24 Subd. 6. **Right of action on bond.** If the registrant has failed to account to a debtor
207.25 or distribute to the debtor's creditors the amounts required by this chapter and the debt
207.26 management services agreement between the debtor and registrant, the debtor or the
207.27 debtor's legal representative or receiver, the commissioner, or the attorney general, shall
207.28 have, in addition to all other legal remedies, a right of action in the name of the debtor
207.29 on the bond or the security given under this section, for loss suffered by the debtor, not
207.30 exceeding the face amount of the bond or security, and without the necessity of joining
207.31 the registrant in the suit or action.

207.32 Subd. 7. **Registrant list.** The commissioner must maintain a list of registered debt
207.33 management services providers. The list must be made available to the public in written
207.34 form upon request and on the Department of Commerce Web site.

207.35 **EFFECTIVE DATE.** This section is effective January 1, 2008.

208.1 Sec. 48. **[332A.05] NONASSIGNMENT OF REGISTRATION.**

208.2 A registration must not be transferred or assigned without the consent of the
208.3 commissioner.

208.4 **EFFECTIVE DATE.** This section is effective January 1, 2008.

208.5 Sec. 49. **[332A.06] RENEWAL OF REGISTRATION.**

208.6 Each year, each registrant under the provisions of this chapter must, not more than
208.7 60 nor less than 30 days before its registration is to expire, apply to the commissioner for
208.8 renewal of its registration on a form prescribed by the commissioner. The application must
208.9 be signed by the registrant under penalty of perjury, contain current information on all
208.10 matters required in the original application, and be accompanied by a payment of \$250.
208.11 The registrant must maintain a continuous surety bond that satisfies the requirements of
208.12 section 332A.04, subdivision 4, provided that the commissioner may require a different
208.13 amount that is at least equal to the largest amount that has accrued in the registrant's trust
208.14 account during the previous year. The renewal is effective for one year.

208.15 **EFFECTIVE DATE.** This section is effective January 1, 2008.

208.16 Sec. 50. **[332A.07] OTHER DUTIES OF REGISTRANT.**

208.17 Subdivision 1. **Requirement to update information.** A registrant must update any
208.18 information required by this chapter provided in its original or renewal application not
208.19 later than 90 days after the date the events precipitating the update occurred.

208.20 Subd. 2. **Inspection of debtor of registration.** Each registrant must maintain a
208.21 copy of its registration in its files. The registrant must allow a debtor, upon request, to
208.22 inspect the registration.

208.23 **EFFECTIVE DATE.** This section is effective January 1, 2008.

208.24 Sec. 51. **[332A.08] DENIAL OF REGISTRATION.**

208.25 The commissioner, with notice to the applicant by certified mail sent to the address
208.26 listed on the application, may deny an application for a registration upon finding that
208.27 the applicant:

208.28 (1) has submitted an application required under section 332A.04 that contains
208.29 incorrect, misleading, incomplete, or materially untrue information. An application is
208.30 incomplete if it does not include all the information required in section 332A.04;

209.1 (2) has failed to pay any fee or pay or maintain any bond required by this chapter,
209.2 or failed to comply with any order, decision, or finding of the commissioner made under
209.3 and within the authority of this chapter;

209.4 (3) has violated any provision of this chapter or any rule or direction lawfully made
209.5 by the commissioner under and within the authority of this chapter;

209.6 (4) or any controlling or affiliated party has ever been convicted of a crime or found
209.7 civilly liable for an offense involving moral turpitude, including forgery, embezzlement,
209.8 obtaining money under false pretenses, larceny, extortion, conspiracy to defraud, or any
209.9 other similar offense or violation, or any violation of a federal or state law or regulation
209.10 in connection with activities relating to the rendition of debt management services or
209.11 any consumer fraud, false advertising, deceptive trade practices, or similar consumer
209.12 protection law;

209.13 (5) has had a registration or license previously revoked or suspended in this state or
209.14 any other state or the applicant or licensee has been permanently or temporarily enjoined
209.15 by any court of competent jurisdiction from engaging in or continuing any conduct or
209.16 practice involving any aspect of the debt management services provider business; or
209.17 any controlling or affiliated party has been an officer, director, manager, or shareholder
209.18 owning more than a ten percent interest in a debt management services provider whose
209.19 registration has previously been revoked or suspended in this state or any other state, or
209.20 who has been permanently or temporarily enjoined by any court of competent jurisdiction
209.21 from engaging in or continuing any conduct or practice involving any aspect of the debt
209.22 management services provider business;

209.23 (6) has made any false statement or representation to the commissioner;

209.24 (7) is insolvent;

209.25 (8) refuses to fully comply with an investigation or examination of the debt
209.26 management services provider by the commissioner;

209.27 (9) has improperly withheld, misappropriated, or converted any money or properties
209.28 received in the course of doing business;

209.29 (10) has failed to have a trust account with an actual cash balance equal to or greater
209.30 than the sum of the escrow balances of each debtor's account;

209.31 (11) has defaulted in making payments to creditors on behalf of debtors as required
209.32 by agreements between the provider and debtor; or

209.33 (12) has used fraudulent, coercive, or dishonest practices, or demonstrated
209.34 incompetence, untrustworthiness, or financial irresponsibility in this state or elsewhere.

209.35 **EFFECTIVE DATE.** This section is effective January 1, 2008.

210.1 Sec. 52. [332A.09] SUSPENDING, REVOKING, OR REFUSING TO RENEW
210.2 REGISTRATION.

210.3 Subdivision 1. Procedure. The commissioner may revoke, suspend, or refuse
210.4 to renew any registration issued under this chapter, or may levy a civil penalty under
210.5 section 45.027, or any combination of actions, if the debt management services provider
210.6 or any controlling or affiliated person has committed any act or omission for which the
210.7 commissioner could have refused to issue an initial registration or renew an existing
210.8 registration. Revocation of or refusal to renew a registration must be upon notice and
210.9 hearing as prescribed in the Administrative Procedure Act, sections 14.57 to 14.69. The
210.10 notice must set a time for hearing before the commissioner not less than 20 nor more than
210.11 30 days after service of the notice, provided the registrant may waive the 20-day minimum.
210.12 The commissioner may, in the notice, suspend the registration for a period not to exceed 60
210.13 days. Unless the notice states that the registration is suspended, pending the determination
210.14 of the main issue, the registrant may continue to transact business until the final decision of
210.15 the commissioner. If the registration is suspended, the commissioner shall hold a hearing
210.16 and render a final determination within ten days of a request by the registrant. If the
210.17 commissioner fails to do so, the suspension shall terminate and be of no force or effect.

210.18 Subd. 2. Notification of interested persons. After the notice and hearing required
210.19 in subdivision 1, upon issuing an order suspending or revoking a registration or refusing to
210.20 renew a registration, the commissioner may notify all individuals who have contracts with
210.21 the affected registrant and all creditors who have agreed to a debt management services
210.22 plan that the registration has been revoked and that the order is subject to appeal.

210.23 Subd. 3. Receiver for funds of sanctioned registrant. When an order is issued
210.24 revoking or refusing to renew a registration, the commissioner may apply for, and the
210.25 district court must appoint, a receiver to temporarily or permanently receive the assets of
210.26 the registrant pending a final determination of the validity of the order.

210.27 EFFECTIVE DATE. This section is effective January 1, 2008.

210.28 Sec. 53. [332A.10] WRITTEN DEBT MANAGEMENT SERVICES
210.29 AGREEMENT.

210.30 Subdivision 1. Written agreement required. A debt management services provider
210.31 may not perform any debt management services or receive any money related to a debt
210.32 management services plan until the provider has obtained a debt management services
210.33 agreement that contains all terms of the agreement between the debt management services
210.34 provider and the debtor. A debt management services agreement must be in writing, dated,

211.1 and signed by the debt management services provider and the debtor. The registrant must
211.2 furnish the debtor with a copy of the signed contract upon execution.

211.3 Subd. 2. **Actions prior to written agreement.** No person may provide debt
211.4 management services for a debtor unless the person first has:

211.5 (1) provided the debtor individualized counseling and educational information
211.6 that, at a minimum, addresses managing household finances, managing credit and debt,
211.7 budgeting, and personal savings strategies;

211.8 (2) prepared in writing and provided to the debtor, in a form that the debtor may
211.9 keep, an individualized financial analysis and a proposed debt management services
211.10 plan listing the debtor's known debts with specific recommendations regarding actions
211.11 the debtor should take to reduce or eliminate the amount of the debts, including written
211.12 disclosure that debt management services are not suitable for all debtors and that there are
211.13 other ways, including bankruptcy, to deal with indebtedness;

211.14 (3) made a determination supported by an individualized financial analysis that the
211.15 debtor can reasonably meet the requirements of the proposed debt management services
211.16 plan and that there is a net tangible benefit to the debtor of entering into the proposed debt
211.17 management services plan; and

211.18 (4) prepared, in a form the debtor may keep, a written list identifying all known
211.19 creditors of the debtor that the provider reasonably expects to participate in the plan
211.20 and the creditors, including secured creditors, that the provider reasonably expects not
211.21 to participate.

211.22 Subd. 3. **Required terms.** (a) Each debt management services agreement must
211.23 contain the following terms, which must be disclosed prominently and clearly in bold print
211.24 on the front page of the agreement, segregated by bold lines from all other information on
211.25 the page:

211.26 (1) the fee amount to be paid by the debtor and whether the initial fee amount is
211.27 refundable or nonrefundable;

211.28 (2) the monthly fee amount or percentage to be paid by the debtor; and

211.29 (3) the total amount of fees reasonably anticipated to be paid by the debtor over
211.30 the term of the agreement.

211.31 (b) Each debt management services agreement must also contain the following:

211.32 (1) a disclosure that if the amount of debt owed is increased by interest, late fees,
211.33 over the limit fees, and other amounts imposed by the creditors, the length of the debt
211.34 management services agreement will be extended and remain in force and that the total

212.1 dollar charges agreed upon may increase at the rate agreed upon in the original contract
212.2 agreement;

212.3 (2) a prominent statement describing the terms upon which the debtor may cancel
212.4 the contract as set forth in section 332A.11;

212.5 (3) a detailed description of all services to be performed by the debt management
212.6 services provider for the debtor;

212.7 (4) the debt management services provider's refund policy; and

212.8 (5) the debt management services provider's principal business address and the name
212.9 and address of its agent in this state authorized to receive service of process.

212.10 Subd. 4. **Prohibited terms.** The following terms shall not be included in the debt
212.11 management services agreement:

212.12 (1) a hold harmless clause;

212.13 (2) a confession of judgment, or a power of attorney to confess judgment against the
212.14 debtor or appear as the debtor in any judicial proceeding;

212.15 (3) a waiver of the right to a jury trial, if applicable, in any action brought by
212.16 or against a debtor;

212.17 (4) an assignment of or an order for payment of wages or other compensation for
212.18 services;

212.19 (5) a provision in which the debtor agrees not to assert any claim or defense arising
212.20 out of the debt management services agreement;

212.21 (6) a waiver of any provision of this chapter or a release of any obligation required
212.22 to be performed on the part of the debt management services provider; or

212.23 (7) a mandatory arbitration clause.

212.24 Subd. 5. **New debt management services agreements; modification of existing**
212.25 **agreements.** (a) Separate and additional debt management services agreements that
212.26 comply with this chapter may be entered into by the debt management services provider
212.27 and the debtor provided that no additional initial fee may be charged by the debt
212.28 management services provider.

212.29 (b) Any modification of an existing debt management services agreement, including
212.30 any increase in the number or amount of debts included in the debt management service,
212.31 must be in writing and signed by both parties. No fees, charges, or other consideration
212.32 may be demanded from the debtor for the modification, other than an increase in the
212.33 amount of the monthly maintenance fee established in the original debt management
212.34 services agreement.

212.35 **EFFECTIVE DATE.** This section is effective January 1, 2008.

213.1 Sec. 54. **[332A.11] RIGHT TO CANCEL.**

213.2 Subdivision 1. **Debtor's right to cancel.** A debtor has the right to cancel the debt
213.3 management services agreement without cause at any time upon ten days' written notice to
213.4 the debt management services provider. In the event of cancellation, the debt management
213.5 services provider must, within ten days of the cancellation, notify the debtor's creditors of
213.6 the cancellation and provide a refund of all unexpended funds paid by or for the debtor to
213.7 the debt management services provider.

213.8 Subd. 2. **Notice of debtor's right to cancel.** A debt management services
213.9 agreement must contain, on its face, in an easily readable typeface immediately adjacent
213.10 to the space for signature by the debtor, the following notice: "Right To Cancel: You have
213.11 the right to cancel this contract at any time on ten days' written notice."

213.12 Subd. 3. **Automatic termination.** Upon the payment of all listed debts and
213.13 fees, the debt management services agreement must automatically terminate, and all
213.14 unexpended funds paid by or for the debtor to the debt management services provider
213.15 must be immediately returned to the debtor.

213.16 Subd. 4. **Debt management services provider's right to cancel.** A debt
213.17 management services provider may cancel a debt management services agreement
213.18 with good cause upon 30 days' written notice to the debtor. Within ten days after the
213.19 cancellation, the debt management services provider must: (1) notify the debtor's creditors
213.20 of the cancellation; and (2) return to the debtor all unexpended funds paid by or for the
213.21 debtor.

213.22 **EFFECTIVE DATE.** This section is effective January 1, 2008.

213.23 Sec. 55. **[332A.12] BOOKS, RECORDS, AND INFORMATION.**

213.24 Subdivision 1. **Records retention.** Every registrant must keep, and use in the
213.25 registrant's business, such books, accounts, and records, including electronic records, as
213.26 will enable the commissioner to determine whether the registrant is complying with this
213.27 chapter and of the rules, orders, and directives adopted by the commissioner under this
213.28 chapter. Every registrant must preserve such books, accounts, and records for at least six
213.29 years after making the final entry on any transaction recorded therein. Examinations of
213.30 the books, records, and method of operations conducted under the supervision of the
213.31 commissioner shall be done at the cost of the registrant. The cost must be assessed as
213.32 determined under section 46.131.

214.1 Subd. 2. **Statements to debtors.** Each registrant must maintain and must make
214.2 available records and accounts that will enable each debtor to ascertain the amounts
214.3 paid to the creditors of the debtor. A statement showing amounts received from the
214.4 debtor, disbursements to each creditor, amounts which any creditor has agreed to accept
214.5 as payment in full for any debt owed the creditor by the debtor, charges deducted by
214.6 the registrant, and such other information as the commissioner may prescribe, must be
214.7 furnished by the registrant to the debtor at least monthly and, in addition, upon any
214.8 cancellation or termination of the contract. In addition to the statements required by this
214.9 subdivision, each debtor must have reasonable access, without cost, by electronic or other
214.10 means, to information in the registrant's files applicable to the debtor. These statements,
214.11 records, and accounts must otherwise remain confidential except for duly authorized state
214.12 and government officials, the commissioner, the attorney general, the debtor, and the
214.13 debtor's representative and designees. Each registrant must prepare and retain in the file of
214.14 each debtor a written analysis of the debtor's income and expenses to substantiate that the
214.15 plan of payment is feasible and practicable.

214.16 **EFFECTIVE DATE.** This section is effective January 1, 2008.

214.17 Sec. 56. **[332A.13] FEES, PAYMENTS, AND CONSENT OF CREDITORS.**

214.18 Subdivision 1. **Origination fee.** The registrant may charge a nonrefundable
214.19 origination fee of not more than \$50, which may be retained by the registrant from the
214.20 initial amount paid by the debtor to the registrant.

214.21 Subd. 2. **Monthly maintenance fee.** The registrant may charge a periodic fee for
214.22 account maintenance or other purposes, but only if the fee is reasonable for the services
214.23 provided and does not exceed the lesser of 15 percent of the monthly payment amount or
214.24 \$75.

214.25 Subd. 3. **Additional fees unauthorized.** A registrant may not impose any fee or
214.26 other charge or receive any funds or other payment other than the initial fee or monthly
214.27 maintenance fee authorized by this section.

214.28 Subd. 4. **Amount of periodic payments retained.** The registrant may retain as
214.29 payment for the fees authorized by this section no more than 15 percent of any periodic
214.30 payment made to the registrant by the debtor. The remaining 85 percent must be disbursed
214.31 to listed creditors under and in accordance with the debt management services agreement.
214.32 No fees or charges may be received or retained by the registrant for any handling of
214.33 recurring payments. Recurring payments include current rent, mortgage, utility, telephone,

215.1 maintenance as defined in section 518.27, child support, insurance premiums, and such
215.2 other payments as the commissioner may by rule prescribe.

215.3 Subd. 5. **Advance payments.** No fees or charges may be received or retained for
215.4 any payments by the debtor made more than the following number of days in advance
215.5 of the date specified in the debt management services agreement on which they are due:
215.6 (1) 42 days in the case of contracts requiring monthly payments; (2) 15 days in the case
215.7 of agreements requiring biweekly payments; or (3) seven days in the case of agreements
215.8 requiring weekly payments. For those agreements which do not require payments in
215.9 specified amounts, a payment is deemed an advance payment to the extent it exceeds
215.10 twice the average regular payment previously made by the debtor under that contract. This
215.11 subdivision does not apply when the debtor intends to use the advance payments to satisfy
215.12 future payment of obligations due within 30 days under the contract. This subdivision
215.13 supersedes any inconsistent provision of this chapter.

215.14 Subd. 6. **Consent of creditors.** A registrant must actively seek to obtain the consent
215.15 of all creditors to the debt management services plan set forth in the debt management
215.16 services agreement. Consent by a creditor may be express and in writing, or may be
215.17 evidenced by acceptance of a payment made under the debt management services plan
215.18 set forth in the contract. The registrant must notify the debtor within ten days after any
215.19 failure to obtain the required consent and of the debtor's right to cancel without penalty.
215.20 The notice must be in a form as the commissioner shall prescribe. Nothing contained in
215.21 this section is deemed to require the return of any origination fee and any fees earned by
215.22 the registrant prior to cancellation or default.

215.23 Subd. 7. **Withdrawal of creditor.** Whenever a creditor withdraws from a debt
215.24 management services plan, or refuses to participate in a debt management services plan,
215.25 the registrant must promptly notify the debtor of the withdrawal or refusal. In no case may
215.26 this notice be provided more than 15 days after the debt management services provider
215.27 learns of the creditor's decision to withdraw from or refuse to participate in a plan. This
215.28 notice must include the identity of the creditor withdrawing from the plan, the amount of
215.29 the monthly payment to that creditor, and the right of the debtor to cancel the agreement
215.30 under section 332A.11.

215.31 Subd. 8. **Payments held in trust.** The registrant must maintain a separate trust
215.32 account and deposit in the account all payments received from the moment that they are
215.33 received, except that the registrant may commingle the payment with the registrant's
215.34 own property or funds, but only to the extent necessary to ensure the maintenance of a
215.35 minimum balance if the financial institution at which the trust account is held requires

216.1 a minimum balance to avoid the assessment of fees or penalties for failure to maintain
216.2 a minimum balance. All disbursements, whether to the debtor or to the creditors of the
216.3 debtor, or to the registrant, must be made from such account.

216.4 Subd. 9. **Timely payment of creditors.** The registrant must disburse any funds paid
216.5 by or on behalf of a debtor to creditors of the consumer within 42 days after receipt of
216.6 the funds, or earlier if necessary to comply with the due date in the agreement between
216.7 the debtor and the creditor, unless the reasonable payment of one or more of the debtor's
216.8 obligations requires that the funds be held for a longer period so as to accumulate a sum
216.9 certain, or where the debtor's payment is returned for insufficient funds or other reason
216.10 that makes the withholding of such payments in the net interest of the debtor.

216.11 **EFFECTIVE DATE.** This section is effective January 1, 2008.

216.12 Sec. 57. **[332A.14] PROHIBITIONS.**

216.13 A registrant shall not:

216.14 (1) purchase from a creditor any obligation of a debtor;

216.15 (2) use, threaten to use, seek to have used, or seek to have threatened the use of any
216.16 legal process, including but not limited to garnishment and repossession of personal
216.17 property, against any debtor while the debt management services agreement between the
216.18 registrant and the debtor remains executory;

216.19 (3) advise a debtor to stop paying a creditor until a debt management services plan is
216.20 in place;

216.21 (4) require as a condition of performing debt management services the purchase of
216.22 any services, stock, insurance, commodity, or other property or any interest therein either
216.23 by the debtor or the registrant;

216.24 (5) compromise any debts unless the prior written approval of the debtor has been
216.25 obtained to such compromise and unless such compromise inures solely to the benefit
216.26 of the debtor;

216.27 (6) receive from any debtor as security or in payment of any fee a promissory note
216.28 or other promise to pay or any mortgage or other security, whether as to real or personal
216.29 property;

216.30 (7) lend money or provide credit to any debtor if any interest or fee is charged,
216.31 or directly or indirectly collect any fee for referring, advising, procuring, arranging, or
216.32 assisting a consumer in obtaining any extension of credit or other debtor service from a
216.33 lender or debt management services provider;

216.34 (8) structure a debt management services agreement that would result in negative
216.35 amortization of any debt in the plan;

217.1 (9) engage in any unfair, deceptive, or unconscionable act or practice in connection
217.2 with any service provided to any debtor;

217.3 (10) offer, pay, or give any material cash fee, gift, bonus, premium, reward, or other
217.4 compensation to any person for referring any prospective customer to the registrant or for
217.5 enrolling a debtor in a debt management services plan, or provide any other incentives
217.6 for employees or agents of the debt management services provider to induce debtors to
217.7 enter into a debt management services plan;

217.8 (11) receive any cash, fee, gift, bonus, premium, reward, or other compensation
217.9 from any person other than the debtor or a person on the debtor's behalf in connection
217.10 with activities as a registrant, provided that this paragraph does not apply to a registrant
217.11 which is a bona fide nonprofit corporation duly organized under chapter 317A or under
217.12 the similar laws of another state;

217.13 (12) enter into a contract with a debtor unless a thorough written budget analysis
217.14 indicates that the debtor can reasonably meet the requirements of the financial adjustment
217.15 plan and will be benefited by the plan;

217.16 (13) in any way charge or purport to charge or provide any debtor credit insurance in
217.17 conjunction with any contract or agreement involved in the debt management services
217.18 plan;

217.19 (14) operate or employ a person who is an employee or owner of a collection agency
217.20 or process-serving business; or

217.21 (15) solicit, demand, collect, require, or attempt to require payment of a sum that the
217.22 registrant states, discloses, or advertises to be a voluntary contribution from the debtor.

217.23 **EFFECTIVE DATE.** This section is effective January 1, 2008.

217.24 Sec. 58. **[332A.16] ADVERTISEMENT OF DEBT MANAGEMENT SERVICES**
217.25 **PLANS.**

217.26 No debt management services provider may make false, deceptive, or misleading
217.27 statements or omissions about the rates, terms, or conditions of an actual or proposed
217.28 debt management services plan or its debt management services, or create the likelihood
217.29 of consumer confusion or misunderstanding regarding its services, including but not
217.30 limited to the following:

217.31 (1) represent that the debt management services provider is a nonprofit, not-for-profit,
217.32 or has similar status or characteristics if some or all of the debt management services will
217.33 be provided by a for-profit company that is a controlling or affiliated party to the debt
217.34 management services provider; or

218.1 (2) make any communication that gives the impression that the debt management
218.2 services provider is acting on behalf of a government agency.

218.3 **EFFECTIVE DATE.** This section is effective January 1, 2008.

218.4 Sec. 59. **[332A.17] DEBT MANAGEMENT SERVICES AGREEMENT**
218.5 **RESCISSION.**

218.6 Any debtor has the right to rescind any debt management services agreement with
218.7 a debt management services provider that commits a material violation of this chapter.
218.8 On rescission, all fees paid to the debt management services provider or any other person
218.9 other than creditors of the debtor must be returned to the debtor entering into the debt
218.10 management services agreement within ten days of rescission of the debt management
218.11 services agreement.

218.12 **EFFECTIVE DATE.** This section is effective January 1, 2008.

218.13 Sec. 60. **[332A.18] ENFORCEMENT; REMEDIES.**

218.14 Subdivision 1. **Violation a deceptive practice.** A violation of any of the provisions
218.15 of this chapter is considered an unfair or deceptive trade practice under section 8.31,
218.16 subdivision 1. A private right of action under section 8.31 by an aggrieved debtor is in
218.17 the public interest.

218.18 Subd. 2. **Private right of action.** (a) A debt management services provider who
218.19 fails to comply with any of the provisions of this chapter is liable under this section in an
218.20 individual action for the sum of (i) actual, incidental, and consequential damages sustained
218.21 by the debtor as a result of the failure; and (ii) statutory damages of up to \$1,000.

218.22 (b) A debt management services provider who fails to comply with any of the
218.23 provisions of this chapter is liable to the named plaintiffs under this section in a class
218.24 action for the amount that each named plaintiff could recover under paragraph (a), clause
218.25 (i), and to the other class members for such amount as the court may allow.

218.26 (c) In determining the amount of statutory damages, the court shall consider, among
218.27 other relevant factors:

218.28 (1) the frequency, nature, and persistence of noncompliance;

218.29 (2) the extent to which the noncompliance was intentional; and

218.30 (3) in the case of a class action, the number of debtors adversely affected.

218.31 (d) A plaintiff or class successful in a legal or equitable action under this section is
218.32 entitled to the costs of the action, plus reasonable attorney fees.

219.1 Subd. 3. **Injunctive relief.** A debtor may sue a debt management services provider
219.2 for temporary or permanent injunctive or other appropriate equitable relief to prevent
219.3 violations of any provision of this chapter. A court must grant injunctive relief on a
219.4 showing that the debt management services provider has violated any provision of this
219.5 chapter, or in the case of a temporary injunction, on a showing that the debtor is likely to
219.6 prevail on allegations that the debt management services provider violated any provision
219.7 of this chapter.

219.8 Subd. 4. **Remedies cumulative.** The remedies provided in this section are
219.9 cumulative and do not restrict any remedy that is otherwise available. The provisions
219.10 of this chapter are not exclusive and are in addition to any other requirements, rights,
219.11 remedies, and penalties provided by law.

219.12 Subd. 5. **Public enforcement.** The attorney general shall enforce this chapter
219.13 under section 8.31.

219.14 **EFFECTIVE DATE.** This section is effective January 1, 2008.

219.15 Sec. 61. **[332A.19] INVESTIGATION.**

219.16 At any reasonable time, the commissioner may examine the books and records of
219.17 every registrant and of any person engaged in the business of providing debt management
219.18 services as defined in section 332A.02. The commissioner once during any calendar year
219.19 may require the submission of an audit prepared by a certified public accountant of the
219.20 books and records of each registrant. If the registrant has, within one year previous to the
219.21 commissioner's demand, had an audit prepared for some other purpose, this audit may be
219.22 submitted to satisfy the requirement of this section. The commissioner may investigate
219.23 any complaint concerning violations of this chapter and may require the attendance and
219.24 sworn testimony of witnesses and the production of documents.

219.25 **EFFECTIVE DATE.** This section is effective January 1, 2008.

219.26 Sec. 62. **LICENSE RENEWAL EXTENSION.**

219.27 The July 31, 2007, renewal date for mortgage originators is extended to October 30,
219.28 2007, because of the changes to the licensing requirements made by this article.

219.29 Sec. 63. **DELAYED LICENSE RENEWAL DATE FOR REAL ESTATE**
219.30 **BROKERS AND SALESPERSONS.**

219.31 The June 30, 2007, renewal date for licenses of real estate brokers and salespersons
219.32 is extended to August 31, 2007, due to the technology surcharge created in this act.

220.1 Sec. 64. **REPEALER.**

220.2 (a) Minnesota Statutes 2006, sections 46.043; 47.62, subdivision 5; and 58.08,
220.3 subdivision 1, are repealed.

220.4 (b) Minnesota Statutes 2006, sections 332.12; 332.13; 332.14; 332.15; 332.16;
220.5 332.17; 332.18; 332.19; 332.20; 332.21; 332.22; 332.23; 332.24; 332.25; 332.26; 332.27;
220.6 332.28; and 332.29, are repealed effective January 1, 2008."

220.7 Delete the title and insert:

220.8 "A bill for an act

220.9 relating to state government; appropriating money for environment, natural
220.10 resources, energy, and commerce; modifying provisions related to agency service
220.11 requirements, land acquisition, authorized sales, railroad prairie right-of-ways,
220.12 county and municipality comprehensive plans, off-highway vehicles, prairie
220.13 plant seed production, invasive species, state recreation areas, canoe routes,
220.14 timber sales, mineral payments, wetlands, individual sewage treatment systems,
220.15 and genetically engineered organisms; providing for venison donation, plant and
220.16 tree pest control, community forest management, penalty orders, and local water
220.17 management oversight; modifying disposition of certain revenue; modifying
220.18 definitions; authorizing and requiring rulemaking; modifying certain license
220.19 requirements; modifying and establishing certain fees and surcharges; modifying
220.20 and creating certain accounts and funds; extending sunset of provisions related to
220.21 sustainable forest resources and the Mineral Coordinating Committee; modifying
220.22 authority of watershed district managers and soil and water conservation district
220.23 supervisors; providing for ditch buffers, a clean energy program, environmental
220.24 health tracking and biomonitoring, regulation of polybrominated diphenyl
220.25 ethers, classification of state forests, trail designation, forest protection, and
220.26 lease of certain tax-forfeited land; exempting certain exchanged land from the
220.27 tax-forfeited land assurance fee; establishing a wildlife management area;
220.28 designating state energy city; creating energy savings incentive and propane
220.29 prepurchase programs; modifying provisions for nuclear waste storage, public
220.30 utilities, cold weather rule, renewable energy research and production incentives,
220.31 hydrogen energy, the Legislative Electric Energy Task Force, and energy
220.32 planning; providing for intervenor compensation, low-income affordability
220.33 programs, clean resource teams, hydrogen refueling station grants, and carbon
220.34 sequestration studies; providing for certain power producing facilities in St.
220.35 Paul and Winona; modifying or adding provisions relating to vehicle protection
220.36 products, debt management services, long-term care insurance training, financial
220.37 institutions, securities regulation, mortgage originators, and low-income
220.38 weatherization and energy assistance programs; requiring studies and reports;
220.39 providing civil penalties; amending Minnesota Statutes 2006, sections 10A.01,
220.40 subdivision 35; 13.712, by adding a subdivision; 15.99, subdivision 3; 16A.531,
220.41 subdivision 1a; 17.4984, subdivision 1; 18G.03, by adding a subdivision;
220.42 18G.11; 45.011, subdivision 1; 46.04, subdivision 1; 46.05; 46.131, subdivision
220.43 2; 47.19; 47.59, subdivision 6; 47.60, subdivision 2; 47.62, subdivision 1;
220.44 47.75, subdivision 1; 48.15, subdivision 4; 58.04, subdivision 1; 58.05; 58.06,
220.45 subdivision 2, by adding a subdivision; 58.08, subdivision 3; 58.10, subdivision
220.46 1; 60K.55, subdivision 2; 80A.28, subdivision 1; 80A.65, subdivision 1;
220.47 82.24, subdivisions 1, 4; 82B.09, subdivision 1; 84.025, subdivision 9; 84.026,
220.48 subdivision 1; 84.027, by adding a subdivision; 84.0272, by adding a subdivision;
220.49 84.0855, subdivisions 1, 2; 84.777; 84.780; 84.922, subdivisions 1a, 5; 84.927,
220.50 subdivision 2; 84.963; 84D.02, by adding a subdivision; 84D.03, subdivision 1;
220.51 84D.12, subdivisions 1, 3; 84D.13, subdivision 7; 84D.14; 85.013, by adding
220.52 a subdivision; 85.054, by adding a subdivision; 85.32, subdivision 1; 86B.706,

221.1 subdivision 2; 88.01, by adding a subdivision; 88.79, subdivisions 1, 2; 88.82;
221.2 89.001, subdivision 8, by adding subdivisions; 89.01, subdivisions 1, 2, 4; 89.22,
221.3 subdivision 2; 89.51, subdivisions 1, 6, 9; 89.52; 89.53; 89.54; 89.55; 89.56,
221.4 subdivisions 1, 3; 89.57; 89.58; 89.59; 89.60; 89.61; 89A.11; 90.161, by adding a
221.5 subdivision; 93.0015, subdivision 3; 93.22, subdivision 1; 97A.045, by adding a
221.6 subdivision; 97A.055, subdivision 4; 97A.065, by adding a subdivision; 97A.133,
221.7 by adding a subdivision; 97A.205; 97A.405, subdivision 2; 97A.411, subdivision
221.8 1; 97A.451, subdivision 3a; 97A.465, by adding subdivisions; 97A.473,
221.9 subdivisions 3, 5; 97A.475, subdivisions 3, 7, 11, 12, by adding a subdivision;
221.10 97A.485, subdivision 7; 97B.601, subdivision 3; 97B.715, subdivision 1;
221.11 97B.801; 97C.081, subdivision 3; 97C.355, subdivision 2; 103B.101, by adding
221.12 a subdivision; 103C.321, by adding a subdivision; 103D.325, by adding a
221.13 subdivision; 103E.021, subdivisions 1, 2, 3, by adding a subdivision; 103E.315,
221.14 subdivision 8; 103E.321, subdivision 1; 103E.701, by adding a subdivision;
221.15 103E.705, subdivisions 1, 2, 3; 103E.728, subdivision 2; 103G.222, subdivisions
221.16 1, 3; 103G.2241, subdivisions 1, 2, 3, 6, 9, 11; 103G.2242, subdivisions 2,
221.17 2a, 9, 12, 15; 103G.2243, subdivision 2; 103G.235; 103G.301, subdivision 2;
221.18 115.55, subdivisions 1, 2, 3, by adding a subdivision; 116C.775; 116C.777;
221.19 116C.779, subdivision 1; 116C.92; 116C.94, subdivision 1; 116C.97, subdivision
221.20 2; 118A.03, subdivision 2; 216B.097, subdivisions 1, 3; 216B.098, subdivision 4;
221.21 216B.16, subdivisions 10, 15; 216B.241, subdivision 6; 216B.812, subdivisions
221.22 1, 2; 216C.051, subdivisions 2, 9; 216C.052, by adding a subdivision; 216C.41,
221.23 subdivision 3; 219.99; 239.101, subdivision 3; 282.04, subdivision 1; 325E.311,
221.24 subdivision 6; 325N.01; 332.54, subdivision 7; 394.23; 462.353, subdivision 2;
221.25 Laws 2003, chapter 128, article 1, sections 167, subdivision 1, as amended;
221.26 169; Laws 2006, chapter 236, article 1, section 21; proposing coding for new
221.27 law in Minnesota Statutes, chapters 16C; 17; 45; 58; 60K; 84; 84D; 85; 89; 97B;
221.28 103B; 103E; 103F; 144; 173; 216B; 216C; 325E; proposing coding for new law
221.29 as Minnesota Statutes, chapters 59C; 332A; repealing Minnesota Statutes 2006,
221.30 sections 18G.16; 46.043; 47.62, subdivision 5; 58.08, subdivision 1; 85.012,
221.31 subdivision 24b; 89.51, subdivision 8; 103G.2241, subdivision 8; 216B.095;
221.32 332.12; 332.13; 332.14; 332.15; 332.16; 332.17; 332.18; 332.19; 332.20; 332.21;
221.33 332.22; 332.23; 332.24; 332.25; 332.26; 332.27; 332.28; 332.29; Minnesota
221.34 Rules, parts 7820.1500; 7820.1600; 7820.1700; 7820.1750; 7820.1800;
221.35 7820.1900; 7820.2000; 7820.2100; 7820.2150; 7820.2200; 7820.2300.

S.F. No. 2096, Conference Committee Report - 85th Legislative Session (2007-2008)

222.1 We request the adoption of this report and repassage of the bill.

222.2 Senate Conferees: (Signed)

222.3
222.4 Ellen R. Anderson Dennis R. Frederickson

222.5
222.6 Tom Saxhaug Satveer S. Chaudhary

222.7
222.8 Patricia Torres Ray

222.9 House Conferees: (Signed)

222.10
222.11 Jean Wagenius Bill Hilty

222.12
222.13 Rick Hansen David Dill

222.14
222.15 Dennis Ozment