

STATE OF MINNESOTA

EIGHTY-NINTH SESSION — 2015

 SIXTY-FIFTH DAY

SAINT PAUL, MINNESOTA, MONDAY, MAY 18, 2015

The House of Representatives convened at 11:00 a.m. and was called to order by Kurt Daudt, Speaker of the House.

Prayer was offered by the Reverend Richard D. Buller, Valley Community Presbyterian Church, Golden Valley, Minnesota.

The members of the House gave the pledge of allegiance to the flag of the United States of America.

The roll was called and the following members were present:

Albright	Dean, M.	Heintzeman	Lohmer	Nornes	Simonson
Allen	Dehn, R.	Hertaus	Loon	Norton	Slocum
Anderson, M.	Dettmer	Hilstrom	Loonan	O'Driscoll	Smith
Anderson, P.	Dill	Hoppe	Lucero	O'Neill	Sundin
Anderson, S.	Drazkowski	Hornstein	Lueck	Peppin	Swedzinski
Anzelc	Erhardt	Hortman	Mack	Persell	Theis
Applebaum	Erickson	Howe	Mahoney	Petersburg	Thissen
Atkins	Fabian	Isaacson	Marquart	Peterson	Torkelson
Backer	Fenton	Johnson, B.	Masin	Pierson	Uglen
Baker	Fischer	Johnson, C.	McDonald	Pinto	Urdahl
Barrett	Franson	Johnson, S.	McNamara	Poppe	Vogel
Bennett	Freiberg	Kahn	Melin	Pugh	Wagenius
Bernardy	Garofalo	Kelly	Metsa	Quam	Ward
Bly	Green	Kiel	Miller	Rarick	Whelan
Carlson	Gruenhagen	Knoblach	Moran	Rosenthal	Wills
Christensen	Gunther	Koznick	Mullery	Runbeck	Winkler
Clark	Hackbarth	Kresha	Murphy, E.	Sanders	Yarusso
Considine	Halverson	Laine	Murphy, M.	Schoen	Youakim
Cornish	Hamilton	Lesch	Nash	Schomacker	Zerwas
Daniels	Hancock	Lien	Nelson	Schultz	Spk. Daudt
Davids	Hansen	Lillie	Newberger	Scott	
Davnie	Hausman	Loeffler	Newton	Selcer	

A quorum was present.

Lenczewski was excused until 1:30 p.m. Pelowski was excused until 1:40 p.m. Liebling was excused until 1:55 p.m. Mariani was excused until 2:15 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. There being no objection, further reading of the Journal was dispensed with and the Journal was approved as corrected by the Chief Clerk.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Schoen; Halverson; Liebling; Persell; Thissen; Mahoney; Atkins; Mariani; Slocum; Sundin; Applebaum; Isaacson; Nelson; Johnson, S.; Hansen; Hortman; Murphy, E.; Laine; Erhardt; Simonson; Lillie; Carlson; Moran; Hilstrom; Rosenthal; Lenczewski; Selcer; Newton; Bly; Metsa; Schultz; Considine; Lien; Yarusso and Poppe introduced:

H. F. No. 2372, A bill for an act relating to health; establishing the Healthcare Access for Recovery and Treatment of Survivors Act (HARTS Act); requiring health insurance coverage for certain coverage relating to domestic and sexual assault and sex trafficking; requiring certain notice be provided to victims; appropriating money; amending Minnesota Statutes 2014, sections 144.6586; 145.4712, subdivision 2; 609.35; 629.341, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 62A; proposing coding for new law as Minnesota Statutes, chapter 62W.

The bill was read for the first time and referred to the Committee on Health and Human Services Reform.

Simonson; Murphy, M.; Poppe; Johnson, C.; Johnson, S.; Ward; Erhardt; Fischer; Persell; Murphy, E.; Metsa; Schultz and Lien introduced:

H. F. No. 2373, A bill for an act relating to telecommunications; border-to-border broadband; creating a broadband tax credit; amending Minnesota Statutes 2014, sections 116J.395; 290.06, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Job Growth and Energy Affordability Policy and Finance.

Loonan, Franson and Sundin introduced:

H. F. No. 2374, A bill for an act relating to public safety; providing special registration plates for vehicles operated with no insurance; authorizing the stop of vehicles bearing certain special plates; amending Minnesota Statutes 2014, section 169.791, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 169.

The bill was read for the first time and referred to the Committee on Transportation Policy and Finance.

Erickson introduced:

H. F. No. 2375, A bill for an act relating to capital investment; appropriating money for public infrastructure improvements in Milaca; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on Job Growth and Energy Affordability Policy and Finance.

Urdahl, Hausman, Howe and Wagenius introduced:

H. F. No. 2376, A bill for an act relating to capital investment; appropriating money for improvements at Historic Fort Snelling; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on State Government Finance.

Erickson introduced:

H. F. No. 2377, A bill for an act relating to capital investment; appropriating money for the Malone Island Bridge in the city of Isle; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on Transportation Policy and Finance.

Peppin moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by Speaker pro tempore Davids.

Atkins was excused between the hours of 1:20 p.m. and 5:30 p.m.

The following Conference Committee Report was received:

CONFERENCE COMMITTEE REPORT ON H. F. No. 846

A bill for an act relating to state government; appropriating money for environment and natural resources; modifying public entity purchasing requirements; modifying solid waste provisions; modifying subsurface sewage treatment systems provisions; modifying compensable losses due to harmful substances; modifying invasive species provisions; modifying state parks and trails provisions; modifying requirements for fire training; modifying auxiliary forest provisions; modifying recreational vehicle provisions; providing for all-terrain vehicle safety training indication on drivers' licenses and identification cards; modifying and providing for certain fees; creating and modifying certain accounts; providing for and modifying certain grants; modifying disposition of certain revenue; modifying certain permit provisions; providing for condemnation of certain school trust lands; modifying Water Law; providing for certain enforcement delay; modifying personal flotation device provisions; regulating wake surfing; modifying game and fish laws; modifying Metropolitan Area Water Supply Advisory Committee and specifying duties; providing for Minnesota Pollution Control Agency Citizens' Board; prohibiting sale of certain personal care products containing synthetic plastic microbeads; requiring reports; requiring rulemaking; amending Minnesota Statutes 2014, sections 16A.531, subdivision 1a; 16C.073, subdivision 2; 84.415, subdivision 7; 84.788, subdivision 5, by adding a subdivision; 84.82, subdivision 6; 84.84; 84.92, subdivisions 8, 9, 10; 84.922, subdivision 4; 84.925, subdivision 5; 84.9256, subdivision 1; 84.928, subdivision 1; 84D.01, subdivisions 13, 15, 17, 18, by adding a subdivision; 84D.03, subdivision 3; 84D.06; 84D.10, subdivision 3; 84D.11, subdivision 1; 84D.12,

subdivisions 1, 3; 84D.13, subdivision 5; 84D.15, subdivision 3; 85.015, subdivision 28, by adding a subdivision; 85.054, subdivision 12; 85.32, subdivision 1; 86B.313, subdivisions 1, 4; 86B.315; 86B.401, subdivision 3; 88.17, subdivision 3; 88.49, subdivisions 3, 4, 5, 6, 7, 8, 9, 11; 88.491, subdivision 2; 88.50; 88.51, subdivisions 1, 3; 88.52, subdivisions 2, 3, 4, 5, 6; 88.523; 88.53, subdivisions 1, 2; 88.6435, subdivision 4; 90.14; 90.193; 94.10, subdivision 2; 94.16, subdivisions 2, 3; 97A.045, subdivision 11; 97A.057, subdivision 1; 97A.435, subdivision 4; 97A.465, by adding a subdivision; 97B.063; 97B.081, subdivision 3; 97B.085, subdivision 2; 97B.301, by adding a subdivision; 97B.668; 97C.005, subdivision 1, by adding a subdivision; 97C.301, by adding a subdivision; 97C.345, by adding a subdivision; 97C.501, subdivision 2; 103B.101, by adding a subdivision; 103B.3355; 103F.612, subdivision 2; 103G.005, by adding a subdivision; 103G.222, subdivisions 1, 3; 103G.2242, subdivisions 1, 2, 3, 4, 12, 14; 103G.2251; 103G.245, subdivision 2; 103G.271, subdivisions 3, 5, 6a; 103G.287, subdivisions 1, 2; 103G.291, subdivision 3; 103G.301, subdivision 5a; 115.03, by adding a subdivision; 115.073; 115.55, subdivisions 1, 3; 115.56, subdivision 2; 115A.03, subdivision 25a; 115A.551, subdivision 2a; 115A.557, subdivision 2; 115A.93, subdivision 1; 115B.34, subdivision 2; 115C.05; 116.02; 116.03, subdivision 1; 116.07, subdivisions 4d, 4j, 7, by adding a subdivision; 116D.04, by adding a subdivision; 144.12, by adding a subdivision; 171.07, by adding a subdivision; 282.011, subdivision 3; 446A.073, subdivisions 1, 3, 4; 473.1565; Laws 2010, chapter 215, article 3, section 3, subdivision 6, as amended; Laws 2014, chapter 312, article 12, section 6, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 84; 84D; 85; 92; 97A; 97B; 103B; 103G; 114C; 115; 115A; 325E; repealing Minnesota Statutes 2014, sections 84.68; 86B.13, subdivisions 2, 4; 88.47; 88.48; 88.49, subdivisions 1, 2, 10; 88.491, subdivision 1; 88.51, subdivision 2; 97A.475, subdivision 25; 97B.905, subdivision 3; 116.02, subdivisions 7, 8, 10; 282.013; 477A.19; Minnesota Rules, part 6264.0400, subparts 27, 28.

May 17, 2015

The Honorable Kurt L. Daudt
Speaker of the House of Representatives

The Honorable Sandra L. Pappas
President of the Senate

We, the undersigned conferees for H. F. No. 846 report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H. F. No. 846 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1
AGRICULTURE APPROPRIATIONS

Section 1. **AGRICULTURE APPROPRIATIONS**

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

<u>APPROPRIATIONS</u>		
<u>Available for the Year</u>		
<u>Ending June 30</u>		
<u>2016</u>		<u>2017</u>

Sec. 2. **DEPARTMENT OF AGRICULTURE**

<u>Subdivision 1. Total Appropriation</u>	<u>\$41,510,000</u>	<u>\$45,512,000</u>
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Appropriations by Fund

	<u>2016</u>	<u>2017</u>
<u>General</u>	40,932,000	44,934,000
<u>Remediation</u>	388,000	388,000
<u>Agricultural</u>	190,000	190,000

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

<u>Subd. 2. Protection Services</u>	<u>16,452,000</u>	<u>16,402,000</u>
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Appropriations by Fund

	<u>2016</u>	<u>2017</u>
<u>General</u>	15,874,000	15,824,000
<u>Agricultural</u>	190,000	190,000
<u>Remediation</u>	388,000	388,000

\$25,000 the first year and \$25,000 the second year are to develop and maintain cottage food license exemption outreach and training materials.

\$75,000 the first year is for the commissioner, in consultation with the Northeast Regional Corrections Center and the United Food and Commercial Workers, to study and provide recommendations for upgrading the existing processing facility on the campus of the Northeast Regional Corrections Center into a USDA-certified food processing facility. The commissioner shall report these recommendations to the chairs of the house of representatives and senate committees with jurisdiction over agriculture finance by March 15, 2016.

\$75,000 the second year is for a coordinator for the correctional facility vocational training pilot program.

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

\$225,000 the first year and \$175,000 the second year are for compensation for destroyed or crippled animals under Minnesota Statutes, section 3.737. This appropriation may be spent to compensate for animals that were destroyed or crippled during fiscal years 2014 and 2015. If the amount in the first year is insufficient, the amount in the second year is available in the first year.

\$125,000 the first year and \$125,000 the second year are for compensation for crop damage under Minnesota Statutes, section 3.7371. If the amount in the first year is insufficient, the amount in the second year is available in the first year.

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

\$70,000 the first year and \$70,000 the second year are for additional cannery inspections.

\$100,000 the first year and \$100,000 the second year are for increased oversight of delegated local health boards.

\$100,000 the first year and \$100,000 the second year are to decrease the turnaround time for retail food handler plan reviews.

\$1,024,000 the first year and \$1,024,000 the second year are to streamline the retail food safety regulatory and licensing experience for regulated businesses and to decrease the inspection delinquency rate.

\$1,350,000 the first year and \$1,350,000 the second year are for additional inspections of food manufacturers and wholesalers.

\$150,000 the first year and \$150,000 the second year are for additional funding for dairy inspection services.

\$150,000 the first year and \$150,000 the second year are for additional funding for laboratory services operations.

\$250,000 the first year and \$250,000 the second year are for additional meat inspection services, including inspections provided under the correctional facility vocational training pilot program.

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

\$100,000 the first year and \$100,000 the second year are from the pesticide regulatory account in the agricultural fund to update and modify applicator education and training materials.

Subd. 3. Agricultural Marketing and Development

3,973,000

3,873,000

The commissioner may provide one-stop access for farmers in need of information or assistance to obtain or renew licenses, meet state regulatory requirements, or resolve disputes with state agencies.

The commissioner must provide outreach to urban farmers regarding the department's financial and technical assistance programs and must assist urban farmers in applying for assistance.

\$100,000 the first year is to (1) enhance the commissioner's efforts to identify existing and emerging opportunities for Minnesota's agricultural producers and processors to export their products to Cuba, consistent with federal law, and (2) effectively communicate these opportunities to the producers and processors.

\$186,000 the first year and \$186,000 the second year are for transfer to the Minnesota grown account and may be used as grants for Minnesota grown promotion under Minnesota Statutes, section 17.102. Grants may be made for one year. Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered under contract on or before June 30, 2017, for Minnesota grown grants in this paragraph are available until June 30, 2019.

\$634,000 the first year and \$634,000 the second year are for continuation of the dairy development and profitability enhancement and dairy business planning grant programs established under Laws 1997, chapter 216, section 7, subdivision 2, and Laws 2001, First Special Session chapter 2, section 9, subdivision 2. The commissioner may allocate the available sums among permissible activities, including efforts to improve the quality of milk produced in the state, in the proportions that the commissioner deems most beneficial to Minnesota's dairy farmers. The commissioner must submit a detailed accomplishment report and a work plan detailing future plans for, and anticipated accomplishments from, expenditures under this program to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture policy and finance on or before the start of each fiscal year. If significant changes are made to the plans in the course of the year, the commissioner must notify the chairs and ranking minority members.

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

Subd. 4. Agriculture, Bioenergy, and Bioproduct Advancement

15,018,000

18,985,000

\$4,483,000 the first year and \$8,500,000 the second year are for transfer to the agriculture research, education, extension, and technology transfer account under Minnesota Statutes, section 41A.14, subdivision 3. The transfer in this paragraph includes money for plant breeders at the University of Minnesota for wild rice, potatoes, and grapes. Of these amounts, at least \$600,000 each year is for agriculture rapid response under Minnesota Statutes, section 41A.14, subdivision 1, clause (2). Of the amount

appropriated in this paragraph, \$1,000,000 each year is for transfer to the Board of Regents of the University of Minnesota for research to determine (1) what is causing avian influenza, (2) why some fowl are more susceptible, and (3) prevention measures that can be taken. Of the amount appropriated in this paragraph, \$2,000,000 each year is for grants to the Minnesota Agriculture Education Leadership Council to enhance agricultural education with priority given to Farm Business Management challenge grants.

To the extent practicable, funds expended under Minnesota Statutes, section 41A.14, subdivision 1, clauses (1) and (2), must supplement and not supplant existing sources and levels of funding.

\$10,235,000 the first year and \$10,235,000 the second year are for the agricultural growth, research, and innovation program in Minnesota Statutes, section 41A.12. No later than February 1, 2016, and February 1, 2017, the commissioner must report to the legislative committees with jurisdiction over agriculture policy and finance regarding the commissioner's accomplishments and anticipated accomplishments in the following areas: facilitating the start-up, modernization, or expansion of livestock operations including beginning and transitioning livestock operations; developing new markets for Minnesota farmers by providing more fruits, vegetables, meat, grain, and dairy for Minnesota school children; assisting value-added agricultural businesses to begin or expand, access new markets, or diversify products; developing urban agriculture; facilitating the start-up, modernization, or expansion of other beginning and transitioning farms including loans under Minnesota Statutes, section 41B.056; sustainable agriculture on farm research and demonstration; development or expansion of food hubs and other alternative community-based food distribution systems; and research on bioenergy, biobased content, or biobased formulated products and other renewable energy development. The commissioner may use up to 4.5 percent of this appropriation for costs incurred to administer the program. Any unencumbered balance does not cancel at the end of the first year and is available for the second year. Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered under contract on or before June 30, 2017, for agricultural growth, research, and innovation grants are available until June 30, 2019.

The commissioner may use funds appropriated for the agricultural growth, research, and innovation program as provided in this paragraph. The commissioner may award grants to owners of Minnesota facilities producing bioenergy, biobased content, or a biobased formulated product; to organizations that provide for on-station, on-farm field scale research and outreach to develop and test the agronomic and economic requirements of diverse strands of prairie plants and other perennials for bioenergy

systems; or to certain nongovernmental entities. For the purposes of this paragraph, "bioenergy" includes transportation fuels derived from cellulosic material, as well as the generation of energy for commercial heat, industrial process heat, or electrical power from cellulosic materials via gasification or other processes. Grants are limited to 50 percent of the cost of research, technical assistance, or equipment related to bioenergy, biobased content, or biobased formulated product production or \$500,000, whichever is less. Grants to nongovernmental entities for the development of business plans and structures related to community ownership of eligible bioenergy facilities together may not exceed \$150,000. The commissioner shall make a good-faith effort to select projects that have merit and, when taken together, represent a variety of bioenergy technologies, biomass feedstocks, and geographic regions of the state. Projects must have a qualified engineer provide certification on the technology and fuel source. Grantees must provide reports at the request of the commissioner.

Of the amount appropriated for the agricultural growth, research, and innovation program in this subdivision, \$1,000,000 the first year and \$1,000,000 the second year are for distribution in equal amounts to each of the state's county fairs to preserve and promote Minnesota agriculture.

Of the amount appropriated for the agricultural growth, research, and innovation program in this subdivision, \$500,000 in fiscal year 2016 and \$1,500,000 in fiscal year 2017 are for incentive payments under Minnesota Statutes, sections 41A.16, 41A.17, and 41A.18. If the appropriation exceeds the total amount for which all producers are eligible in a fiscal year, the balance of the appropriation is available to the commissioner for the agricultural growth, research, and innovation program. Notwithstanding Minnesota Statutes, section 16A.28, the first year appropriation is available until June 30, 2017, and the second year appropriation is available until June 30, 2018. The commissioner may use up to 4.5 percent of the appropriation for administration of the incentive payment programs.

Of the amount appropriated for the agricultural growth, research, and innovation program in this subdivision, \$250,000 the first year is for grants to communities to develop or expand food hubs and other alternative community-based food distribution systems. Of this amount, \$50,000 is for the commissioner to consult with existing food hubs, alternative community-based food distribution systems, and University of Minnesota Extension to identify best practices for use by other Minnesota communities. No later than December 15, 2015, the commissioner must report to the legislative committees with jurisdiction over agriculture and health regarding the status of emerging alternative community-based food distribution systems in the state along with recommendations to eliminate any barriers to success. This is a onetime appropriation.

\$250,000 the first year and \$250,000 the second year are for grants that enable retail petroleum dispensers to dispense biofuels to the public in accordance with the biofuel replacement goals established under Minnesota Statutes, section 239.7911. A retail petroleum dispenser selling petroleum for use in spark ignition engines for vehicle model years after 2000 is eligible for grant money under this paragraph if the retail petroleum dispenser has no more than 15 retail petroleum dispensing sites and each site is located in Minnesota. The grant money received under this paragraph must be used for the installation of appropriate technology that uses fuel dispensing equipment appropriate for at least one fuel dispensing site to dispense gasoline that is blended with 15 percent of agriculturally derived, denatured ethanol, by volume, and appropriate technical assistance related to the installation. A grant award must not exceed 85 percent of the cost of the technical assistance and appropriate technology, including remetering of and retrofits for retail petroleum dispensers and replacement of petroleum dispenser projects. The commissioner may use up to \$35,000 of this appropriation for administrative expenses. The commissioner shall cooperate with biofuel stakeholders in the implementation of the grant program. The commissioner must report to the legislative committees with jurisdiction over agriculture policy and finance by February 1 each year, detailing the number of grants awarded under this paragraph and the projected effect of the grant program on meeting the biofuel replacement goals under Minnesota Statutes, section 239.7911. These are onetime appropriations.

\$25,000 the first year and \$25,000 the second year are for grants to the Southern Minnesota Initiative Foundation to promote local foods through an annual event that raises public awareness of local foods and connects local food producers and processors with potential buyers.

Subd. 5. Administration and Financial Assistance

6,067,000

6,252,000

\$150,000 the first year and \$150,000 the second year are for grants to the Center for Rural Policy and Development.

The base for the farm-to-foodshelf program in fiscal years 2018 and 2019 is \$1,100,000 each year.

\$25,000 the first year is for the livestock industry study.

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

\$18,000 the first year and \$18,000 the second year are for grants to the Minnesota Livestock Breeders Association.

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

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

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

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

\$550,000 the first year and \$550,000 the second year are for grants to Second Harvest Heartland on behalf of Minnesota's six Second Harvest food banks for the purchase of milk for distribution to Minnesota's food shelves and other charitable organizations that are eligible to receive food from the food banks. Milk purchased under the grants must be acquired from Minnesota milk processors and based on low-cost bids. The milk must be allocated to each Second Harvest food bank serving Minnesota according to the formula used in the distribution of United States Department of Agriculture commodities under The Emergency Food Assistance Program (TEFAP). Second Harvest Heartland must submit quarterly reports to the commissioner on forms prescribed by the commissioner. The reports must include, but are not limited to, information on the expenditure of funds, the amount of milk purchased, and the organizations to which the milk was distributed. Second Harvest Heartland may enter into contracts or agreements with food banks for shared funding or reimbursement of the direct purchase of milk. Each food bank receiving money from this appropriation may use up to two percent of the grant for administrative expenses.

\$113,000 the first year and \$113,000 the second year are for transfer to the Board of Trustees of the Minnesota State Colleges and Universities for statewide mental health counseling support to farm families and business operators. South Central College shall serve as the fiscal agent.

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

Sec. 3. **BOARD OF ANIMAL HEALTH** **\$5,318,000** **\$5,384,000**

Sec. 4. **AGRICULTURAL UTILIZATION RESEARCH INSTITUTE** **\$3,643,000** **\$3,643,000**

Sec. 5. **AVIAN INFLUENZA RESPONSE ACTIVITIES; APPROPRIATIONS.**

(a) \$3,619,000 is appropriated from the general fund in fiscal year 2016 to the commissioner of agriculture for avian influenza emergency response activities. The commissioner may use money appropriated under this paragraph to purchase necessary euthanasia and composting equipment and to reimburse costs incurred by local units of government directly related to avian influenza emergency response activities that are not eligible for federal reimbursement. This appropriation is available the day following final enactment until June 30, 2017.

(b) \$1,853,000 is appropriated from the general fund in fiscal year 2016 to the Board of Animal Health for avian influenza emergency response activities. The Board may use money appropriated under this paragraph to purchase necessary euthanasia and composting equipment. This appropriation is available the day following final enactment until June 30, 2017.

(c) \$103,000 is appropriated from the general fund in fiscal year 2016 to the commissioner of health for avian influenza emergency response activities. This appropriation is available the day following final enactment until June 30, 2017.

(d) \$350,000 is appropriated from the general fund in fiscal year 2016 to the commissioner of natural resources for sampling wild animals to detect and monitor the avian influenza virus. This appropriation may also be used to conduct serology sampling, in consultation with the Board of Animal Health and the University of Minnesota Pomeroy Chair in Avian Health, from birds within a control zone and outside of a control zone. This appropriation is available the day following final enactment until June 30, 2017.

(e) \$544,000 is appropriated from the general fund in fiscal year 2016 to the commissioner of public safety to operate the State Emergency Operation Center in coordination with the statewide avian influenza response activities. Appropriations under this paragraph may also be used to support a staff person at the state's agricultural incident command post in Willmar. This appropriation is available the day following final enactment until June 30, 2017.

(f) The commissioner of management and budget may transfer unexpended balances from the appropriations in this section to any state agency for operating expenses related to avian influenza emergency response activities. The commissioner of management and budget must report each transfer to the chairs and ranking minority members of the senate Committee on Finance and the house of representatives Committee on Ways and Means.

Sec. 6. **RURAL FINANCE AUTHORITY; APPROPRIATION.**

\$10,000,000 is appropriated in fiscal year 2016 from the general fund to the commissioner of agriculture for transfer to the rural finance authority revolving loan account under Minnesota Statutes, section 41B.06, for the purposes of disaster recovery loans under Minnesota Statutes, section 41B.047. This appropriation is available the day following final enactment until June 30, 2017.

Sec. 7. **AVIAN INFLUENZA; FEDERAL FUNDS APPROPRIATION AND REPORTING.**

All federal money received in fiscal years 2015 through 2017 by the Board of Animal Health or the commissioner of agriculture, health, natural resources, or public safety to address avian influenza is appropriated in the fiscal year when it is received. Before spending federal funds appropriated in this section, the commissioner of management and budget shall report the anticipated federal funds appropriated under this section and their intended

purpose to the Legislative Advisory Commission, consistent with the urgent federal funds request procedure under Minnesota Statutes, section 3.3005, subdivision 4. By January 15, 2018, the commissioner of management and budget shall report the actual federal funds received and appropriated under this section and their actual use to the Legislative Advisory Commission.

Sec. 8. **EFFECTIVE DATE.**

Sections 5 to 7 are effective the day following final enactment.

ARTICLE 2
AGRICULTURE POLICY

Section 1. Minnesota Statutes 2014, section 3.737, is amended by adding a subdivision to read:

Subd. 6. **Federal reimbursement.** The commissioner must pursue federal reimbursement for any compensation payment issued under this section while:

(1) the United States Fish and Wildlife Service lists the Minnesota population of gray wolves as endangered and threatened wildlife under the federal Endangered Species Act; or

(2) the federal government otherwise prohibits livestock producers from protecting their livestock from wolf depredation.

Sec. 2. Minnesota Statutes 2014, section 13.643, subdivision 1, is amended to read:

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

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

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

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

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

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

Sec. 5. Minnesota Statutes 2014, section 18B.05, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** A pesticide regulatory account is established in the agricultural fund. Fees, assessments, and penalties collected under this chapter must be deposited in the agricultural fund and credited to the pesticide regulatory account. Money in the account, including interest, is appropriated to the commissioner for the administration and enforcement of this chapter and up to \$20,000 per fiscal year may also be used by the commissioner for purposes of section 18H.14, paragraph (e).

Sec. 6. Minnesota Statutes 2014, section 18B.32, subdivision 1, is amended to read:

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

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

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

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

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

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

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

Sec. 7. Minnesota Statutes 2014, section 18B.33, subdivision 1, is amended to read:

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

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

Sec. 8. Minnesota Statutes 2014, section 18B.34, subdivision 1, is amended to read:

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

(b) A licensee must have a valid license identification card when applying pesticides and must display it upon demand by an authorized representative of the commissioner or a law enforcement officer. The license identification card must contain information required by the commissioner.

Sec. 9. Minnesota Statutes 2014, section 18C.425, subdivision 6, is amended to read:

Subd. 6. **Payment of inspection fee.** (a) The person who registers and distributes in the state a specialty fertilizer, soil amendment, or plant amendment under section 18C.411 shall pay the inspection fee to the commissioner.

(b) The person licensed under section 18C.415 who distributes a fertilizer to a person not required to be so licensed shall pay the inspection fee to the commissioner, except as exempted under section 18C.421, subdivision 1, paragraph (b).

(c) The person responsible for payment of the inspection fees for fertilizers, soil amendments, or plant amendments sold and used in this state must pay an inspection fee of ~~30~~ 39 cents per ton, and until June 30, 2019, an additional 40 cents per ton, of fertilizer, soil amendment, and plant amendment sold or distributed in this state, with a minimum of \$10 on all tonnage reports. Notwithstanding section 18C.131, the commissioner must deposit all revenue from the additional 40 cent per ton fee in the agricultural fertilizer research and education account in section 18C.80. Products sold or distributed to manufacturers or exchanged between them are exempt from the inspection fee imposed by this subdivision if the products are used exclusively for manufacturing purposes.

(d) A registrant or licensee must retain invoices showing proof of fertilizer, plant amendment, or soil amendment distribution amounts and inspection fees paid for a period of three years.

Sec. 10. Minnesota Statutes 2014, section 18C.70, subdivision 2, is amended to read:

Subd. 2. **Powers and duties.** The council must review applications and select projects to receive agricultural fertilizer research and education program grants, as authorized in section 18C.71. The council must establish a program to provide grants to research, education, and technology transfer projects related to agricultural fertilizer, soil amendments, and plant amendments. For the purpose of this section, "fertilizer" includes soil amendments and plant amendments, but does not include vegetable or animal manures that are not manipulated. The commissioner is responsible for all fiscal and administrative duties ~~in the first year and may use up to eight percent of program revenue to offset costs incurred. No later than October 1, 2007, the commissioner must provide the council with an estimate of the annual costs the commissioner would incur in administering the program.~~

Sec. 11. **18C.80 AGRICULTURAL FERTILIZER RESEARCH AND EDUCATION ACCOUNT.**

Subdivision 1. **Account; appropriation.** An agricultural fertilizer research and education account is established in the agricultural fund. Money in the account, including interest earned, is appropriated to the commissioner for grants determined by the Minnesota Agricultural Fertilizer Research and Education Council under section 18C.71. The commissioner may use up to \$80,000 each fiscal year for direct costs incurred to provide fiscal and administrative support to the council as required under section 18C.70, subdivision 2. The commissioner may also recover associated indirect costs from the account as required under section 16A.127.

Subd. 2. **Expiration.** This section expires June 30, 2020.

Sec. 12. Minnesota Statutes 2014, section 18G.10, subdivision 3, is amended to read:

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

Sec. 13. Minnesota Statutes 2014, section 18G.10, subdivision 4, is amended to read:

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

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

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

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

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

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

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

Sec. 14. Minnesota Statutes 2014, section 18G.10, subdivision 5, is amended to read:

Subd. 5. **Certificate fees.** (a) The commissioner shall assess ~~the fees in paragraphs (b) to (f)~~ fees sufficient to recover all costs for the inspection, service, and work performed in carrying out the issuance of a phytosanitary certificate or export certificate. ~~The inspection fee must be based on mileage and inspection time.~~

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

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

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

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

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

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

Sec. 15. Minnesota Statutes 2014, section 18H.02, subdivision 20, is amended to read:

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

(1) field and forage crops or sod;

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

- (3) vegetable plants, bulbs, or tubers;
- (4) cut flowers, unless stems or other portions are intended for propagation;
- (5) annuals; or
- (6) Christmas trees.

Sec. 16. Minnesota Statutes 2014, section 18H.02, is amended by adding a subdivision to read:

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

Sec. 17. Minnesota Statutes 2014, section 18H.02, is amended by adding a subdivision to read:

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

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

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

- (1) the gross sales of all nursery stock in a calendar year do not exceed \$2,000;
 - (2) all nursery stock sold or distributed by the individual is intended for planting in Minnesota;
 - (3) all nursery stock purchased or procured for resale or distribution was grown in Minnesota and has been certified by the commissioner; and
 - (4) the individual conducts sales or distributions of nursery stock on ten or fewer days in a calendar year.
- (b) The commissioner may prescribe the conditions of the exempt nursery sales under this subdivision and may conduct routine inspections of the nursery stock offered for sale.

Sec. 19. Minnesota Statutes 2014, section 18H.07, is amended to read:

18H.07 FEE SCHEDULE.

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

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

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

- (2) from one-half acre to two acres, \$200;
- (3) over two acres up to five acres, \$300;
- (4) over five acres up to ten acres, \$350;
- (5) over ten acres up to 20 acres, \$500;
- (6) over 20 acres up to 40 acres, \$650;
- (7) over 40 acres up to 50 acres, \$800;
- (8) over 50 acres up to 200 acres, \$1,100;
- (9) over 200 acres up to 500 acres, \$1,500; and
- (10) over 500 acres, \$1,500 plus \$2 for each additional acre.

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

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

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

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

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

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

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

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

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

Sec. 20. Minnesota Statutes 2014, section 18H.17, is amended to read:

18H.17 NURSERY AND PHYTOSANITARY ACCOUNT.

A nursery and phytosanitary account is established in the state treasury. The fees and penalties collected under this chapter and interest attributable to money in the account must be deposited in the state treasury and credited to the nursery and phytosanitary account in the agricultural fund. Money in the account, including interest earned, is annually appropriated to the commissioner for the administration and enforcement for this chapter. The commissioner may spend no more than \$20,000 from the account each fiscal year for purposes of section 18H.14, paragraph (e).

Sec. 21. Minnesota Statutes 2014, section 18J.01, is amended to read:

18J.01 DEFINITIONS.

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

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

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

Sec. 22. Minnesota Statutes 2014, section 18J.02, is amended to read:

18J.02 DUTIES OF COMMISSIONER.

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

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

Sec. 23. Minnesota Statutes 2014, section 18J.03, is amended to read:

18J.03 CIVIL LIABILITY.

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

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

Sec. 24. Minnesota Statutes 2014, section 18J.04, subdivision 1, is amended to read:

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

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

Sec. 25. Minnesota Statutes 2014, section 18J.04, subdivision 2, is amended to read:

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

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

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

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

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

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

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

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

Sec. 26. Minnesota Statutes 2014, section 18J.04, subdivision 3, is amended to read:

Subd. 3. **Notice of inspection samples and analyses.** (a) The commissioner shall provide the owner, operator, or agent in charge with a receipt describing any samples obtained. If requested, the commissioner shall split any samples obtained and provide them to the owner, operator, or agent in charge. If an analysis is made of the samples, a copy of the results of the analysis must be furnished to the owner, operator, or agent in charge within 30 days after an analysis has been performed. If an analysis is not performed, the commissioner must notify the owner, operator, or agent in charge within 30 days of the decision not to perform the analysis.

(b) The sampling and analysis must be done according to methods provided for under applicable provisions of chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.80 to 21.92; or associated rules. In cases not covered by those sections and methods or in cases where methods are available in which improved applicability has been demonstrated the commissioner may adopt appropriate methods from other sources.

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

Sec. 27. Minnesota Statutes 2014, section 18J.04, subdivision 4, is amended to read:

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

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

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

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

Sec. 28. Minnesota Statutes 2014, section 18J.05, subdivision 1, is amended to read:

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

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

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

Sec. 29. Minnesota Statutes 2014, section 18J.05, subdivision 2, is amended to read:

Subd. 2. **Commissioner's discretion.** If minor violations of chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.80 to 21.92; or associated rules occur or the commissioner believes the public interest will be best served by a suitable notice of warning in writing, this section does not require the commissioner to:

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

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

Sec. 30. Minnesota Statutes 2014, section 18J.05, subdivision 6, is amended to read:

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

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

Sec. 31. Minnesota Statutes 2014, section 18J.06, is amended to read:

18J.06 FALSE STATEMENT OR RECORD.

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

(1) an application for registration, license, certification, or permit under chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.80 to 21.92; or associated rules;

(2) records or reports required under chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.80 to 21.92; or associated rules; or

(3) an investigation of a violation of chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.80 to 21.92; or associated rules.

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

Sec. 32. Minnesota Statutes 2014, section 18J.07, subdivision 3, is amended to read:

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

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

Sec. 33. Minnesota Statutes 2014, section 18J.07, subdivision 4, is amended to read:

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

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

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

Sec. 34. Minnesota Statutes 2014, section 18J.07, subdivision 5, is amended to read:

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

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

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

Sec. 35. Minnesota Statutes 2014, section 18J.09, is amended to read:

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

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

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

Sec. 36. Minnesota Statutes 2014, section 18J.11, subdivision 1, is amended to read:

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

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

Sec. 37. Minnesota Statutes 2014, section 18J.11, is amended by adding a subdivision to read:

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

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

Sec. 38. **[18K.01] SHORT TITLE.**

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

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

Sec. 39. **[18K.02] DEFINITIONS.**

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

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

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

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

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

Sec. 40. **[18K.03] AGRICULTURAL CROP; POSSESSION AUTHORIZED.**

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

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

Sec. 41. **[18K.04] LICENSING.**

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

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

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

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

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

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

Sec. 42. **[18K.05] ANNUAL REPORT; SALES NOTIFICATION.**

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

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

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

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

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

Sec. 43. **[18K.06] RULEMAKING.**

(a) The commissioner shall adopt rules governing the production, testing, and licensing of industrial hemp.

(b) Rules adopted under paragraph (a) must include, but not be limited to, provisions governing:

(1) the supervision and inspection of industrial hemp during its growth and harvest;

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

(3) the use of background checks results required under section 18K.04 to approve or deny a license application; and

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

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

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

Sec. 44. **[18K.07] FEES.**

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

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

Sec. 45. **[18K.08] DEFENSE FOR POSSESSION OF MARIJUANA.**

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

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

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

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

Sec. 46. **[18K.09] PILOT PROGRAM; OTHER RESEARCH AUTHORIZED.**

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

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

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

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

Sec. 47. Minnesota Statutes 2014, section 21.89, subdivision 2, is amended to read:

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

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

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

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

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

Sec. 48. Minnesota Statutes 2014, section 21.891, subdivision 2, is amended to read:

Subd. 2. **Seed fee permits.** (a) An initial labeler who wishes to sell seed in Minnesota must comply with section 21.89, subdivisions 1 and 2, and the procedures in this subdivision. Each initial labeler who wishes to sell seed in Minnesota must apply to the commissioner to obtain a permit. The application must contain the name and address of the applicant, the application date, and the name and title of the applicant's contact person.

(b) The application for a seed permit covered by section 21.89, subdivision 2, clause (1), must be accompanied by an application fee of ~~\$50~~ \$75.

(c) The application for a seed permit covered by section 21.89, subdivision 2, clause (2), must be accompanied by an application fee based on the level of annual gross sales as follows:

(1) for gross sales of \$0 to \$25,000, the annual permit fee is ~~\$50~~ \$75;

(2) for gross sales of \$25,001 to \$50,000, the annual permit fee is ~~\$100~~ \$150;

(3) for gross sales of \$50,001 to \$100,000, the annual permit fee is ~~\$200~~ \$300;

(4) for gross sales of \$100,001 to \$250,000, the annual permit fee is ~~\$500~~ \$750;

(5) for gross sales of \$250,001 to \$500,000, the annual permit fee is ~~\$1,000~~ \$1,500; and

(6) for gross sales of \$500,001 ~~and above~~ to \$1,000,000, the annual permit fee is ~~\$2,000~~ \$3,000; and

(7) for gross sales of \$1,000,001 and above, the annual permit fee is \$4,500.

(d) The application for a seed permit covered by section 21.89, subdivision 2, clause (3), must be accompanied by an application fee of ~~\$50~~ \$75. Initial labelers holding seed fee permits covered under this paragraph need not apply for a new permit or pay the application fee. Under this permit category, the fees for the following kinds of agricultural seed sold either in bulk or containers are:

- (1) oats, wheat, and barley, ~~6.3~~ 9 cents per hundredweight;
- (2) rye, field beans, ~~soybeans~~, buckwheat, and flax, ~~8.4~~ 12 cents per hundredweight;
- (3) field corn, ~~29.4~~ 17 cents per ~~hundredweight~~ 80,000 seed unit;
- (4) forage, lawn and turf grasses, and legumes, ~~49~~ 69 cents per hundredweight;
- (5) sunflower, ~~\$1.40~~ \$1.96 per hundredweight;
- (6) sugar beet, ~~\$3.29~~ 12 cents per ~~hundredweight~~ 100,000 seed unit; and
- (7) soybeans, 7.5 cents per 140,000 seed unit; and

~~(7)~~ (8) for any agricultural seed not listed in clauses (1) to ~~(6)~~ (7), the fee for the crop most closely resembling it in normal planting rate applies.

(e) If, for reasons beyond the control and knowledge of the initial labeler, seed is shipped into Minnesota by a person other than the initial labeler, the responsibility for the seed fees are transferred to the shipper. An application for a transfer of this responsibility must be made to the commissioner. Upon approval by the commissioner of the transfer, the shipper is responsible for payment of the seed permit fees.

(f) Seed permit fees may be included in the cost of the seed either as a hidden cost or as a line item cost on each invoice for seed sold. To identify the fee on an invoice, the words "Minnesota seed permit fees" must be used.

(g) All seed fee permit holders must file semiannual reports with the commissioner, even if no seed was sold during the reporting period. Each semiannual report must be submitted within 30 days of the end of each reporting period. The reporting periods are October 1 to March 31 and April 1 to September 30 of each year or July 1 to December 31 and January 1 to June 30 of each year. Permit holders may change their reporting periods with the approval of the commissioner.

(h) The holder of a seed fee permit must pay fees on all seed for which the permit holder is the initial labeler and which are covered by sections 21.80 to 21.92 and sold during the reporting period.

(i) If a seed fee permit holder fails to submit a semiannual report and pay the seed fee within 30 days after the end of each reporting period, the commissioner shall assess a penalty of \$100 or eight percent, calculated on an annual basis, of the fee due, whichever is greater, but no more than \$500 for each late semiannual report. A \$15 penalty must be charged when the semiannual report is late, even if no fee is due for the reporting period. Seed fee permits may be revoked for failure to comply with the applicable provisions of this paragraph or the Minnesota seed law.

Sec. 49. Minnesota Statutes 2014, section 21.891, subdivision 5, is amended to read:

Subd. 5. **Brand name registration fee.** The fee is ~~\$25~~ \$50 for each variety registered for sale by brand name.

Sec. 50. Minnesota Statutes 2014, section 25.341, subdivision 2, is amended to read:

Subd. 2. **Application; fee; term.** A person who is required to have a commercial feed license shall submit an application on a form provided or approved by the commissioner accompanied by a fee of ~~\$25~~ \$75 paid to the commissioner for each location. A license is not transferable from one person to another, from one ownership to

another, or from one location to another. The license year is the calendar year. A license expires on December 31 of the year for which it is issued, except that a license is valid through January 31 of the next year or until the issuance of the renewal license, whichever comes first, if the licensee has filed a renewal application with the commissioner on or before December 31 of the year for which the current license was issued. Any person who is required to have, but fails to obtain a license or a licensee who fails to comply with license renewal requirements, shall pay a ~~\$50~~ \$100 late fee in addition to the license fee.

Sec. 51. Minnesota Statutes 2014, section 25.39, subdivision 1, is amended to read:

Subdivision 1. **Amount of fee.** (a) An inspection fee at the rate of 16 cents per ton must be paid to the commissioner on commercial feeds distributed in this state by the person who first distributes the commercial feed, except that:

(1) no fee need be paid on:

(i) a commercial feed if the payment has been made by a previous distributor; or

(ii) customer formula feeds if the inspection fee is paid on the commercial feeds which are used as ingredients; or

(2) a Minnesota feed distributor who can substantiate that greater than 50 percent of the distribution of commercial feed is to purchasers outside the state may purchase commercial feeds without payment of the inspection fee under a tonnage fee exemption permit issued by the commissioner. Such location specific permits shall be issued on a calendar year basis to commercial feed distributors who submit a \$100 nonrefundable application fee and comply with rules adopted by the commissioner relative to record keeping, tonnage of commercial feed distributed in Minnesota, total of all commercial feed tonnage distributed, and all other information which the commissioner may require so as to ensure that proper inspection fee payment has been made.

(b) In the case of pet food distributed in the state only in packages of ten pounds or less, a listing of each product and a current label for each product must be submitted annually on forms provided by the commissioner and accompanied by an annual fee of ~~\$50~~ \$100 for each product in lieu of the inspection fee. This annual fee is due by July 1. The inspection fee required by paragraph (a) applies to pet food distributed in packages exceeding ten pounds.

(c) In the case of specialty pet food distributed in the state only in packages of ten pounds or less, a listing of each product and a current label for each product must be submitted annually on forms provided by the commissioner and accompanied by an annual fee of ~~\$25~~ \$100 for each product in lieu of the inspection fee. This annual fee is due by July 1. The inspection fee required by paragraph (a) applies to specialty pet food distributed in packages exceeding ten pounds.

(d) The minimum inspection fee is ~~\$40~~ \$75 per annual reporting period.

Sec. 52. Minnesota Statutes 2014, section 25.39, subdivision 1a, is amended to read:

Subd. 1a. **Containers of ten pounds or less.** A distributor who is subject to the annual fee specified in subdivision 1, paragraph (b) or (c), shall do the following:

(1) before beginning distribution, file with the commissioner a listing of pet and specialty pet foods to be distributed in the state only in containers of ten pounds or less, on forms provided by the commissioner. The listing under this clause must be renewed annually before July 1 and is the basis for the payment of the annual fee. New products added during the year must be submitted to the commissioner as a supplement to the annual listing before distribution; and

(2) if the annual renewal of the listing is not received before July 1 or if an unlisted product is distributed, pay a late filing fee of ~~\$10~~ \$100 per product in addition to the normal charge for the listing. The late filing fee under this clause is in addition to any other penalty under this chapter.

Sec. 53. **[28A.152] COTTAGE FOODS EXEMPTION.**

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

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

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

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

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

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

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

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

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

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

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

(1) directly to the ultimate consumer;

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

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

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

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

(d) Food products exempt under subdivision 1 may be sold over the Internet but must be delivered directly to the ultimate consumer by the individual who prepared the food product. The statement "These products are homemade and not subject to state inspection." must be displayed on the Web site that offers the exempt foods for purchase.

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

Subd. 4. **Registration.** An individual who prepares and sells exempt food under subdivision 1 must register annually with the commissioner. The annual registration fee is \$50. An individual with \$5,000 or less in annual gross receipts from the sale of exempt food under this section is not required to pay the registration fee.

Subd. 5. **Training.** (a) An individual with gross receipts between \$5,000 and \$18,000 in a calendar year from the sale of exempt food under this section must complete a safe food handling training course that is approved by the commissioner before registering under subdivision 4. The training shall not exceed eight hours and must be completed every three years while the individual is registered under subdivision 4.

(b) An individual with gross receipts of less than \$5,000 in a calendar year from the sale of exempt food under this section must satisfactorily complete an online course and exam as approved by the commissioner before registering under subdivision 4. The commissioner shall offer the online course and exam under this paragraph at no cost to the individual.

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

Subd. 7. **Account established.** A cottage foods account is created as a separate account in the agricultural fund in the state treasury for depositing money received by the commissioner under this section. Money in the account, including interest, is appropriated to the commissioner for purposes of this section.

Sec. 54. Minnesota Statutes 2014, section 32.075, is amended to read:

32.075 TERM OF LICENSE; TRANSFERABILITY; FEES AND PENALTIES.

Every ~~An initial~~ license issued by the commissioner ~~shall be for a period ending~~ expires on the following ~~December 31st day of December next following,~~ and shall ~~is not be~~ transferable. ~~A renewal license is valid for two years and expires on December 31 of the second year.~~ The fee for ~~each such an~~ initial or renewal license ~~shall be \$50 and each renewal thereof shall be \$25 and is \$60.~~ The fee shall be paid to the commissioner before ~~any the~~ commissioner issues an initial or renewal license ~~or renewal thereof is issued.~~ If a license renewal is not applied for on or before January 1 of each year, a penalty of ~~\$40~~ \$30 shall be imposed. A person who does not renew a license within one year following its December 31 expiration date, except those persons who do not renew such license while engaged in active military service, shall be required to prove competency and qualification pursuant to section 32.073, before a license is issued. The commissioner may require any other person who renews a license to prove competency and qualification in the same manner. All license fees and penalties received by the commissioner shall be ~~paid into the state treasury~~ deposited in the dairy services account in the agricultural fund.

Sec. 55. Minnesota Statutes 2014, section 32.105, is amended to read:

32.105 MILK PROCUREMENT FEE.

Each dairy plant operator within the state must pay to the commissioner on or before the 18th of each month a fee of ~~.74~~ 1.1 cents per hundredweight of milk purchased the previous month. If a milk producer within the state ships milk out of the state for sale, the producer must pay the fee to the commissioner unless the purchaser voluntarily pays the fee.

Producers who ship milk out of state or processors must submit monthly reports as to milk purchases along with the appropriate procurement fee to the commissioner. The commissioner may have access to all relevant purchase or sale records as necessary to verify compliance with this section and may require the producer or purchaser to produce records as necessary to determine compliance.

The fees collected under this section must be deposited in the dairy services account in the agricultural fund. Money in the account, including interest earned, is appropriated to the commissioner to administer this chapter.

Sec. 56. **[41A.14] AGRICULTURE RESEARCH, EDUCATION, EXTENSION, AND TECHNOLOGY TRANSFER GRANT PROGRAM.**

Subdivision 1. **Duties; grants.** The agriculture research, education, extension, and technology transfer grant program is created. The purpose of the grant program is to provide investments that will most efficiently achieve long-term agricultural productivity increases through improved infrastructure, vision, and accountability. The scope and intent of the grants, to the extent possible, shall provide for a long-term base funding that allows the research grantee to continue the functions of the research, education, and extension efforts to a practical conclusion. Priority for grants shall be given to human infrastructure. The commissioner shall provide grants for:

(1) agricultural research and technology transfer needs and recipients including agricultural research and extension at the University of Minnesota, research and outreach centers, the College of Food, Agricultural and Natural Resource Sciences, the Minnesota Agricultural Experiment Station, University of Minnesota Extension Service, the University of Minnesota Veterinary School, the Veterinary Diagnostic Laboratory, the Stakman-Borlaug Center, and the Minnesota Agriculture Fertilizer Research and Education Council;

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

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

Subd. 2. **Advisory panel.** In awarding grants under this section, the commissioner must consult with an advisory panel consisting of the following stakeholders:

(1) a representative of the College of Food, Agricultural and Natural Resource Sciences at the University of Minnesota;

(2) a representative of the Minnesota State Colleges and Universities system;

(3) a representative of the Minnesota Farm Bureau;

(4) a representative of the Minnesota Farmers Union;

(5) a person representing agriculture industry statewide;

(6) a representative of each of the state commodity councils organized under section 17.54 and the Minnesota Pork Board;

(7) a person representing an association of primary manufacturers of forest products;

(8) a person representing organic or sustainable agriculture; and

(9) a person representing statewide environment and natural resource conservation organizations.

Subd. 3. **Account.** An agriculture research, education, extension, and technology transfer account is created in the agricultural fund in the state treasury. The account consists of money received in the form of gifts, grants, reimbursement, or appropriations from any source for any of the purposes provided in subdivision 1, and any interest or earnings of the account. Money in the account is appropriated to the commissioner of agriculture for the purposes under subdivision 1.

Sec. 57. **[41A.15] DEFINITIONS.**

Subdivision 1. **Scope.** For the purposes of sections 41A.15 to 41A.18, the terms defined in this section have the meanings given them.

Subd. 2. **Advanced biofuel.** "Advanced biofuel" has the meaning given in section 239.051, subdivision 1a.

Subd. 3. **Biomass thermal production.** "Biomass thermal production" means the generation of energy for commercial heat or industrial process heat from a cellulosic material or other material composed of forestry or agricultural feedstocks for a new or expanding capacity facility or a facility that is displacing existing use of fossil fuel after the effective date of this section.

Subd. 4. **Cellulosic biomass.** "Cellulosic biomass" means material primarily made up of cellulose, hemicellulose, or lignin, or a combination of those ingredients.

Subd. 5. **Cellulosic sugar.** "Cellulosic sugar" means sugar derived from cellulosic biomass from agricultural or forestry resources.

Subd. 6. **Commissioner.** "Commissioner" means the commissioner of agriculture.

Subd. 7. **Cover crops.** "Cover crops" means grasses, legumes, forbs, or other herbaceous plants that are known to be noninvasive and not listed as a noxious weed in Minnesota and that are either interseeded into living cash crops or planted on agricultural fields during fallow periods for seasonal cover and conservation purposes.

Subd. 8. **MMbtu.** "MMbtu" means 1,000,000 British thermal units.

Subd. 9. **Perennial crops.** "Perennial crops" means agriculturally produced plants that are known to be noninvasive and not listed as a noxious weed in Minnesota and that have a life cycle of at least three years at the location where the plants are being cultivated. Biomass from alfalfa produced in a two-year rotation shall be considered a perennial crop.

Subd. 10. **Renewable chemical.** "Renewable chemical" means a chemical with biobased content as defined in section 41A.105, subdivision 1a.

Sec. 58. **[41A.16] ADVANCED BIOFUEL PRODUCTION INCENTIVE.**

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

(b) No payments shall be made for advanced biofuel production that occurs after June 30, 2035, for those eligible biofuel producers under paragraph (a).

(c) An eligible producer of advanced biofuel shall not transfer the producer's eligibility for payments under this section to an advanced biofuel facility at a different location.

(d) A producer that ceases production for any reason is ineligible to receive payments under this section until the producer resumes production.

(e) Renewable chemical production for which payment has been received under section 41A.17, and biomass thermal production for which payment has been received under section 41A.18, are not eligible for payment under this section.

Subd. 2. Payment amounts; limits. (a) The commissioner shall make payments to eligible producers of advanced biofuel. The amount of the payment for each eligible producer's annual production is \$2.1053 per MMBtu for advanced biofuel production from cellulosic biomass, and \$1.053 per MMBtu for advanced biofuel production from sugar or starch at a specific location for ten years after the start of production.

(b) Total payments under this section to an eligible biofuel producer in a fiscal year may not exceed the amount necessary for 2,850,000 MMBtu of biofuel production. Total payments under this section to all eligible biofuel producers in a fiscal year may not exceed the amount necessary for 17,100,000 MMBtu of biofuel production. The commissioner shall award payments on a first-come, first-served basis within the limits of available funding.

(c) For purposes of this section, an entity that holds a controlling interest in more than one advanced biofuel facility is considered a single eligible producer.

Subd. 3. Perennial and cover crops required. To be eligible for payment under this section, a producer that produces advanced biofuel from agricultural cellulosic biomass other than corn kernel fiber or biogas must derive at least the following portions of the producer's total eligible MMBtus from perennial crop or cover crop biomass:

- (1) ten percent during the first two years of eligible production;
- (2) 30 percent during the third and fourth years of eligible production; and
- (3) 50 percent during the fifth through tenth years of eligible production.

Subd. 4. Cellulosic forestry biomass requirements. All forestry-derived cellulosic biomass must be produced using Minnesota state biomass harvesting guidelines or the equivalent. All biomass from brushlands must be produced using Minnesota brushland harvesting biomass harvest guidelines or the equivalent. Forestry-derived cellulosic biomass that comes from land parcels greater than 160 acres must be certified by the Forest Stewardship Council, Sustainable Forestry Initiative, or American Tree Farm System. Uncertified land from parcels of 160 acres or less and federal land must be harvested by a logger who has completed training for biomass harvesting from the Minnesota logger education program or the equivalent and have a forest stewardship plan.

Subd. 5. Agricultural cellulosic biomass sourcing plan. (a) An eligible producer who utilizes agricultural cellulosic biomass must submit a responsible biomass sourcing plan for approval by the commissioner prior to applying for payments under this section. The commissioner shall make the plan publicly available. The plan must:

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

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

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

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

(5) require agronomic practices that result in a positive Natural Resources Conservation Service Soil Conditioning Index score for acres from which biomass from corn stover will be harvested; and

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

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

Subd. 6. **Claims.** (a) By the last day of October, January, April, and July, each eligible biofuel producer shall file a claim for payment for advanced biofuel production during the preceding three calendar months. An eligible biofuel producer that files a claim under this subdivision shall include a statement of the eligible biofuel producer's total advanced biofuel production in Minnesota during the quarter covered by the claim. For each claim and statement of total advanced biofuel production filed under this subdivision, the volume of advanced biofuel production must be examined by a CPA firm with a valid permit to practice under chapter 326A, in accordance with Statements on Standards for Attestation Engagements established by the American Institute of Certified Public Accountants.

(b) The commissioner must issue payments by November 15, February 15, May 15, and August 15. A separate payment must be made for each claim filed.

Sec. 59. **[41A.17] RENEWABLE CHEMICAL PRODUCTION INCENTIVE.**

Subdivision 1. **Eligibility.** (a) A facility eligible for payment under this program must source at least 80 percent biobased content, as defined in section 41A.105, subdivision 1a, clause (1), from Minnesota. If a facility is sited 50 miles or less from the state border, biobased content must be sourced from within a 100-mile radius. Biobased content must be from agricultural or forestry sources or from solid waste. The facility must be located in Minnesota, must begin production at a specific location by June 30, 2025, and must not begin production of 3,000,000 pounds of chemicals annually before January 1, 2015. Eligible facilities include existing companies and facilities that are adding production capacity, or retrofitting existing capacity, as well as new companies and facilities. Eligible renewable chemical facilities must produce at least 3,000,000 pounds per year. Renewable chemicals produced through processes that are fully commercial before January 1, 2000, are not eligible.

(b) No payments shall be made for renewable chemical production that occurs after June 30, 2035, for those eligible renewable chemical producers under paragraph (a).

(c) An eligible producer of renewable chemicals shall not transfer the producer's eligibility for payments under this section to a renewable chemical facility at a different location.

(d) A producer that ceases production for any reason is ineligible to receive payments under this section until the producer resumes production.

(e) Advanced biofuel production for which payment has been received under section 41A.16, and biomass thermal production for which payment has been received under section 41A.18, are not eligible for payment under this section.

Subd. 2. Payment amounts; bonus; limits. (a) The commissioner shall make payments to eligible producers of renewable chemicals located in the state. The amount of the payment for each producer's annual production is \$0.03 per pound of sugar-derived renewable chemical, \$0.03 per pound of cellulosic sugar, and \$0.06 per pound of cellulosic-derived renewable chemical produced at a specific location for ten years after the start of production.

(b) An eligible facility producing renewable chemicals using agricultural cellulosic biomass is eligible for a 20 percent bonus payment for each MMBtu produced from agricultural biomass that is derived from perennial crop or cover crop biomass.

(c) Total payments under this section to an eligible renewable chemical producer in a fiscal year may not exceed the amount necessary for 99,999,999 pounds of renewable chemical production. Total payments under this section to all eligible renewable chemical producers in a fiscal year may not exceed the amount necessary for 599,999,999 pounds of renewable chemical production. The commissioner shall award payments on a first-come, first-served basis within the limits of available funding.

(d) For purposes of this section, an entity that holds a controlling interest in more than one renewable chemical production facility is considered a single eligible producer.

Subd. 3. Cellulosic biomass requirements. All forestry-derived cellulosic biomass must be produced using Minnesota state biomass harvesting guidelines or the equivalent. All cellulosic biomass from brushlands must be produced using Minnesota brushland harvesting biomass harvest guidelines or the equivalent. Forestry-derived cellulosic biomass that comes from land parcels greater than 160 acres must be certified by the Forest Stewardship Council, Sustainable Forestry Initiative, or American Tree Farm System. Uncertified land from parcels of 160 acres or less and federal land must be harvested by a logger who has completed training for biomass harvesting from the Minnesota logger education program or the equivalent and have a forest stewardship plan.

Subd. 4. Agricultural cellulosic biomass sourcing plan. (a) An eligible producer who utilizes agricultural cellulosic biomass must submit a responsible biomass sourcing plan to the commissioner prior to applying for payments under this section. The plan must:

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

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

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

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

(b) An eligible producer who utilizes agricultural cellulosic biomass and receives payments under this section shall submit an annual report on the producer's responsible biomass sourcing plan to the commissioner by January 15 each year. The report must include data on progress made by the producer in meeting specific goals laid out in the

plan. The commissioner shall make the report publicly available. The commissioner shall perform an annual review of submitted reports and may make a determination that the producer is not following the plan based on the reports submitted. The commissioner may take appropriate steps, including reducing or ceasing payments, until the producer is in compliance with the plan.

Subd. 5. **Claims.** (a) By the last day of October, January, April, and July, each eligible renewable chemical producer shall file a claim for payment for renewable chemical production during the preceding three calendar months. An eligible renewable chemical producer that files a claim under this subdivision shall include a statement of the eligible producer's total renewable chemical production in Minnesota during the quarter covered by the claim. For each claim and statement of total renewable chemical production filed under this paragraph, the volume of renewable chemical production must be examined by a CPA firm with a valid permit to practice under chapter 326A, in accordance with Statements on Standards for Attestation Engagements established by the American Institute of Certified Public Accountants.

(b) The commissioner must issue payments by November 15, February 15, May 15, and August 15. A separate payment must be made for each claim filed.

Sec. 60. **[41A.18] BIOMASS THERMAL PRODUCTION INCENTIVE.**

Subdivision 1. **Eligibility.** (a) A facility eligible for payment under this section must source at least 80 percent raw materials from Minnesota. If a facility is sited 50 miles or less from the state border, raw materials should be sourced from within a 100-mile radius. Raw materials must be from agricultural or forestry sources. The facility must be located in Minnesota, must have begun production at a specific location by June 30, 2025, and must not begin before July 1, 2015. Eligible facilities include existing companies and facilities that are adding production capacity, or retrofitting existing capacity, as well as new companies and facilities. Eligible biomass thermal production facilities must produce at least 1,000 MMBtu per year.

(b) No payments shall be made for biomass thermal production that occurs after June 30, 2035, for those eligible biomass thermal producers under paragraph (a).

(c) An eligible producer of biomass thermal production shall not transfer the producer's eligibility for payments under this section to a biomass thermal production facility at a different location.

(d) A producer that ceases production for any reason is ineligible to receive payments under this section until the producer resumes production.

(e) Biofuel production for which payment has been received under section 41A.16, and renewable chemical production for which payment has been received under section 41A.17, are not eligible for payment under this section.

Subd. 2. **Payment amounts; bonus; limits; blending.** (a) The commissioner shall make payments to eligible producers of biomass thermal located in the state. The amount of the payment for each producer's annual production is \$5.00 per MMBtu of biomass thermal production produced at a specific location for ten years after the start of production.

(b) An eligible facility producing biomass thermal using agricultural cellulosic biomass is eligible for a 20 percent bonus payment for each MMBtu produced from agricultural biomass that is derived from perennial crop or cover crop biomass.

(c) Total payments under this section to an eligible thermal producer in a fiscal year may not exceed the amount necessary for 30,000 MMBtu of thermal production. Total payments under this section to all eligible thermal producers in a fiscal year may not exceed the amount necessary for 150,000 MMBtu of total thermal production. The commissioner shall award payments on a first-come, first-served basis within the limits of available funding.

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

(e) For purposes of this section, an entity that holds a controlling interest in more than one biomass thermal production facility is considered a single eligible producer.

Subd. 3. **Cellulosic biomass requirements.** All forestry-derived cellulosic biomass must be produced using Minnesota state biomass harvesting guidelines or the equivalent. All biomass from brushland must be produced using Minnesota brushland harvesting biomass guidelines or the equivalent. Forestry-derived cellulosic biomass that comes from land parcels greater than 160 acres must be certified by the Forest Stewardship Council, the Sustainable Forestry Initiative, or American Tree Farm. Uncertified land from parcels of 160 acres or less and federal land must be harvested by a logger who has completed training for biomass harvesting from the Minnesota logger education program or the equivalent and have a forest stewardship plan.

Subd. 4. **Agricultural cellulosic biomass sourcing plan.** (a) An eligible producer who utilizes agricultural cellulosic biomass must submit a responsible biomass sourcing plan to the commissioner prior to applying for payments under this section. The plan must:

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

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

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

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

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

Subd. 5. **Claims.** (a) By the last day of October, January, April, and July, each producer shall file a claim for payment for biomass thermal production during the preceding three calendar months. A producer that files a claim under this subdivision shall include a statement of the producer's total biomass thermal production in Minnesota during the quarter covered by the claim. For each claim and statement of total biomass thermal production filed under this paragraph, the volume of biomass thermal production must be examined by a CPA firm with a valid permit to practice under chapter 326A, in accordance with Statements on Standards for Attestation Engagements established by the American Institute of Certified Public Accountants.

(b) The commissioner must issue payments by November 15, February 15, May 15, and August 15. A separate payment shall be made for each claim filed.

Sec. 61. **[41A.19] REPORT; INCENTIVE PROGRAMS.**

By January 15 each year, the commissioner shall report on the incentive programs under sections 41A.16, 41A.17, and 41A.18 to the legislative committees with jurisdiction over environment and agriculture policy and finance. The report shall include information on production and incentive expenditures under the programs.

Sec. 62. Minnesota Statutes 2014, section 41B.03, subdivision 6, is amended to read:

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

Sec. 63. Minnesota Statutes 2014, section 41B.03, is amended by adding a subdivision to read:

Subd. 7. **Rural Finance Authority administrative account.** There is established in the agricultural fund a Rural Finance Authority administrative account. Money in the account, including interest, is appropriated to the commissioner of agriculture for the administrative expenses of the loan programs administered by the Rural Finance Authority.

Sec. 64. Minnesota Statutes 2014, section 41B.04, subdivision 17, is amended to read:

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

Sec. 65. Minnesota Statutes 2014, section 41B.043, subdivision 3, is amended to read:

Subd. 3. **Application and origination fee.** The authority may impose a reasonable nonrefundable application fee for each application submitted for a participation issued under the agricultural improvement loan program. The application fee is initially \$50. The authority may review the fees annually and make adjustments as necessary. The fees must be deposited in the state treasury and credited to ~~an account in the special revenue fund. Money in this account is appropriated to the commissioner for administrative expenses of the agricultural improvement loan program~~ the Rural Finance Authority administrative account established in section 41B.03.

Sec. 66. Minnesota Statutes 2014, section 41B.045, subdivision 3, is amended to read:

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

Sec. 67. Minnesota Statutes 2014, section 41B.045, subdivision 4, is amended to read:

Subd. 4. **Application and origination fee.** The authority may impose a reasonable nonrefundable application fee for each application for a loan participation and an origination fee for each loan issued under the livestock expansion loan program. The origination fee initially shall be set at 1.5 percent and the application fee at \$50. The

authority may review the fees annually and make adjustments as necessary. The fees must be deposited in the state treasury and credited to ~~an account in the special revenue fund. Money in this account is appropriated to the commissioner for administrative expenses of the livestock expansion loan program~~ the Rural Finance Authority administrative account established in section 41B.03.

Sec. 68. Minnesota Statutes 2014, section 41B.046, subdivision 5, is amended to read:

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

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

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

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

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

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

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

Sec. 69. Minnesota Statutes 2014, section 41B.047, subdivision 1, is amended to read:

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

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

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

(3) restore farmland; or

(4) replace flocks, make building improvements, and cover the loss of revenue when the replacement, improvements, or loss of revenue is due to the confirmed presence of the highly pathogenic avian influenza in a commercial poultry or game flock located in Minnesota.

Sec. 70. Minnesota Statutes 2014, section 41B.047, subdivision 3, is amended to read:

Subd. 3. **Eligibility.** To be eligible for this program, a borrower must:

(1) meet the requirements of section 41B.03, subdivision 1;

(2) certify that the damage or loss was (i) sustained within a county that was the subject of a state or federal disaster declaration or (ii) due to the confirmed presence of the highly pathogenic avian influenza in a commercial poultry or game flock located in Minnesota;

(3) demonstrate an ability to repay the loan; and

~~(4) have a total net worth, including assets and liabilities of the borrower's spouse and dependents, of less than \$660,000 in 2004 and an amount in subsequent years which is adjusted for inflation by multiplying that amount by the cumulative inflation rate as determined by the Consumer Price Index; and~~

~~(5)~~ (4) have received at least 50 percent of average annual gross income from farming for the past three years.

Sec. 71. Minnesota Statutes 2014, section 41B.047, subdivision 4, is amended to read:

Subd. 4. **Loans.** (a) The authority may participate in a disaster recovery loan with an eligible lender to a farmer who is eligible under subdivision 3. Participation is limited to 45 percent of the principal amount of the loan or ~~\$50,000~~ \$200,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may differ from the interest rates and repayment terms of the lender's retained portion of the loan, but the authority's interest rate must not exceed four percent.

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

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

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

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

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

Sec. 72. Minnesota Statutes 2014, section 41B.048, subdivision 6, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

(j) The interest payable on loans made by the authority for the agroforestry loan program must, if funded by revenue bond proceeds, be at a rate not less than the rate on the revenue bonds, and may be established at a higher rate necessary to pay costs associated with the issuance of the revenue bonds and a proportionate share of the cost of administering the program. The interest payable on loans for the agroforestry loan program funded from sources other than revenue bond proceeds must be at a rate determined by the authority.

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

Sec. 73. Minnesota Statutes 2014, section 41B.049, subdivision 4, is amended to read:

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

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

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

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

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

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

Sec. 74. Minnesota Statutes 2014, section 41B.055, subdivision 3, is amended to read:

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

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

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

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

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

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

Sec. 75. Minnesota Statutes 2014, section 41B.056, subdivision 2, is amended to read:

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

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

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

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

Sec. 76. **[41B.057] FARM OPPORTUNITY LOAN PROGRAM.**

Subdivision 1. **Establishment.** The authority shall establish a farm opportunity loan program to provide loans that enable farmers to:

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

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

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

(4) increase production of on-farm energy.

Subd. 2. **Loan criteria.** (a) The farm opportunity loan program shall provide loans for purchase of new or used equipment and installation of equipment for projects that make environmental improvements and enhance farm profitability. The loan program shall also be used to add value to crops or livestock produced in Minnesota by, but not limited to, initiating or expanding livestock product processing; purchasing equipment to initiate, upgrade, or modernize value-added agricultural businesses; or increasing farmers' processing and aggregating capacity facilitating entry into farm-to-institution and other markets. Eligible loan uses do not include expenses related to seeds, fertilizer, fuel, or other operating expenses.

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

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

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

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

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

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

Sec. 77. Minnesota Statutes 2014, section 41B.06, is amended to read:

41B.06 RURAL FINANCE AUTHORITY REVOLVING LOAN ACCOUNT.

There is established in the rural finance administration fund a Rural Finance Authority revolving loan account that is eligible to receive appropriations and the transfer of loan funds from other programs. All repayments of financial assistance granted from this account, including principal and interest, must be deposited into this account. Interest earned on money in the account accrues to the account, and the money in the account is appropriated to the commissioner of agriculture for purposes of the Rural Finance Authority livestock equipment, methane digester, disaster recovery, value-added agricultural product, agroforestry, ~~and~~ agricultural microloan, and farm opportunity loan programs, including costs incurred by the authority to establish and administer the programs.

Sec. 78. Minnesota Statutes 2014, section 135A.52, is amended by adding a subdivision to read:

Subd. 6. **Farm business management.** Minnesota State Colleges and Universities campuses that offer farm business management may specify space availability in the delivery of farm business management courses.

Sec. 79. Minnesota Statutes 2014, section 375.30, subdivision 2, is amended to read:

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

Sec. 80. Minnesota Statutes 2014, section 500.24, subdivision 4, is amended to read:

Subd. 4. **Reports.** (a) The chief executive officer of every pension or investment fund, corporation, limited partnership, limited liability company, or entity that is seeking to qualify for an exemption from the commissioner, and the trustee of a family farm trust that holds any interest in agricultural land or land used for the breeding, feeding, pasturing, growing, or raising of livestock, dairy or poultry, or products thereof, or land used for the production of agricultural crops or fruit or other horticultural products, other than a bona fide encumbrance taken for purposes of security, or which is engaged in farming or proposing to commence farming in this state after May 20, 1973, shall file with the commissioner a report containing the following information and documents:

(1) the name of the pension or investment fund, corporation, limited partnership, or limited liability company and its place of incorporation, certification, or registration;

(2) the address of the pension or investment plan headquarters or of the registered office of the corporation in this state, the name and address of its registered agent in this state and, in the case of a foreign corporation, limited partnership, or limited liability company, the address of its principal office in its place of incorporation, certification, or registration;

(3) the acreage and location listed by quarter-quarter section, township, and county of each lot or parcel of agricultural land or land used for the keeping or feeding of poultry in this state owned or leased by the pension or investment fund, limited partnership, corporation, or limited liability company;

(4) the names and addresses of the officers, administrators, directors, or trustees of the pension or investment fund, or of the officers, shareholders owning more than ten percent of the stock, including the percent of stock owned by each such shareholder, the members of the board of directors of the corporation, and the members of the limited liability company, and the general and limited partners and the percentage of interest in the partnership by each partner;

(5) the farm products which the pension or investment fund, limited partnership, corporation, or limited liability company produces or intends to produce on its agricultural land;

(6) with the first report, a copy of the title to the property where the farming operations are or will occur indicating the particular exception claimed under subdivision 3; and

(7) with the first or second report, a copy of the conservation plan proposed by the soil and water conservation district, and with subsequent reports a statement of whether the conservation plan was implemented.

The report of a corporation, trust, limited liability company, or partnership seeking to qualify hereunder as a family farm corporation, an authorized farm corporation, an authorized livestock farm corporation, a family farm partnership, an authorized farm partnership, a family farm limited liability company, an authorized farm limited liability company, or a family farm trust or under an exemption from the commissioner shall contain the following additional information: the number of shares, partnership interests, or governance and financial rights owned by persons or current beneficiaries of a family farm trust residing on the farm or actively engaged in farming, or their

relatives within the third degree of kindred according to the rules of the civil law or their spouses; the name, address, and number of shares owned by each shareholder, partnership interests owned by each partner or governance and financial rights owned by each member, and a statement as to percentage of gross receipts of the corporation derived from rent, royalties, dividends, interest, and annuities. No pension or investment fund, limited partnership, corporation, or limited liability company shall commence farming in this state until the commissioner has inspected the report and certified that its proposed operations comply with the provisions of this section.

(b) Every pension or investment fund, limited partnership, trust, corporation, or limited liability company as described in paragraph (a) shall, prior to April 15 of each year, file with the commissioner a report containing the information required in paragraph (a), based on its operations in the preceding calendar year and its status at the end of the year. A pension or investment fund, limited partnership, corporation, or limited liability company that does not file the report by April 15 must pay a \$500 civil penalty. The penalty is a lien on the land being farmed under subdivision 3 until the penalty is paid.

(c) The commissioner may, for good cause shown, issue a written waiver or reduction of the civil penalty for failure to make a timely filing of the annual report required by this subdivision. The waiver or reduction is final and conclusive with respect to the civil penalty, and may not be reopened or modified by an officer, employee, or agent of the state, except upon a showing of fraud or malfeasance or misrepresentation of a material fact. The report required under paragraph (b) must be completed prior to a reduction or waiver under this paragraph. The commissioner may enter into an agreement under this paragraph only once for each corporation or partnership.

(d) All reports required by paragraph (a) shall include a filing fee of \$15. The fee must be deposited in the state treasury and credited to an account in the agricultural fund. Money in the account, including interest, is appropriated to the commissioner for the administrative expenses of this section.

~~(d)~~ (e) Failure to file a required report or the willful filing of false information is a gross misdemeanor.

Sec. 81. Minnesota Statutes 2014, section 583.215, is amended to read:

583.215 EXPIRATION.

Sections 336.9-601, subsections (h) and (i); 550.365; 559.209; 582.039; and 583.20 to 583.32, expire June 30, ~~2016~~ 2017.

EFFECTIVE DATE. This section is effective May 23, 2016, if the legislature does not meet in regular session in calendar year 2016 before May 23, 2016. If the legislature meets in regular session in calendar year 2016 before May 23, 2016, this section is void.

Sec. 82. Laws 2014, chapter 312, article 12, section 3, is amended to read:

Sec. 3. **AGRICULTURE.**

\$-0-

\$2,750,000

\$2,000,000 in 2015 is for a grant to Second Harvest Heartland on behalf of the six Feeding America food banks that serve Minnesota to compensate agricultural producers and processors for costs incurred to harvest and package for transfer surplus fruits, vegetables, or other agricultural commodities that would otherwise go unharvested ~~or~~ be discarded, or be sold in a secondary market. Surplus commodities must be distributed statewide to food shelves and other charitable organizations that are eligible to receive food from the food banks. Surplus food acquired under this appropriation must be from Minnesota producers and processors.

Second Harvest Heartland must report when required by, and in the form prescribed by, the commissioner. ~~For fiscal year 2015, Second Harvest Heartland may use up to 11 percent of any grant received for administrative expenses and up to four percent of the grant for transportation expenses. For fiscal years 2016 and 2017, Second Harvest Heartland may use up to five percent of any grant received for administrative expenses.~~ This is a onetime appropriation and is available until June 30, 2017.

The commissioner shall examine how other states are implementing the industrial hemp research authority provided in Public Law 113-79 and gauge the interest of Minnesota higher education institutions. No later than January 15, 2015, the commissioner must report the information and items for legislative consideration to the legislative committees with jurisdiction over agriculture policy and finance.

\$350,000 in 2015 is for an increase in retail food handler inspections.

\$200,000 in 2015 is added to the appropriation in Laws 2013, chapter 114, article 1, section 3, subdivision 4, for distribution to the state's county fairs. This is a onetime appropriation.

\$200,000 in 2015 is for a grant as determined by the commissioner to a public higher education institution to research porcine epidemic diarrhea virus. This is a onetime appropriation and is available until June 30, 2017.

Sec. 83. **LIVESTOCK INDUSTRY STUDY.**

The commissioner of agriculture must identify causes of the relative growth or decline in the number of head of poultry and livestock produced in Minnesota, Iowa, North Dakota, South Dakota, Wisconsin, and Nebraska over the last ten years, including but not limited to the impact of nuisance conditions and lawsuits filed against poultry or livestock farms. No later than February 1, 2016, the commissioner must report findings by poultry and livestock sector and provide recommendations on how to strengthen and expand Minnesota animal agriculture to the legislative committees with jurisdiction over agriculture policy and finance.

Sec. 84. **CORRECTIONAL FACILITY VOCATIONAL TRAINING PILOT PROGRAM.**

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

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

(1) Northeast Regional Corrections Center; and

(2) United Food and Commercial Workers.

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

Subd. 4. **Expiration.** This section expires on June 30, 2017.

Sec. 85. URBAN AGRICULTURE DEVELOPMENT PROPOSAL.

The commissioner of agriculture must convene interested stakeholders and develop a proposal to effectively and efficiently promote urban agriculture in Minnesota cities. For purposes of this section, "urban agriculture" means producing agricultural plants, poultry, or livestock on public or private property within city limits. No later than January 15, 2016, the commissioner must report to the legislative committees with jurisdiction over agriculture policy and finance and submit proposed legislation that includes a new definition of urban agriculture if the commissioner and stakeholders determine that a different definition more accurately defines urban agriculture.

Sec. 86. BALANCES TRANSFERRED; ACCOUNTS ABOLISHED.

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

The balance in the account created under Minnesota Statutes, section 17.115, is transferred to the Rural Finance Authority revolving loan account established under Minnesota Statutes, section 41B.06, and the original account is abolished.

Sec. 87. REPEALER.

Minnesota Statutes 2014, sections 17.115; 28A.15, subdivisions 9 and 10; and 116V.03, are repealed.

ARTICLE 3
ENVIRONMENT AND NATURAL RESOURCES APPROPRIATIONS

Section 1. ENVIRONMENT AND NATURAL RESOURCES APPROPRIATIONS.

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2016" and "2017" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2016, or June 30, 2017, respectively. "The first year" is fiscal year 2016. "The second year" is fiscal year 2017. "The biennium" is fiscal years 2016 and 2017. Appropriations for the fiscal year ending June 30, 2015, are effective the day following final enactment.

	<u>APPROPRIATIONS</u>	
	<u>Available for the Year</u>	
	<u>Ending June 30</u>	
	<u>2016</u>	<u>2017</u>
Sec. 2. <u>POLLUTION CONTROL AGENCY</u>		
Subdivision 1. <u>Total Appropriation</u>	<u>\$94,582,000</u>	<u>\$91,784,000</u>

Appropriations by Fund

	<u>2016</u>	<u>2017</u>
<u>General</u>	6,395,000	5,727,000
<u>State Government</u>		
<u>Special Revenue</u>	75,000	75,000
<u>Environmental</u>	73,480,000	74,548,000
<u>Remediation</u>	14,632,000	11,434,000

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

The commissioner must present the agency's biennial budget for fiscal years 2018 and 2019 to the legislature in a transparent way by agency division, including the proposed budget bill and presentations of the budget to committees and divisions with jurisdiction over the agency's budget.

Subd. 2. Water26,388,00026,081,000Appropriations by Fund

	<u>2016</u>	<u>2017</u>
<u>General</u>	4,307,000	3,627,000
<u>State Government Special</u>		
<u>Revenue</u>	75,000	75,000
<u>Environmental</u>	22,006,000	22,379,000

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

\$753,000 the first year and \$765,000 the second year are from the environmental fund to address the need for continued increased activity in the areas of new technology review, technical assistance for local governments, and enforcement under Minnesota Statutes, sections 115.55 to 115.58, and to complete the requirements of Laws 2003, chapter 128, article 1, section 165.

\$673,000 the first year and \$683,000 the second year are from the environmental fund for subsurface sewage treatment system (SSTS) program administration and community technical assistance and education, including grants and technical assistance to communities for water quality protection. Of this amount, \$129,000 each year is for assistance to counties through grants for SSTS program administration. A county receiving a grant from this appropriation shall submit the results achieved with the grant

to the commissioner as part of its annual SSTS report. Any unexpended balance in the first year does not cancel but is available in the second year.

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

\$913,000 the first year and \$913,000 the second year are from the environmental fund to continue perfluorochemical biomonitoring in eastern metropolitan communities, as recommended by the Environmental Health Tracking and Biomonitoring Advisory Panel, and address other environmental health risks, including air quality. The communities must include Hmong and other immigrant farming communities. Of this amount, up to \$677,000 the first year and \$677,000 the second year are for transfer to the Department of Health.

\$250,000 the first year and \$250,000 the second year are from the general fund for:

(1) a municipal liaison to assist municipalities in implementing and participating in the water quality standards rulemaking process and navigating the NPDES/SDS permitting process;

(2) enhanced economic analysis in the water quality standards rulemaking process, including more specific analysis and identification of cost-effective permitting;

(3) development of statewide economic analyses and templates to reduce the amount of information and time required for municipalities to apply for variances from water quality standards; and

(4) coordinating with the Public Facilities Authority to identify and advocate for the resources needed for municipalities to achieve permit requirements.

\$500,000 the first year is for independent peer reviews under Minnesota Statutes, section 115.035, and cost analyses of water quality standards and rules. A portion of this appropriation may be transferred to the commissioner of management and budget for water quality standards cost analyses.

\$200,000 the first year is for a grant to the Red River Basin Commission for development of a water quality strategic plan for the Red River of the North. This is a onetime appropriation and is available until June 30, 2018. The plan must include, but is not limited to, consistency in water quality goals and objectives for the Red River of the North and pollution reduction allocations for both point and nonpoint sources on the Red River of the North and for individual major watersheds tributary to the Red River of the North. The Red River Basin Commission must involve the

interests of local, state, and federal government, business and industry, environmental groups, and Red River Basin landowners. The Red River Basin Commission must report progress on the plan to the house of representatives and senate committees and divisions with jurisdiction over environment policy and finance by February 15 in 2016 and 2017, and must submit the completed plan by December 31, 2017.

Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered on or before June 30, 2017, as grants or contracts for subsurface sewage treatment systems, surface water and groundwater assessments, total maximum daily loads, storm water, and water quality protection in this subdivision are available until June 30, 2020.

Subd. 3. Air

15,640,000

16,087,000

Appropriations by Fund

	<u>2016</u>	<u>2017</u>
<u>Environmental</u>	<u>15,640,000</u>	<u>16,087,000</u>

\$202,000 the first year and \$204,000 the second year are from the environmental fund for a monitoring program under Minnesota Statutes, section 116.454.

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

\$340,000 the first year and \$346,000 the second year are from the environmental fund for monitoring ambient air for hazardous pollutants.

\$691,000 the first year and \$693,000 the second year are from the environmental fund for emission reduction activities and grants to small businesses and other nonpoint emission reduction efforts. Of this amount, \$100,000 the first year and \$100,000 the second year is to continue work with Clean Air Minnesota, and the commissioner may enter into an agreement with Environmental Initiative to support this effort. Any unexpended balance in the first year does not cancel but is available in the second year.

Subd. 4. Land

21,663,000

18,584,000

Appropriations by Fund

	<u>2016</u>	<u>2017</u>
<u>Environmental</u>	<u>7,031,000</u>	<u>7,150,000</u>
<u>Remediation</u>	<u>14,632,000</u>	<u>11,434,000</u>

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

\$4,279,000 the first year and \$4,343,000 the second year are from the remediation fund for purposes of the leaking underground storage tank program to investigate, clean up, and prevent future releases from underground petroleum storage tanks, and to the petroleum remediation program for purposes of vapor assessment and remediation. These same annual amounts are transferred from the petroleum tank fund to the remediation fund.

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

\$743,000 the first year is transferred from the general account in the remediation fund to the dry cleaner environmental response and reimbursement account in the remediation fund for the purpose of remediating land contaminated by a release from a dry cleaning facility, as provided under Minnesota Statutes, section 115B.50. The commissioner shall prioritize expenditures from this transfer to address contaminated sites that pose the greatest risk to public health or welfare or to the environment, as established in Minnesota Statutes, section 115B.17, subdivision 13. This is a onetime transfer. The commissioner shall reimburse only a person who otherwise would not be responsible for a release or threatened release under Minnesota Statutes, section 115B.03, for all but \$10,000 of the environmental response costs incurred by the person if the commissioner determines that the costs are reasonable and were actually incurred. To be eligible for reimbursement from this transfer, a person seeking reimbursement must make a request to the commissioner, as required under Minnesota Statutes, section 115B.50, subdivision 2, on or before the day following final enactment of this act.

\$868,000 the first year is from the remediation fund for a grant to the city of Mountain Iron for remediation of the abandoned wastewater treatment pond of the former Nichols Township. This is a onetime appropriation that is available until June 30, 2019.

Subd. 5. Environmental Assistance and Cross-Media30,891,00031,032,000Appropriations by Fund

	<u>2016</u>	<u>2017</u>
<u>Environmental</u>	<u>28,803,000</u>	<u>28,932,000</u>
<u>General</u>	<u>2,088,000</u>	<u>2,100,000</u>

\$17,250,000 the first year and \$17,250,000 the second year are from the environmental fund for SCORE block grants to counties.

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

\$90,000 the first year and \$90,000 the second year are from the environmental fund for duties related to harmful chemicals in products under Minnesota Statutes, sections 116.9401 to 116.9407. Of this amount, \$57,000 each year is transferred to the commissioner of health.

\$203,000 the first year and \$207,000 the second year are from the environmental fund for the costs of implementing general operating permits for feedlots over 1,000 animal units.

\$315,000 the first year and \$319,000 the second year are from the general fund and \$192,000 the first year and \$192,000 the second year are from the environmental fund for Environmental Quality Board operations and support.

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

\$502,000 the first year and \$503,000 the second year are from the general fund for the Environmental Quality Board to lead an interagency team to provide technical assistance regarding the mining, processing, and transporting of silica sand. Of this amount, up to \$75,000 each year may be transferred to the commissioner of natural resources to review the implementation of the rules adopted by the commissioner pursuant to Laws 2013, chapter 114, article 4, section 105, paragraph (b), pertaining to the reclamation of silica sand mines, to ensure that local government reclamation programs are implemented in a manner consistent with the rules.

\$450,000 the first year and \$450,000 the second year are from the environmental fund to develop and maintain systems to support permitting and regulatory business processes and agency data. This is a onetime appropriation.

\$1,000,000 the first year and \$1,000,000 the second year are for competitive recycling grants under Minnesota Statutes, section 115A.565. This appropriation is available until June 30, 2018.

\$50,000 the first year and \$50,000 the second year are to acquire and co-locate waste and recycling receptacles, in cooperation with the commissioner of administration, at the State Office Building. Any remaining funds may be used for these purposes at other facilities within the Capitol complex. This is a onetime appropriation.

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

Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered on or before June 30, 2017, as contracts or grants for surface water and groundwater assessments; environmental assistance awarded under Minnesota Statutes, section 115A.0716; technical and research assistance under Minnesota Statutes, section 115A.152; technical assistance under Minnesota Statutes, section 115A.52; and pollution prevention assistance under Minnesota Statutes, section 115D.04, are available until June 30, 2019.

Subd. 6. Transfers

By June 30, 2016, the commissioner of management and budget shall transfer \$51,308,000 from the closed landfill investment fund to the general fund.

The commissioner of the Pollution Control Agency shall transfer \$8,100,000 in fiscal year 2016 from the metropolitan landfill contingency action trust account in Minnesota Statutes, section 473.845, to the commissioner of management and budget for cancellation to the general fund.

Subd. 7. Remediation Fund

The commissioner shall transfer up to \$42,000,000 from the environmental fund to the remediation fund for the purposes of the remediation fund under Minnesota Statutes, section 116.155, subdivision 2.

\$2,500,000 is transferred from the petroleum tank fund to the remediation fund and is appropriated in the first year to the commissioner for a grant to the city of Paynesville to add an air stripping treatment process to a water treatment plant for removal of volatile organic compounds. This appropriation is effective January 1, 2016.

Sec. 3. **NATURAL RESOURCES****Subdivision 1. Total Appropriation****\$263,944,000****\$261,979,000**Appropriations by Fund

	<u>2016</u>	<u>2017</u>
<u>General</u>	<u>75,331,000</u>	<u>74,062,000</u>
<u>Natural Resources</u>	<u>84,927,000</u>	<u>85,603,000</u>
<u>Game and Fish</u>	<u>102,386,000</u>	<u>102,014,000</u>
<u>Remediation</u>	<u>1,100,000</u>	<u>100,000</u>
<u>Permanent School</u>	<u>200,000</u>	<u>200,000</u>

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

Subd. 2. Land and Mineral Resources Management**6,461,000****5,521,000**Appropriations by Fund

	<u>2016</u>	<u>2017</u>
<u>General</u>	<u>1,585,000</u>	<u>1,585,000</u>
<u>Natural Resources</u>	<u>3,332,000</u>	<u>3,392,000</u>
<u>Game and Fish</u>	<u>344,000</u>	<u>344,000</u>
<u>Remediation</u>	<u>1,000,000</u>	<u>-0-</u>
<u>Permanent School</u>	<u>200,000</u>	<u>200,000</u>

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

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

\$2,755,000 the first year and \$2,815,000 the second year are from the minerals management account in the natural resources fund for use as provided in Minnesota Statutes, section 93.2236, paragraph (c), for mineral resource management, projects to enhance future mineral income, and projects to promote new mineral resource opportunities.

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

Notwithstanding Minnesota Statutes, section 115B.20, \$1,000,000 the first year is from the dedicated account within the remediation fund for the purposes of Minnesota Statutes, section 115B.20, subdivision 2, clause (4), to acquire salt lands as described under Minnesota Statutes, section 92.05, within Bear Head Lake State Park. This is a onetime appropriation and is available until June 30, 2018.

Subd. 3. Ecological and Water Resources

32,414,000

32,167,000

Appropriations by Fund

	<u>2016</u>	<u>2017</u>
<u>General</u>	<u>17,526,000</u>	<u>17,110,000</u>
<u>Natural Resources</u>	<u>10,502,000</u>	<u>10,576,000</u>
<u>Game and Fish</u>	<u>4,386,000</u>	<u>4,481,000</u>

\$3,242,000 the first year and \$3,242,000 the second year are from the invasive species account in the natural resources fund and \$3,206,000 the first year and \$3,206,000 the second year are from the general fund for management, public awareness, assessment and monitoring research, and water access inspection to prevent the spread of invasive species; management of invasive plants in public waters; and management of terrestrial invasive species on state-administered lands.

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

\$124,000 the first year and \$124,000 the second year are for a grant to the Mississippi Headwaters Board for up to 50 percent of the cost of implementing the comprehensive plan for the upper Mississippi within areas under the board's jurisdiction.

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

\$264,000 the first year and \$264,000 the second year are for grants for up to 50 percent of the cost of implementation of the Red River mediation agreement.

\$2,018,000 the first year and \$2,018,000 the second year are from the heritage enhancement account in the game and fish fund for only the purposes specified in Minnesota Statutes, section 297A.94, paragraph (e), clause (1).

\$950,000 the first year and \$950,000 the second year are from the nongame wildlife management account in the natural resources fund for the purpose of nongame wildlife management. Notwithstanding Minnesota Statutes, section 290.431, \$100,000 the first year and \$100,000 the second year may be used for nongame wildlife information, education, and promotion.

\$6,000,000 the first year and \$6,000,000 the second year are from the general fund for the following activities:

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

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

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

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

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

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

(7) compliance and monitoring.

\$10,000 the first year and \$64,000 the second year are to study, in cooperation with the Board of Water and Soil Resources, the feasibility of the state assuming administration of the section 404 permit program of the federal Clean Water Act as required in this act. This is a onetime appropriation.

\$100,000 the first year is to develop cost estimates, in cooperation with the Metropolitan Council, for the augmentation of White Bear Lake with water from the Sucker Lake chain of lakes. The commissioner must submit a report with the cost estimates developed under this paragraph to the chairs and ranking minority members of the house of representatives and senate committees

and divisions with jurisdiction over environment and natural resources policy and finance by February 1, 2016. This is a onetime appropriation.

The commissioner of natural resources must create a groundwater model that uses existing data for the Bonanza Valley Groundwater Management Area to describe the current groundwater conditions and characterize the nature and extent of the primary aquifers and the relationship of surface water and groundwater.

\$400,000 the first year is for grants to assist in the construction of flood protection rural and farmstead ring levees in the Red River watershed. Grants may not exceed 50 percent of the cost of the projects. This is a onetime appropriation and is available until June 30, 2019.

\$75,000 is for a grant to the city of Virginia for erosion control on the northeast side of Silver Lake to protect public and private property and infrastructure.

Subd. 4. Forest Management

39,614,000

39,781,000

Appropriations by Fund

	<u>2016</u>	<u>2017</u>
General	<u>26,446,000</u>	<u>26,350,000</u>
Natural Resources	<u>11,881,000</u>	<u>12,144,000</u>
Game and Fish	<u>1,287,000</u>	<u>1,287,000</u>

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

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

\$11,881,000 the first year and \$12,144,000 the second year are from the forest management investment account in the natural resources fund for only the purposes specified in Minnesota Statutes, section 89.039, subdivision 2. The base for fiscal year 2018 and later is \$11,644,000.

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

\$780,000 the first year and \$780,000 the second year are for the Forest Resources Council for implementation of the Sustainable Forest Resources Act.

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

At least \$500,000 the first year is for forest road maintenance. The commissioner shall use the money to perform needed maintenance on forest roads in conjunction with timber sales.

The commissioner shall contract with a telecommunication provider to place a cell phone transmitter on the ranger tower on Side Lake in St. Louis County.

Subd. 5. Parks and Trails Management

74,064,000

73,650,000

Appropriations by Fund

	<u>2016</u>	<u>2017</u>
General	24,967,000	24,427,000
Natural Resources	46,831,000	46,950,000
Game and Fish	2,266,000	2,273,000

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

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

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

\$8,424,000 the first year and \$8,424,000 the second year are from the snowmobile trails and enforcement account in the natural resources fund for the snowmobile grants-in-aid program. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

\$1,360,000 the first year and \$1,360,000 the second year are from the natural resources fund for the off-highway vehicle grants-in-aid program. Of this amount, \$1,210,000 each year is from the all-terrain vehicle account; and \$150,000 each year is from the off-highway motorcycle account. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

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

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

\$968,000 the first year and \$968,000 the second year are from the off-road vehicle account in the natural resources fund. Of this amount, \$568,000 each year is for parks and trails management for off-road vehicle purposes; \$325,000 each year is for the off-road vehicle grant in aid program; and \$75,000 each year is for a new full-time employee position or contract in northern Minnesota to work in conjunction with the Minnesota Four-Wheel Drive Association to address off-road vehicle touring routes and other issues related to off-road vehicle activities. Of this appropriation, the \$325,000 each year is onetime.

\$65,000 the first year is from the water recreation account in the natural resources fund to cooperate with local units of government in marking routes and designating river accesses and campsites under Minnesota Statutes, section 85.32. This is a onetime appropriation and is available until June 30, 2019.

\$190,000 the first year is for a grant to the city of Virginia for the additional cost of supporting a trail due to the rerouting of U.S. Highway No. 53. This is a onetime appropriation and is available until June 30, 2019.

\$50,000 the first year is for development of a master plan for the Mississippi Blufflands Trail, including work on possible extensions or connections to other state or regional trails. This is a onetime appropriation that is available until June 30, 2017.

\$61,000 from the natural resources fund the first year is for a grant to the city of East Grand Forks for payment under a reciprocity agreement for the Red River State Recreation Area.

\$500,000 the first year is for restoration or replacement of a historic trestle bridge in Blackduck. This is a onetime appropriation and is available until June 30, 2019.

The base for parks and trails operations in the natural resources fund in fiscal year 2018 and thereafter is \$46,450,000.

Subd. 6. Fish and Wildlife Management

71,177,000

71,713,000

Appropriations by Fund

	<u>2016</u>	<u>2017</u>
Natural Resources	<u>1,908,000</u>	<u>1,912,000</u>
Game and Fish	<u>69,269,000</u>	<u>69,801,000</u>

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

\$1,000,000 the first year and \$1,000,000 the second year are from the game and fish fund for shooting sports facility grants under Minnesota Statutes, section 87A.10, including grants for archery facilities. Up to \$100,000 each year is available for shooting sports facilities on state lands. Grants must be matched with a nonstate match, which may include in-kind contributions. This is a onetime appropriation and is available until June 30, 2019.

The game and fish fund base for fish and wildlife management in fiscal year 2018 and thereafter is \$65,619,000.

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

Subd. 7. Enforcement

39,344,000

38,377,000

Appropriations by Fund

	<u>2016</u>	<u>2017</u>
General	<u>4,257,000</u>	<u>4,140,000</u>
Natural Resources	<u>10,153,000</u>	<u>10,309,000</u>
Game and Fish	<u>24,834,000</u>	<u>23,828,000</u>
Remediation	<u>100,000</u>	<u>100,000</u>

\$200,000 the first year is from the general fund and \$1,900,000 the first year is from the game and fish fund are for aviation services. This appropriation is onetime.

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

\$1,537,000 the first year and \$1,580,000 the second year are from the heritage enhancement account in the game and fish fund for only the purposes specified in Minnesota Statutes, section 297A.94, paragraph (e), clause (1).

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

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

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

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

Subd. 8. Operations Support870,000770,000Appropriations by Fund

	<u>2016</u>	<u>2017</u>
<u>General</u>	<u>550,000</u>	<u>450,000</u>
<u>Natural Resources</u>	<u>320,000</u>	<u>320,000</u>

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

\$300,000 the first year and \$450,000 the second year are for legal costs related to water management. This is a onetime appropriation and is available until June 30, 2018.

With money appropriated in this section, the commissioner shall give preference to call centers located in Minnesota.

Subd. 9. Cancellation

The general fund appropriation of \$1,000,000 in Laws 2014, chapter 312, article 12, section 6, subdivision 2, is canceled on July 1, 2015.

Sec. 4. BOARD OF WATER AND SOIL RESOURCES\$13,237,000\$13,415,000

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

\$3,116,000 the first year and \$3,116,000 the second year are for grants to soil and water conservation districts for general purposes, nonpoint engineering, and implementation of the reinvest in Minnesota reserve program. Expenditures may be made from these appropriations for supplies and services benefiting soil and water conservation districts. Any district receiving a grant under this paragraph shall maintain a Web page that publishes, at a minimum, its annual report, annual audit, annual budget, and meeting notices.

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

(1) \$260,000 each year is for feedlot water quality grants for feedlots under 300 animal units and nutrient and manure management projects in watersheds where there are impaired waters;

(2) \$1,200,000 each year is for soil and water conservation district cost-sharing contracts for perennially vegetated riparian buffers, erosion control, water retention and treatment, and other high-priority conservation practices; and

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

\$800,000 the first year and \$750,000 the second year are for implementation, enforcement, and oversight of the Wetland Conservation Act, including administration of the wetland banking program and in-lieu fee mechanism. The base for fiscal year 2018 and later is \$761,000.

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

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

\$140,000 the first year and \$140,000 the second year are for grants to Area II Minnesota River Basin Projects for floodplain management.

\$8,000 the first year and \$262,000 the second year are to study, in cooperation with the commissioner of natural resources, the feasibility of the state assuming administration of the section 404 permit program of the federal Clean Water Act as required in this act. This is a onetime appropriation.

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

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

The base for the board in fiscal year 2018 and thereafter is increased by \$11,000,000 for grants to soil and water conservation districts to implement buffer requirements.

Sec. 5. **METROPOLITAN COUNCIL**

\$8,740,000

\$8,740,000

Appropriations by Fund

	<u>2016</u>	<u>2017</u>
<u>General</u>	<u>3,070,000</u>	<u>3,070,000</u>
<u>Natural Resources</u>	<u>5,670,000</u>	<u>5,670,000</u>

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

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

\$200,000 the first year and \$200,000 the second year are for the Metropolitan Area Water Supply Policy Advisory Committee study and the Metropolitan Area Water Supply Technical Advisory Committee required under Minnesota Statutes, section 473.1565. This is a onetime appropriation.

Sec. 6. **CONSERVATION CORPS MINNESOTA**

\$945,000

\$945,000

Appropriations by Fund

	<u>2016</u>	<u>2017</u>
<u>General</u>	<u>455,000</u>	<u>455,000</u>
<u>Natural Resources</u>	<u>490,000</u>	<u>490,000</u>

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

Sec. 7. **ZOOLOGICAL BOARD**

\$8,410,000

\$8,410,000

Appropriations by Fund

	<u>2016</u>	<u>2017</u>
<u>General</u>	<u>8,250,000</u>	<u>8,250,000</u>
<u>Natural Resources</u>	<u>160,000</u>	<u>160,000</u>

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

Sec. 8. **SCIENCE MUSEUM**

\$1,079,000

\$1,079,000

Sec. 9. **ADMINISTRATION**

\$300,000

\$300,000

\$300,000 the first year and \$300,000 the second year are from the state forest suspense account in the permanent school fund for the school trust lands director to accelerate land exchanges, land sales, and commercial leasing of school trust lands and to identify, evaluate, and lease construction aggregate located on school trust lands. This appropriation is to be used for securing long-term economic return from the school trust lands consistent with fiduciary responsibilities and sound natural resources conservation and management principles.

Sec. 10. **REPAYMENT; TRANSFER**

The commissioner of management and budget shall transfer \$19,016,000 in fiscal year 2018 and \$19,016,000 in fiscal year 2019 from the general fund to the closed landfill investment fund created in Minnesota Statutes, section 115B.421.

Sec. 11. Laws 2010, chapter 215, article 3, section 5, subdivision 4, is amended to read:

Subd. 4. **Returned Grants**

Beginning July 1, 2010, all returned grant money originating from general fund grant programs will be deposited into individual accounts in the special revenue fund and held for eventual transfer back to the general fund. On December 15, 2010, and on December 15 of each year thereafter, \$310,000 of the receipts in this special revenue fund will be transferred to the general fund. If less than \$310,000 is available on the transfer date, an additional transfer on June 15 sufficient to make the \$310,000 annual obligation will be made may be used for the purposes of Minnesota Statutes, section 103B.102, for grants to local governments as authorized in Minnesota Statutes, section 103B.3369, or to cover onetime costs for implementation of natural resources block grant funded programs, including the Wetland Conservation Act, wetland banking, shoreland management, and local water management programs.

Sec. 12. Laws 2014, chapter 312, article 12, section 6, subdivision 5, is amended to read:

Subd. 5. **Fish and Wildlife Management**

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2,412,000

\$3,000 in 2015 is from the heritage enhancement account in the game and fish fund for a report on aquatic plant management permitting policies for the management of narrow-leaved and

hybrid cattail in a range of basin types across the state. The report shall be submitted to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over environment and natural resources by December 15, 2014, and include recommendations for any necessary changes in statutes, rules, or permitting procedures. This is a onetime appropriation.

\$9,000 in 2015 is from the game and fish fund for the commissioner, in consultation with interested parties, agencies, and other states, to develop a detailed restoration plan to recover the historical native population of bobwhite quail in Minnesota for its ecological and recreational benefits to the citizens of the state. The commissioner shall conduct public meetings in developing the plan. No later than January 15, 2015, the commissioner must report on the plan's progress to the legislative committees with jurisdiction over environment and natural resources policy and finance. This is a onetime appropriation.

\$2,000,000 in 2015 is from the game and fish fund for shooting sports facility grants under Minnesota Statutes, section 87A.10. The commissioner may spend up to \$50,000 of this appropriation to administer the grant. This is a onetime appropriation and is available until June 30, 2017.

\$400,000 in 2015 is from the heritage enhancement account in the game and fish fund for hunter and angler recruitment and retention activities and grants to local chapters of Let's Go Fishing of Minnesota to provide community outreach to senior citizens, youth, and veterans and for the costs associated with establishing and recruiting new chapters. The grants must be matched with cash or in-kind contributions from nonstate sources. Of this amount, \$25,000 is for Asian Outdoor Heritage for youth fishing recruitment efforts and outreach in the metropolitan area. The commissioner shall establish a grant application process that includes a standard for ownership of equipment purchased under the grant program and contract requirements that cover the disposition of purchased equipment if the grantee no longer exists. Any equipment purchased with state grant money must be specified on the grant application and approved by the commissioner. The commissioner may spend up to three percent of the appropriation to administer the grant. This is a onetime appropriation and is available until June 30, 2016.

Sec. 13. **REPEALER.**

Laws 2010, chapter 215, article 3, section 3, subdivision 6, as amended by Laws 2010, First Special Session chapter 1, article 6, section 6, Laws 2013, chapter 114, article 3, section 9, is repealed.

ARTICLE 4
ENVIRONMENT AND NATURAL RESOURCES STATUTORY CHANGES

Section 1. Minnesota Statutes 2014, section 16C.073, subdivision 2, is amended to read:

Subd. 2. ~~Purchases; printing.~~ (a) Whenever practicable, a public entity shall:

- (1) purchase uncoated copy paper, office paper, and printing paper;
 - (2) purchase recycled content copy paper with at least ~~ten~~ 30 percent postconsumer material by weight and purchase printing and office paper with at least ten percent postconsumer material by weight;
 - (3) purchase copy, office, and printing paper which has not been dyed with colors, excluding pastel colors;
 - (4) purchase recycled content copy, office, and printing paper that is manufactured using little or no chlorine bleach or chlorine derivatives;
 - ~~(5) use no more than two colored inks, standard or processed, except in formats where they are necessary to convey meaning;~~
 - ~~(6) (5) use reusable binding materials or staples and bind documents by methods that do not use glue;~~
 - ~~(7) (6) use soy-based inks;~~
 - ~~(8) (7) produce reports, publications, and periodicals that are readily recyclable within the state resource recovery program; and~~
 - ~~(9) (8) purchase paper which has been made on a paper machine located in Minnesota.~~
- (b) Paragraph (a), clause (1), does not apply to coated paper that is made with at least 50 percent postconsumer material.
- (c) A public entity shall print documents on both sides of the paper where commonly accepted publishing practices allow.
- ~~(d) Notwithstanding paragraph (a), clause (2), and section 16C.0725, copier paper purchased by a state agency must contain at least ten percent postconsumer material by fiber content.~~

Sec. 2. Minnesota Statutes 2014, section 84.415, subdivision 7, is amended to read:

- Subd. 7. ~~Existing road right-of-way; Application fee exemption.~~ (a) A utility license for crossing public lands or public waters is exempt from all application fees specified in this section and in rules adopted under this section ~~when the utility crossing is on an existing right-of-way of a public road.~~
- (b) This subdivision does not apply to electric power lines, cables, or conduits 100 kilovolts or greater or to main pipelines for gas, liquids, or solids in suspension.

EFFECTIVE DATE. This section is effective retroactively from July 1, 2014, and does not authorize the retroactive collection of fees.

Sec. 3. **[84.69] NATURAL RESOURCES CONSERVATION EASEMENT STEWARDSHIP ACCOUNT.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

EFFECTIVE DATE. Subdivisions 1 and 2 of this section are effective the day following final enactment. Subdivision 3 of this section is effective for conservation easements acquired with money appropriated on or after July 1, 2015, and for acquisitions of conservation easements by gift that are initiated on or after July 1, 2015.

Sec. 4. Minnesota Statutes 2014, section 84.788, subdivision 5, is amended to read:

Subd. 5. **Report of ownership transfers; fee.** ~~A person who sells or transfers~~ (a) Application for transfer of ownership of an off-highway motorcycle registered under this section shall report the sale or transfer must be made to the commissioner within 15 days of the date of transfer.

(b) An application for transfer must be executed by the registered owner and the buyer on a form prescribed by the commissioner with the owner's registration certificate, purchaser using a bill of sale, and a \$4 fee that includes the vehicle serial number.

(c) The purchaser is subject to the penalties imposed by section 84.774 if the purchaser fails to apply for transfer of ownership as provided under this subdivision.

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

Sec. 5. Minnesota Statutes 2014, section 84.788, is amended by adding a subdivision to read:

Subd. 5a. **Report of registration transfers.** (a) Application for transfer of registration under this section must be made to the commissioner within 15 days of the date of transfer.

(b) An application for transfer must be executed by the registered owner and the purchaser using a bill of sale that includes the vehicle serial number.

(c) The purchaser is subject to the penalties imposed by section 84.774 if the purchaser fails to apply for transfer of registration as provided under this subdivision.

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

Sec. 6. **[84.8031] GRANT-IN-AID APPLICATIONS; REVIEW PERIOD.**

The commissioner must review an off-road vehicle grant-in-aid application and, if approved, commence public review of the application within 60 days after the completed application has been locally approved and submitted to an area parks and trails office. If the commissioner fails to approve or deny the application within 60 days after submission, the application is deemed approved and the commissioner must provide for a 30-day public review period.

Sec. 7. Minnesota Statutes 2014, section 84.82, subdivision 2a, is amended to read:

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

Sec. 8. Minnesota Statutes 2014, section 84.82, subdivision 6, is amended to read:

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

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

- (2) a snowmobile registered in a country other than the United States temporarily used within this state;
- (3) a snowmobile that is covered by a valid license of another state and has not been within this state for more than 30 consecutive days or that is registered by an Indian tribal government to a tribal member and has not been outside the tribal reservation boundary for more than 30 consecutive days;
- (4) a snowmobile used exclusively in organized track racing events;
- (5) a snowmobile in transit by a manufacturer, distributor, or dealer;
- (6) a snowmobile at least 15 years old in transit by an individual for use only on land owned or leased by the individual; ~~or~~
- (7) a snowmobile while being used to groom a state or grant-in-aid trail; or
- (8) a snowmobile with an engine displacement that is 125 cubic centimeters or less and the snowmobile is not operated on a state or grant-in-aid trail.

Sec. 9. Minnesota Statutes 2014, section 84.84, is amended to read:

84.84 TRANSFER OR TERMINATION OF SNOWMOBILE OWNERSHIP.

(a) Within 15 days after the transfer of ownership, or any part thereof, other than a security interest, or the destruction or abandonment of any snowmobile, written notice ~~thereof of the transfer or destruction or abandonment~~ shall be given to the commissioner in such form as the commissioner shall prescribe.

(b) An application for transfer must be executed by the registered owner and the purchaser using a bill of sale that includes the vehicle serial number.

(c) The purchaser is subject to the penalties imposed by section 84.88 if the purchaser fails to apply for transfer of ownership as provided under this subdivision. Every owner or part owner of a snowmobile shall, upon failure to give ~~such~~ notice of destruction or abandonment, be subject to the penalties imposed by ~~Laws 1967, chapter 876~~ section 84.88.

EFFECTIVE DATE. This section is effective July 1, 2016.

Sec. 10. Minnesota Statutes 2014, section 84.92, subdivision 8, is amended to read:

Subd. 8. **All-terrain vehicle or vehicle.** "All-terrain vehicle" or "vehicle" means a motorized vehicle ~~of with:~~ (1) not less than three, but not more than six low pressure or non-pneumatic tires, that is limited in engine displacement of less than 1,000 cubic centimeters and; (2) a total dry weight of 2,000 pounds or less; and (3) a total width from outside of tire rim to outside of tire rim that is 65 inches or less. All-terrain vehicle includes a class 1 all-terrain vehicle and class 2 all-terrain vehicle. All-terrain vehicle does not include a golf cart, mini-truck, dune buggy, or go-cart or a vehicle designed and used specifically for lawn maintenance, agriculture, logging, or mining purposes.

Sec. 11. Minnesota Statutes 2014, section 84.92, subdivision 9, is amended to read:

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

Sec. 12. Minnesota Statutes 2014, section 84.92, subdivision 10, is amended to read:

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

Sec. 13. Minnesota Statutes 2014, section 84.922, subdivision 4, is amended to read:

Subd. 4. **Report of transfers.** ~~A person who sells or transfers ownership of a vehicle registered under this section shall report the sale or~~ (a) Application for transfer of ownership must be made to the commissioner within 15 days of the date of transfer.

(b) An application for transfer must be executed by the registered owner and the purchaser on a form prescribed by the commissioner with the owner's registration certificate, using a bill of sale and a \$4 fee that includes the vehicle serial number.

(c) The purchaser is subject to the penalties imposed by section 84.774 if the purchaser fails to apply for transfer of ownership as provided under this subdivision.

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

Sec. 14. Minnesota Statutes 2014, section 84.925, subdivision 5, is amended to read:

Subd. 5. **Training requirements.** (a) An individual who was born after July 1, 1987, and who is 16 years of age or older, must successfully complete the independent study course component of all-terrain vehicle safety training before operating an all-terrain vehicle on public lands or waters, public road rights-of-way, or state or grant-in-aid trails.

(b) An individual who is convicted of violating a law related to the operation of an all-terrain vehicle must successfully complete the independent study course component of all-terrain vehicle safety training before continuing operation of an all-terrain vehicle.

(c) An individual who is convicted for a second or subsequent excess speed, trespass, or wetland violation in an all-terrain vehicle season, or any conviction for careless or reckless operation of an all-terrain vehicle, must successfully complete the independent study and the testing and operating course components of all-terrain vehicle safety training before continuing operation of an all-terrain vehicle.

(d) An individual who receives three or more citations and convictions for violating a law related to the operation of an all-terrain vehicle in a two-year period must successfully complete the independent study and the testing and operating course components of all-terrain vehicle safety training before continuing operation of an all-terrain vehicle.

(e) An individual must present evidence of compliance with this subdivision before an all-terrain vehicle registration is issued or renewed. A person may use the following as evidence of meeting all-terrain vehicle safety certificate requirements:

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

(2) a driver's license that has a valid all-terrain vehicle safety certificate indicator issued under section 171.07, subdivision 18; or

(3) an identification card that has a valid all-terrain vehicle safety certificate indicator issued under section 171.07, subdivision 18.

EFFECTIVE DATE. This section is effective January 1, 2016, or the date the new driver and vehicle services information technology system is implemented, whichever comes later.

Sec. 15. Minnesota Statutes 2014, section 84.9256, subdivision 1, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 16. Minnesota Statutes 2014, section 84.928, subdivision 1, is amended to read:

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

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

(c) A person may operate a class 1 all-terrain vehicle designed by the manufacturer for off-road use to be driven by a steering wheel and equipped with operator and passenger seat belts and a roll-over protective structure or a class 2 all-terrain vehicle:

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

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

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

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

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

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

(2) when the all-terrain vehicle is owned by or operated under contract with:

(i) a road authority as defined under section 160.02, subdivision 25; or

(ii) a publicly or privately owned utility or pipeline company and used for work on utilities or pipelines.

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

- (1) degradation of vegetation on adjacent public property;
- (2) siltation of waters of the state;
- (3) impairment or enhancement to the act of taking game; or
- (4) a threat to safety of the right-of-way users or to individuals on adjacent public property.

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

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

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

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

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

(k) A county, city, or town, acting through its governing body, may by ordinance allow a person to operate an all-terrain vehicle on a public road or street under its jurisdiction to access businesses and residences and to make trail connections.

EFFECTIVE DATE. The amendments to paragraph (e) of this section are effective the day following final enactment.

Sec. 17. Minnesota Statutes 2014, section 84D.01, is amended by adding a subdivision to read:

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

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

Sec. 18. Minnesota Statutes 2014, section 84D.01, subdivision 13, is amended to read:

Subd. 13. **Prohibited invasive species.** "Prohibited invasive species" means a nonnative species that has been ~~listed~~ designated as a prohibited invasive species in a rule adopted by the commissioner under section 84D.12.

Sec. 19. Minnesota Statutes 2014, section 84D.01, subdivision 15, is amended to read:

Subd. 15. **Regulated invasive species.** "Regulated invasive species" means a nonnative species that has been ~~listed~~ designated as a regulated invasive species in a rule adopted by the commissioner under section 84D.12.

Sec. 20. Minnesota Statutes 2014, section 84D.01, subdivision 17, is amended to read:

Subd. 17. **Unlisted nonnative species.** "Unlisted nonnative species" means a nonnative species that has not been ~~listed~~ designated as a prohibited invasive species, a regulated invasive species, or an unregulated nonnative species in a rule adopted by the commissioner under section 84D.12.

Sec. 21. Minnesota Statutes 2014, section 84D.01, subdivision 18, is amended to read:

Subd. 18. **Unregulated nonnative species.** "Unregulated nonnative species" means a nonnative species that has been ~~listed~~ designated as an unregulated nonnative species in a rule adopted by the commissioner under section 84D.12.

Sec. 22. Minnesota Statutes 2014, section 84D.06, is amended to read:

84D.06 UNLISTED NONNATIVE SPECIES.

Subdivision 1. **Process.** A person may not introduce an unlisted nonnative aquatic plant or wild animal species unless:

- (1) the person has notified the commissioner in a manner and form prescribed by the commissioner;
- (2) the commissioner has made the classification determination required in subdivision 2 and ~~listed~~ designated the species as appropriate; and
- (3) the introduction is allowed under the applicable provisions of this chapter.

Subd. 2. **Classification.** (a) If the commissioner determines that a species for which a notification is received under subdivision 1 should be classified as a prohibited invasive species, the commissioner shall:

(1) adopt a rule under section 84D.12, subdivision 3, ~~listing~~ designating the species as a prohibited invasive species; and

(2) notify the person from which the notification was received that the species is subject to section 84D.04.

(b) If the commissioner determines that a species for which a notification is received under subdivision 1 should be classified as an unregulated nonnative species, the commissioner shall:

(1) adopt a rule under section 84D.12, subdivision 3, ~~listing~~ designating the species as an unregulated nonnative species; and

(2) notify the person from which the notification was received that the species is not subject to regulation under this chapter.

(c) If the commissioner determines that a species for which a notification is received under subdivision 1 should be classified as a regulated invasive species, the commissioner shall notify the applicant that the species is subject to the requirements in section 84D.07.

Sec. 23. Minnesota Statutes 2014, section 84D.10, subdivision 3, is amended to read:

Subd. 3. **Removal and confinement.** (a) A conservation officer or other licensed peace officer may order:

(1) the removal of aquatic macrophytes or prohibited invasive species from water-related equipment, including decontamination using hot water or high pressure equipment when available on site, before ~~it~~ the water-related equipment is transported or before it is placed into waters of the state;

(2) confinement of the water-related equipment at a mooring, dock, or other location until the water-related equipment is removed from the water;

(3) removal of water-related equipment from waters of the state to remove prohibited invasive species if the water has not been listed by the commissioner as being infested with that species; ~~and~~

(4) a prohibition on placing water-related equipment into waters of the state when the water-related equipment has aquatic macrophytes or prohibited invasive species attached in violation of subdivision 1 or when water has not been drained or the drain plug has not been removed in violation of subdivision 4 ~~;~~ and

(5) decontamination of water-related equipment when available on site.

(b) An order for removal of prohibited invasive species under paragraph (a), clause (1), or decontamination of water-related equipment under paragraph (a), clause (5), may include tagging the water-related equipment and issuing a notice that specifies a time frame for completing the removal or decontamination and reinspection of the water-related equipment.

~~(b)~~ (c) An inspector who is not a licensed peace officer may issue orders under paragraph (a), clauses (1), (3), and (4), and (5).

Sec. 24. **[84D.106] AQUATIC INVASIVE SPECIES AFFIRMATION.**

Aquatic invasive species affirmation is required for all:

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

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

EFFECTIVE DATE. Clause (1) of this section is effective January 1, 2016, and clause (2) of this section is effective March 1, 2016.

Sec. 25. Minnesota Statutes 2014, section 84D.11, subdivision 1, is amended to read:

Subdivision 1. **Prohibited invasive species.** The commissioner may issue a permit for the propagation, possession, importation, purchase, or transport of a prohibited invasive species for the purposes of disposal, decontamination, control, research, or education.

Sec. 26. Minnesota Statutes 2014, section 84D.12, subdivision 1, is amended to read:

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

(1) ~~listing~~ designating prohibited invasive species, regulated invasive species, and unregulated nonnative species of aquatic plants and wild animals;

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

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

Sec. 27. Minnesota Statutes 2014, section 84D.12, subdivision 3, is amended to read:

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

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

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

(3) unregulated nonnative species of aquatic plants and wild animals.

Sec. 28. Minnesota Statutes 2014, section 84D.13, subdivision 5, is amended to read:

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

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

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

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

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

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

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

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

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

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

Sec. 29. Minnesota Statutes 2014, section 84D.15, subdivision 3, is amended to read:

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

Sec. 30. Minnesota Statutes 2014, section 85.015, is amended by adding a subdivision to read:

Subd. 1e. **Connection to state parks and recreation areas.** Trails designated under this section may include connections to state parks or recreation areas that generally lie in between or within the vicinity of the waymarks specifically named in the designation.

Sec. 31. Minnesota Statutes 2014, section 85.015, is amended by adding a subdivision to read:

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

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

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

Sec. 32. Minnesota Statutes 2014, section 85.015, subdivision 7, is amended to read:

Subd. 7. **Blufflands Trail system, Fillmore, Olmsted, Winona, and Houston Counties.** (a) The Root River Trail shall originate at Chatfield in Fillmore County, and thence extend easterly in the Root River Valley to the intersection of the river with Minnesota Trunk Highway No. 26 in Houston County, and extend to the Mississippi River.

(b) Additional trails may be established that extend the Blufflands Trail system to include La Crescent, Hokah, Caledonia, and Spring Grove in Houston County; Preston, Harmony, Fountain, Wykoff, Spring Valley, Mabel, Prosper, Canton, ~~and Ostrander~~, and connections to the Iowa border including a connection to Niagara Cave in Fillmore County; Rochester, Dover, Eyota, Stewartville, Byron, and Chester Woods County Park in Olmsted County; and Winona, Minnesota City, Rollingstone, Altura, Lewiston, Utica, St. Charles, and Elba in Winona County. In addition to the criteria in section 86A.05, subdivision 4, these trails must utilize abandoned railroad rights-of-way where possible.

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

Sec. 33. Minnesota Statutes 2014, section 85.015, subdivision 28, is amended to read:

Subd. 28. **Camp Ripley/Veterans State Trail, Crow Wing, Cass, and Morrison Counties.** The trail shall originate at Crow Wing State Park in Crow Wing County at the southern end of the Paul Bunyan Trail and shall extend from Crow Wing State Park westerly to the city of Pillager, then southerly along the west side of Camp Ripley, then easterly along the south side of Camp Ripley across to the east side of the Mississippi River, and then northerly through Fort Ripley to Crow Wing State Park. A second segment of the trail shall be established that shall extend in a southerly direction and in close proximity to the Mississippi River from the southeasterly portion of the first segment of the trail to the city of Little Falls, and then terminate at the Soo Line Trail in Morrison County. Separation of motorized and nonmotorized corridors is acceptable as needed.

Sec. 34. **[85.0506] LAKE VERMILION-SOUDAN UNDERGROUND MINE STATE PARK; HOISTS.**

The Lake Vermilion-Soudan Underground Mine State Park mine tour operation is exempt from sections 326B.163 to 326B.191. The federal mine code for hoists that lift people under Code of Federal Regulations, title 30, part 57, subpart R, applies to the Lake Vermilion-Soudan Underground Mine State Park hoist. The commissioner shall employ a hoist safety expert to conduct an annual inspection of the hoist system at the Lake Vermilion-Soudan Underground Mine State Park.

Sec. 35. Minnesota Statutes 2014, section 85.054, subdivision 12, is amended to read:

Subd. 12. **Lake Vermilion-Soudan Underground Mine State Park.** A state park permit is not required and a fee may not be charged for motor vehicle entry or parking at the visitor parking area of Soudan Underground Mine State Park and the Stuntz Bay boat house area.

Sec. 36. Minnesota Statutes 2014, section 85.32, subdivision 1, is amended to read:

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

Sec. 37. Minnesota Statutes 2014, section 86B.401, subdivision 3, is amended to read:

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

(b) A license includes aquatic invasive species affirmation as provided in section 84D.106. The aquatic invasive species affirmation portion of the license must be on board or available with the signed license certificate. The aquatic invasive species affirmation will be provided with an application for a new, transfer, duplicate, or renewal watercraft license.

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

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

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

Sec. 38. Minnesota Statutes 2014, section 87A.10, is amended to read:

87A.10 TRAP SHOOTING SPORTS FACILITY GRANTS.

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

Sec. 39. Minnesota Statutes 2014, section 88.17, subdivision 3, is amended to read:

Subd. 3. **Special permits.** The following special permits are required at all times, including when the ground is snow-covered:

(a) **Fire training.** A permit to start a fire for the instruction and training of firefighters, including liquid fuels training, may be given by the commissioner or agent of the commissioner. Except for owners or operators conducting fire training in specialized industrial settings pursuant to applicable federal, state, or local standards, owners or operators conducting open burning for the purpose of instruction and training of firefighters with regard to structures must ~~follow the techniques described in a document entitled: Structural Burn Training Procedures for the Minnesota Technical College System~~ use only fuel materials as outlined in the current edition of National Fire Protection Association 1403, Standard on Live Fire Training Evolutions, and obtain the applicable live burn documents in accordance with the current edition of the Board of Firefighter Training and Education's live burn plan established according to section 299N.02, subdivision 3, clause (2).

(b) **Permanent tree and brush open burning sites.** A permit for the operation of a permanent tree and brush burning site may be given by the commissioner or agent of the commissioner. Applicants for a permanent open burning site permit shall submit a complete application on a form provided by the commissioner. Existing permanent tree and brush open burning sites must submit for a permit within 90 days of the passage of this statute for a burning permit. New site applications must be submitted at least 90 days before the date of the proposed operation of the permanent open burning site. The application must be submitted to the commissioner and must contain:

(1) the name, address, and telephone number of all owners of the site proposed for use as the permanent open burning site;

(2) if the operator for the proposed permanent open burning site is different from the owner, the name, address, and telephone number of the operator;

(3) a general description of the materials to be burned, including the source and estimated quantity, dimensions of the site and burn pile areas, hours and dates of operation, and provisions for smoke management; and

(4) a topographic or similarly detailed map of the site and surrounding area within a one-mile circumference showing all structures that might be affected by the operation of the site.

Only trees, tree trimmings, or brush that cannot be disposed of by an alternative method such as chipping, composting, or other method shall be permitted to be burned at a permanent open burning site. A permanent tree and brush open burning site must be located and operated so as not to create a nuisance or endanger water quality. The commissioner shall revoke the permit or order actions to mitigate threats to public health, safety, and the environment in the event that permit conditions are violated.

Sec. 40. Minnesota Statutes 2014, section 88.49, subdivision 3, is amended to read:

Subd. 3. **Recording Provisions of auxiliary forest contract to run with the land.** ~~The commissioner shall submit such contract in recordable form to the owner of the land covered thereby. If the owner shall indicate to the commissioner an unwillingness to execute the same, or if the owner or any of the persons having an interest therein or lien thereon fail to execute it within 60 days from the time of its submission to the owner, all proceedings relating to the making of this land into an auxiliary forest shall be at an end.~~

~~When the contract shall have been executed it shall forthwith be recorded in the office of the county recorder at the expense of the owner or, if the title to the land be registered, with the registrar of titles. At the time the contract is recorded with the county recorder for record the owner, at the owner's expense, shall record with the county~~

~~recorder a certificate from the county attorney to the effect that no change in record title thereof has occurred, that no liens or other encumbrances have been placed thereon, and that no taxes have accrued thereon since the making of the previous certificate. It shall be the duty of the county attorney to furnish this certificate without further compensation.~~

All the provisions of ~~the a recorded~~ a recorded contract ~~shall be for an auxiliary forest~~ are deemed covenants running with the land from the date of the filing of the contract for record.

Sec. 41. Minnesota Statutes 2014, section 88.49, subdivision 4, is amended to read:

Subd. 4. **Effect.** Upon the filing of the contract for record, the land ~~therein~~ described in the contract shall become, and, during the life of the contract, remain ~~and be~~, an auxiliary forest entitled to all the benefits and subject to all the restrictions of sections ~~88.47 88.49~~ 88.49 to 88.53, ~~all of which shall be deemed a.~~ These sections are part of the obligation of the contract and shall be are inviolate, subject only to the police power of the state, to the power of eminent domain, and to ~~the right of the parties thereto by mutual agreement to make applicable to the contract any laws of the state enacted subsequent to its the execution and filing. This provision shall not be so construed as to prevent amendatory or supplementary legislation which does of the contract. Laws enacted subsequent to the date of execution of the contract are applicable to the contract, so long as the laws do not impair these the contract rights of the parties thereto, or as to prevent amendatory or supplementary legislation in respect of the culture, care, or management of the lands included in any such contract~~ signatories of the contract or their successors or assigns.

Sec. 42. Minnesota Statutes 2014, section 88.49, subdivision 5, is amended to read:

Subd. 5. **Cancellation.** ~~Upon the failure of (a) If the owner fails to faithfully to fulfill and perform such the contract or, any provision thereof of the contract, or any requirement of sections 88.47 88.49 to 88.53, or any rule adopted by the commissioner thereunder~~ adopts under those sections, the commissioner may cancel the contract ~~in the manner herein provided.~~ The commissioner shall give ~~to the owner, in the manner prescribed in section 88.48, subdivision 4,~~ 60 days' notice of a hearing ~~thereon~~ at which the owner may appear and show cause, if any, why the contract should not be canceled. The commissioner shall ~~thereupon then~~ determine whether the contract should be canceled and make an order to that effect. ~~Notice of the commissioner's determination and the making of the order shall be given to~~ The commissioner shall give the owner in the manner provided in section 88.48, subdivision 4 notice of the commissioner's determination and order. ~~On determining~~ If the commissioner determines that the contract should be canceled and ~~no appeal therefrom be taken~~ the owner does not appeal the determination as provided in subdivision 7, the commissioner shall send notice ~~thereof of the cancellation~~ to the auditor of the county and to the town clerk of the town affected and file with the recorder a certified copy of the order, ~~who.~~ The recorder shall forthwith note the cancellation upon the record thereof, and thereupon the land therein described in the contract shall cease to be an auxiliary forest and, together with the timber thereon on the land, become liable to for all taxes and assessments that otherwise would have been levied against it had it never been an auxiliary forest the land from the time of the making of the contract, any notwithstanding provisions of the statutes of limitation to the contrary notwithstanding, less. The amount of taxes paid under ~~the provisions of~~ section 88.51, subdivision 1, together with interest on such taxes and assessments at six percent per annum, but without penalties, must be subtracted from the tax owed by the owner.

(b) The commissioner may in like manner and with like effect cancel the contract upon written application of the owner.

(c) The commissioner shall cancel any the contract if the owner has made successful application successfully applied under sections 290C.01 to 290C.11, the Sustainable Forest Incentive Act, sections 290C.01 to 290C.11, and has paid to the county treasurer the tax difference between the amount which that would have been paid had the land under contract been subject to the Minnesota Tree Growth Tax Law and the Sustainable Forest Incentive Act from the date of the recording of the contract and the amount actually paid under section 88.51, subdivisions subdivision 1, and Minnesota Statutes 2014, section 88.51, subdivision 2. This tax difference must be calculated based on the

~~years the lands would have been taxed under the Tree Growth Tax Law and the Sustainable Forest Incentive Act. The sustainable forest tax difference is net of the incentive payment of section 290C.07. If the amount which that would have been paid, had if the land under contract had been under the Minnesota Tree Growth Tax Law and the Sustainable Forest Incentive Act from the date of the filing of the contract; was filed is less than the amount actually paid under the contract, the cancellation shall be made without further payment by the owner.~~

~~When (d) If the execution of any the contract creating an auxiliary forest shall have been is procured through fraud or deception practiced upon on the county board or, the commissioner, or any other person or body representing the state, it may be canceled cancel it upon suit brought by the attorney general at the direction of the commissioner. This cancellation shall have has the same effect as the cancellation of a contract by the commissioner.~~

Sec. 43. Minnesota Statutes 2014, section 88.49, subdivision 6, is amended to read:

Subd. 6. **Assessment after cancellation.** (a) For the purpose of levying ~~such~~ taxes, the county auditor shall, immediately upon ~~receipt of receiving~~ notice of the cancellation of ~~any a~~ contract creating an auxiliary forest, direct the local assessor to assess the lands within the forest, excluding the value of merchantable timber and minerals and other things of value taxed under the provisions of Minnesota Statutes 2014, section 88.51, subdivision 2, ~~as of for~~ each of the years ~~during which~~ the lands ~~have been were~~ included within the auxiliary forest. The local assessor shall ~~forthwith~~ make the assessment and certify the same to the county auditor. The county auditor shall ~~thereupon~~ levy a tax on the assessable value of the land ~~as~~ fixed by section 273.13, for each of the years ~~during which~~ the land ~~has been was~~ within an auxiliary forest, at the rate at which other real estate within the taxing district was taxed in those years. The tax ~~so assessed and levied against any land shall be is~~ a first and prior lien upon the land and upon all timber and forest products growing, grown, or cut ~~thereon on the land~~ and removed ~~therefrom from the land~~. These taxes ~~shall must~~ be enforced in the same manner as other taxes on real estate are enforced and, ~~in addition thereto,~~ the lien of the tax on forest products cut or removed from this land ~~shall must~~ be enforced by the seizure and sale of the forest products.

(b) No person shall, after the mailing by the commissioner, as provided in subdivision 5, of notice of hearing on the cancellation of ~~a the~~ contract making ~~any~~ lands an auxiliary forest, cut or remove from these lands any timber or forest products growing, grown, or cut thereon until all taxes levied under this subdivision ~~shall have been are~~ paid, or, ~~in the event such if the~~ levy ~~shall is~~ not ~~have been~~ completed, until the owner ~~shall have has~~ given a bond payable to the county, with sureties approved by the county auditor, in ~~such the~~ amount ~~as~~ the county auditor ~~shall deem deems~~ ample for the payment of all taxes that may be levied ~~thereon~~ under this subdivision, conditioned for the payment of ~~such the~~ taxes.

(c) Any person who ~~shall violate any of the provisions of violates~~ this subdivision ~~shall be is~~ guilty of a felony.

Sec. 44. Minnesota Statutes 2014, section 88.49, subdivision 7, is amended to read:

Subd. 7. **Appeal.** (a) The owner may appeal from any cancellation order of the commissioner to the district court of the county ~~wherein where~~ the land is ~~situate, located~~ by serving notice of appeal on the commissioner and filing the same with the court administrator of the district court within 30 days after the date of mailing ~~of~~ notice of such order.

(b) The appeal ~~shall must~~ be tried between the state of Minnesota and the owner by the court as a suit for the rescission of a contract is tried, and the judgment of the court ~~shall be is~~ substituted for the cancellation order of the commissioner, and ~~shall be is~~ final.

Sec. 45. Minnesota Statutes 2014, section 88.49, subdivision 8, is amended to read:

Subd. 8. **Proceedings in lieu of cancellation.** If cause for the cancellation of ~~any a contract shall exist~~ exists, the commissioner may, in lieu of canceling ~~such the~~ the contract, perform the terms and conditions, ~~other than the payment of that the owner was required to perform, except that the commissioner may not pay any taxes; that the owner was required, by the contract or by law or by the rules of the commissioner, to be performed by the owner, and may for that purpose to have paid by law.~~ The commissioner may use any available moneys appropriated for the maintenance of the commissioner's division and any other lawful means to perform all other terms and conditions required to maintain the auxiliary forest status. The commissioner shall, on December 1 each year, certify to the auditor of each county the amount of moneys ~~thus~~ expended on and the value of services ~~thus~~ rendered in respect of any lands therein for land in the county since December 1 of the preceding year. The county auditor shall ~~forthwith~~ assess and levy the amount shown by this certificate against the lands described therein. This amount ~~shall bear~~ bears interest at the rate of six percent per annum and ~~shall be~~ is a lien upon the lands described ~~therein,~~ and. The collection ~~thereof~~ of the tax must be enforced in the same manner as taxes levied under section 88.52, subdivision 1, and; if such the tax be is not sooner paid, it shall must be added to, and the payment thereof enforced with, the yield tax imposed under section 88.52, subdivision 2.

Sec. 46. Minnesota Statutes 2014, section 88.49, subdivision 9, is amended to read:

Subd. 9. **Auxiliary forests; withdrawal of land from.** (a) Land needed for other purposes may be withdrawn from an auxiliary forest ~~as herein provided.~~ The owner may submit a verified application therefor in a form prescribed by the commissioner of natural resources may be made by the owner to the county board of the county in which the land is situated, describing the land and stating the purpose of withdrawal. Like proceedings shall be had upon the application as upon an application for the establishment of an auxiliary forest, except that consideration need be given only to the questions to be determined as provided in this subdivision. The county board shall consider the application and hear any matter offered in support of or in opposition to the application. The county board shall make proper record of its action upon the application. If the application is rejected, the county board shall prepare a written statement stating the reasons for the rejection within 30 days of the date of rejection. If the application is rejected, the county auditor shall, within 30 days of the rejection, endorse the rejection on the application and return it, together with a copy of the written statement prepared by the county board stating the reasons for rejection to the applicant. The rejected application and written statement must be sent to the owner by certified mail at the address given in the application.

(b) If the application is disapproved as to only a part of the lands described, the county auditor shall notify the applicant in the same manner as if the application were rejected. The applicant may amend the application within 60 days after the notice is mailed. If it is not amended, the application is deemed rejected.

(c) If the county board shall determine determines that the land proposed to be withdrawn is needed and is suitable for the purposes set forth in the application, and that the remaining land in the auxiliary forest is suitable and sufficient for the purposes thereof of the auxiliary forest as provided by law, the board may, in its discretion, grant the application, subject to the approval of the commissioner. Upon such approval a supplemental contract evidencing the withdrawal shall be executed, filed, and recorded or registered as the case may require, in like manner as an original auxiliary forest contract. Thereupon by both the county board and the commissioner, the county auditor shall notify the applicant and the commissioner. Upon notice from the county auditor, the commissioner shall cause to be prepared a supplemental contract executed by the commissioner on behalf of the state and by the owner of the fee title or the holder of a state deed and by all other persons having any liens on the land and witnessed and acknowledged as provided by law for the execution of recordable deeds of conveyance. Notices sent by certified mail to the owner in fee at the address given in the application is deemed notice to all persons executing the supplemental contract. The supplemental contract must be prepared by the director of the Division of Forestry on a recordable form approved by an attorney appointed by the commissioner. Every supplemental contract must be approved by the Executive Council. The commissioner shall submit the

supplemental contract to the owner of the land. If the owner indicates to the commissioner an unwillingness to execute the supplemental contract, or if the owner or any of the persons with an interest in the land or a lien upon the land fail to execute the contract within 60 days from the time of submission of the contract to the owner for execution, all proceedings relating back to the withdrawal of the land from an auxiliary forest shall be at an end. When the supplemental contract is executed, it must be recorded in the office of the county recorder at the expense of the owner or, if the title to the land is registered, the supplemental contract must be recorded with the registrar of titles. At the time the contract is recorded with the county recorder, the owner, at the owner's expense, shall record with the county recorder a certificate from the county attorney to the effect that no change in record title to the land has occurred, that no liens or other encumbrances have been placed on the land, and that no taxes have accrued on the land since the making of the previous certificate. The county attorney must furnish this certificate without further compensation. Upon execution and recording of the supplemental contract, the land described in the supplemental contract shall cease that is to be withdrawn from the auxiliary forest ceases to be part of the auxiliary forest, and, together with the timber thereon, shall be the owner is liable to taxes and assessments of the withdrawn portion together with the timber on the withdrawn portion in like manner as upon cancellation of an auxiliary forest contract.

Sec. 47. Minnesota Statutes 2014, section 88.49, subdivision 11, is amended to read:

Subd. 11. **Auxiliary forests; transfer of title; procedure on division.** The title to the land in an auxiliary forest or any part ~~thereof~~ of an auxiliary forest is subject to transfer in the same manner as the title to other real estate, subject to the auxiliary forest contract ~~therefor~~ and to applicable provisions of law. ~~In case~~ If the ownership of ~~such a~~ an auxiliary forest is divided into two or more parts by any transfer or transfers of title and the owners of all ~~such~~ the parts desire to have the ~~same~~ parts made separate auxiliary forests, ~~they~~ the owners may join in a verified application ~~therefor~~ to the county board of the county in which the forest is situated in a form prescribed by the commissioner of natural resources. If the county board determines that each of the parts into which the forest has been divided is suitable and sufficient for a separate auxiliary forest as provided by law, it may, ~~in its discretion,~~ grant the application, subject to the approval of the commissioner. Upon ~~such~~ approval, the commissioner shall prepare a new auxiliary forest contract for each part transferred, with like provisions and for the remainder of the same term as the prior contract in force for the entire forest at the time of the transfer, and shall also prepare a modification of ~~such~~ the prior contract, eliminating ~~therefrom~~ the part or parts of the land transferred but otherwise leaving the remaining land subject to all the provisions of ~~such~~ the contract. The new contract or contracts and modification of the prior contract ~~shall~~ must be executed and otherwise dealt with in like manner as provided for ~~an original a supplemental~~ auxiliary forest contract in subdivision 9, but no such instrument ~~shall~~ must take effect until all of them, ~~covering together all parts of the forest existing before the transfer,~~ have been executed, filed, and recorded or registered, ~~as the case may require.~~ Upon the taking effect of When all ~~such~~ the instruments take effect, the owner of the forest prior to the transfer ~~shall be~~ is divested of all rights and relieved from all liabilities under the contract then in force with respect to the parts transferred except ~~such~~ those as may have existed or accrued at the time of the taking effect of such instruments, and thereafter the several tracts into which the forest has been divided and the respective owners thereof ~~shall be~~ are subject to the new contract or contracts or the modified prior contract relating thereto, as the case may be, as provided for an original auxiliary forest contract. The provisions of this subdivision shall not supersede or affect the application of any other provision of law to any auxiliary forest which is divided by transfer of title unless the procedure herein authorized is fully consummated.

Sec. 48. Minnesota Statutes 2014, section 88.491, subdivision 2, is amended to read:

Subd. 2. **Effect of expired contract.** When auxiliary forest contracts expire, or prior to expiration by mutual agreement between the ~~land owner~~ landowner and the appropriate county office, the lands previously covered by an auxiliary forest contract automatically qualify for inclusion under the provisions of the Sustainable Forest Incentive Act; provided that when such lands are included in the Sustainable Forest Incentive Act prior to expiration of the

auxiliary forest contract, they will be transferred and a tax paid as provided in section 88.49, subdivision 5, upon application and inclusion in the sustainable forest incentive program. The ~~land owner~~ landowner shall pay taxes in an amount equal to the difference between:

(1) the sum of:

(i) the amount which would have been paid from the date of the recording of the contract had the land under contract been subject to the Minnesota Tree Growth Tax Law; plus

(ii) beginning with taxes payable in 2003, the taxes that would have been paid if the land had been enrolled in the sustainable forest incentive program; and

(2) the amount actually paid under section 88.51, ~~subdivisions~~ subdivision 1, and Minnesota Statutes 2014, section 88.51, subdivision 2.

Sec. 49. Minnesota Statutes 2014, section 88.50, is amended to read:

88.50 TAXATION.

Every auxiliary forest in this state ~~shall~~ must be taxed ~~in the manner and to the extent hereinafter provided according to sections 88.49 to 88.53~~ and not otherwise. Except as expressly permitted by sections ~~88.47~~ 88.49 to 88.53, no auxiliary forest shall be taxed for, or ~~in any manner~~, directly or indirectly made to contribute to, or become liable for the payment of, any tax or assessment, general or special, or any bond, certificate of indebtedness, or other public obligation of any name or kind, made, issued, or created subsequent to the filing of the contract creating the auxiliary forest, provided that temporary buildings, structures, or other fixtures ~~of whatsoever kind~~ located upon land within an auxiliary forest shall be valued and assessed as personal property and classified as class 3 under the general system of ad valorem taxation. In any proceeding for the making of a special improvement under the laws of this state by which any auxiliary forest will be benefited, the owner ~~thereof~~ may subject the lands ~~therein~~ to assessment ~~therefor~~ in the manner provided by law, by filing the owner's written consent ~~in writing~~ to the ~~making of the~~ assessment in the tribunal in which the proceeding is pending, ~~whereupon~~. The lands shall for the purposes of the improvement and assessment not be treated as lands ~~not~~ in an auxiliary forest; but the lien of any assessment ~~so~~ levied on lands in any auxiliary forest ~~shall be~~ is subject to the provisions of the contract creating the auxiliary forest and subordinate to the lien of any tax imposed under the provisions of sections ~~88.47~~ 88.49 to 88.53.

Sec. 50. Minnesota Statutes 2014, section 88.51, subdivision 1, is amended to read:

Subdivision 1. **Annual tax, ten cents per acre.** (a) From and after the filing of the contract creating any tract of land an auxiliary forest under sections ~~88.47~~ 88.49 to 88.53 and hereafter upon any tract heretofore created as an auxiliary forest, the surface of the land ~~therein~~, exclusive of mineral or anything of value thereunder, ~~shall~~ must be taxed annually at the rate of 10 cents per acre. This tax ~~shall~~ must be levied and collected, and the payment ~~thereof of the tax~~, with penalties and interest, enforced in the same manner as other taxes on real estate, and ~~shall~~ must be credited to the funds of the taxing districts affected in the proportion of their interest in the taxes on this land if it had not been so made an auxiliary forest; provided, that such tax ~~shall be~~ is due in full on or before May 31, after the levy thereof. Failure to pay when due any tax so levied ~~shall be~~ is cause for cancellation of the contract.

(b) The levy upon the land of the taxes provided for by section 88.49, subdivision 5, upon the cancellation of a contract, ~~shall discharge and annul~~ discharges and annuls all unpaid taxes levied or assessed ~~thereon on the land~~.

Sec. 51. Minnesota Statutes 2014, section 88.51, subdivision 3, is amended to read:

Subd. 3. **Determination of estimated market value.** In determining the net tax capacity of property within any taxing district, the value of the surface of lands within any auxiliary forest ~~therein in the taxing district~~, as determined by the county board ~~under the provisions of section 88.48, subdivision 3~~, shall, for all purposes except the levying of taxes on lands within any such forest, be deemed the estimated market value ~~thereof of those surface lands~~.

Sec. 52. Minnesota Statutes 2014, section 88.52, subdivision 2, is amended to read:

Subd. 2. **Examination, report.** When any timber growing or standing in any auxiliary forest ~~shall have become~~ is suitable for merchantable forest products, the commissioner shall, at the written request of the owner, a copy of which shall at the time be filed in the office of the county auditor, make an examination of the timber and designate for the owner the kind and number of trees most suitable to be cut ~~if in the judgment of the commissioner there be any, and~~. The cutting and removal of ~~these designated trees so designated shall~~ must be in accordance with the instructions of the commissioner. The commissioner shall inspect the cutting or removal and determine whether it or the manner of its performance constitute a violation of the terms of the contract creating the auxiliary forest or of the ~~laws applicable thereto laws~~, or of the instructions of the commissioner relative to the cutting and removal. Any such violation ~~shall be~~ is ground for cancellation of the contract by the commissioner; otherwise the contract ~~shall continue~~ continues in force for the remainder of the period ~~therein stated in the contract~~, regardless of the cutting and removal. Within 90 days after the completion of any cutting or removal operation, the commissioner shall make a report of findings ~~thereon~~ and transmit copies of ~~such the~~ report to the county auditor and the surveyor general.

Sec. 53. Minnesota Statutes 2014, section 88.52, subdivision 3, is amended to read:

Subd. 3. **Kinds, permit, scale report, assessment and payment of tax.** (a) Upon ~~the~~ filing of the owner's written request of the owner as provided in subdivision 2, the director of ~~lands and~~ forestry, with the county board or the county land commissioner, shall determine within 30 days the kinds, quantities, and value on the stump of the timber proposed to be cut.

Before the cutting is to begin, the director of ~~lands and~~ forestry shall file with the county auditor a report showing the kinds, quantities, and value of the timber proposed to be cut or removed and approved by the director of ~~lands and~~ forestry for cutting within two years after the date of approval of the report by the director of ~~lands and~~ forestry. The county auditor shall assess and levy the estimated yield tax thereon, make proper record of this assessment and levy in the auditor's office, and notify the owner of the auxiliary forest of the tax amount ~~thereof~~. The owner shall, before any timber in the forest is cut or removed, give a bond payable to the state of Minnesota, or ~~in lieu thereof, a~~ deposit in cash with the county treasurer, in the amount required by the report, ~~which shall be and~~ not less than 150 percent of the amount of the levy, conditioned for the payment of all taxes on the timber to be cut or removed. Upon receipt of notification from the county auditor that the bond or cash requirement has been deposited, the director of ~~lands and~~ forestry will issue a cutting permit in accordance with the report. The owner shall keep an accurate count or scale of all timber cut. On or before ~~the fifteenth day of~~ April 15 following issuance of ~~such the~~ cutting permit, and on or before ~~the fifteenth day of~~ April 15 of each succeeding year in which any merchantable wood products were cut on auxiliary forest lands prior to the termination of ~~such the~~ permit, the owner of the timber covered by the permit shall file with the director of ~~lands and~~ forestry a sworn statement, submitted in duplicate, on a form prepared by the director of ~~lands and~~ forestry, one copy of which shall must be transmitted to the county auditor, specifying the quantity and value of each variety of timber and kind of product cut during the preceding year ending on March 31, as shown by the scale or measurement ~~thereof~~ made on the ground as cut, skidded, or loaded as the case may be. If no such scale or measurement ~~shall have been~~ was made on the ground, an estimate ~~thereof shall~~ must be made and ~~such estimate~~ corrected by the first scale or measurement, made in the due course of business, ~~and such~~. The correction must at once be filed with the director of ~~lands and~~ forestry who shall immediately transmit it to the county auditor. On or before ~~the fifteenth day of~~ May 15 following the filing of the sworn statement covering the quantity and value of timber cut under an authorized permit, the auditor shall assess

and levy a yield (severance) tax, according to Minnesota Statutes 2014, section 88.51, subdivision 2, of the timber cut during the year ending on ~~the March 31st~~ 31 preceding the date of assessing and levying this tax. This tax is payable and must be paid to the county treasurer on or before ~~the following~~ May 31 next following. Copies of the yield (severance) tax assessment and of the yield (severance) tax payment ~~shall~~ must be filed with the director of ~~lands and forestry~~ and the county auditor. Except as otherwise provided, all yield (severance) taxes herein provided for ~~shall~~ must be levied and collected, and payment ~~thereof~~, with penalties and interest, enforced in the same manner as taxes imposed under ~~the provisions of~~ section 88.51, subdivision 1, and ~~shall~~ must be credited to the funds of the taxing districts affected in the proportion of their interests in the taxes on the land producing the yield (severance) tax. ~~At any time~~ On deeming it necessary, the director of ~~lands and forestry~~ may order an inspection of any or all cutting areas within an auxiliary forest and ~~also~~ may require the owner of the auxiliary forest to produce for inspection by the director of ~~lands and forestry~~ of any or all cutting records pertaining to timber cutting operations within an auxiliary forest for the purpose of determining the accuracy of scale or measurement reports, and if intentional error in scale or measurement reports is found to exist, shall levy and assess a tax triple the yield (severance) tax on the stumpage value of the timber cut in excess of the quantity and value reported.

(b) The following alternative method of assessing and paying annually the yield tax on an auxiliary forest is to be available to an auxiliary forest owner upon application and upon approval of the county board of the county within which the auxiliary forest is located.

For auxiliary forests entered under this ~~subdivision~~ paragraph, the county auditor shall assess and levy the yield tax by multiplying the acreage of each legal description included within the auxiliary forest by the acre quantity of the annual growth by species, calculated in cords, or in thousands of feet board measure Minnesota standard log scale rule, whichever is more reasonably usable, for the major species found in each type by the from year-to-year appraised stumpage prices for each of these species, used by the Division of ~~Lands and Forestry~~, Department of Natural Resources, in selling trust fund timber located within the district in which the auxiliary forest is located. The assessed value of the annual growth of the auxiliary forest, thus determined, ~~shall be~~ is subject to a ten percent of stumpage value yield tax, payable annually on or before May 31. In all other respects the assessment, levying and collection of the yield tax, as provided for in this subdivision ~~shall~~ must follow the procedures specified in ~~clause~~ paragraph (a).

Forest owners operating under this ~~subdivision~~ paragraph are subject to all other provisions of the auxiliary forest law except ~~such~~ the provisions of ~~clause~~ paragraph (a) as ~~that~~ are in conflict with this ~~subdivision~~ paragraph. Penalties for intentional failure by the owner to report properly the quantity and value of the annual growth upon an auxiliary forest entered under this ~~subdivision~~ paragraph and for failure to pay the yield tax when due ~~shall be~~ are the same as the penalties specified in other subdivisions of this law for like failure to abide by its provisions.

To qualify for the assessment and levying of the yield tax by this method, the owner of the forest requesting this method of taxation must submit a map or maps and a tabulation in acres and in quantity of growth by legal descriptions showing the division of the area covered by the auxiliary forest for which this method of taxation is requested into the following forest types, namely: white and ~~Norway~~ red pine; jack pine; aspen-birch; spruce-balsam fir; ~~swamp~~ black spruce; tamarack; cedar; upland hardwoods; lowland hardwoods; upland brush and grass (temporarily nonproductive); lowland brush (temporarily nonproductive); and permanently nonproductive (open bogs, stagnant swamps, rock outcrops, flowage, etc.). Definition of these types and determination of the average rate or rates of growth (in cords or thousand feet, board measure, Minnesota standard log scale rule, ~~which ever~~ whichever is more logically applicable for each of them) ~~shall~~ must be made by the director of the Division of ~~Lands and Forestry~~, Minnesota Department of Natural Resources, with the advice and assistance of the land commissioner of the county in which the auxiliary forest is located; the director of the United States Forest Service's North Central Forest Experiment Station; and the director of the School of Forestry, University of Minnesota. Before the approval of the application of the owner of an auxiliary forest to have the auxiliary ~~or proposed auxiliary~~ forest taxed under provisions of this ~~subdivision~~ paragraph is submitted to the county board, the distribution between

types of the area as shown on the maps and in the tabulations submitted by the owner of the auxiliary or proposed auxiliary forest shall must be examined and their accuracy determined by the director of the Division of Lands and Forestry, Department of Natural Resources, with the assistance of the county board of the county in which the auxiliary forest is located.

During the life of the auxiliary forest, contract timber cutting operations within the various types shown upon the type map accepted as a part of the approved auxiliary forest application shall do not bring about a reclassification of the forest types shown upon that map or those maps until after the passage of ten years following the termination of said the timber cutting operations and then only upon proof of a change in type.

Sec. 54. Minnesota Statutes 2014, section 88.52, subdivision 4, is amended to read:

Subd. 4. **Hearing, procedure.** The owner of any land or timber upon which a yield tax is assessed and levied as provided in this section may, within 15 days after mailing of notice of the amount of the tax, file with the county auditor a demand for hearing ~~thereon on the tax~~ before the county board. The county auditor shall thereupon fix a date of hearing, which shall must be held within 30 days after the filing of the demand, and mail to the owner notice of the time and place of the hearing. The owner may appear at the meeting and present evidence and argument as to the amount of the tax and as to any related matter ~~relating thereto~~. The county board shall ~~thereupon~~ determine whether the tax as levied is proper in amount and make its order ~~thereon~~. The county auditor shall ~~forthwith~~ mail to the owner a notice of the order. If the amount of the tax is increased or reduced by the order, the county auditor shall make a supplemental assessment and levy ~~thereof~~, as in this subdivision provided.

Sec. 55. Minnesota Statutes 2014, section 88.52, subdivision 5, is amended to read:

Subd. 5. **Yield tax, a prior lien.** Throughout the life of any ~~such~~ auxiliary forest, the yield tax accruing ~~thereon~~ shall ~~constitute and be~~ yield tax constitutes and is a first and prior lien upon all the merchantable timber and forest products growing or grown thereon; and, if not paid when due, this yield tax, together with penalties and interest ~~thereon~~ as otherwise provided by law and all expenses of collecting same, shall ~~continue~~ continues to be a lien upon the timber and forest products ~~and every part and parcel thereof wherever the same may be or~~ however much changed in form or otherwise improved until the yield tax is fully paid. ~~Such~~ The lien may be foreclosed and the property subject ~~thereto~~ to the lien dealt with by action in the name of the state, brought by the county attorney at the request of the county auditor.

Sec. 56. Minnesota Statutes 2014, section 88.52, subdivision 6, is amended to read:

Subd. 6. **Timber held exempt from yield tax.** Timber cut from an auxiliary forest by an owner and used by the owner for fuel, fencing, or building on land occupied by the owner which is within or contiguous to the auxiliary forest where cut shall ~~be~~ is exempt from the yield tax, and, as to timber so cut and used, the requirements of subdivisions 1 and 2 shall do not be applicable and in lieu thereof apply. The owner shall, prior to cutting, file with the county auditor, on a form prepared by the commissioner, a statement showing the quantity of each kind of forest products proposed to be cut and the purposes for which the ~~same~~ the products will be used.

Sec. 57. Minnesota Statutes 2014, section 88.523, is amended to read:

88.523 AUXILIARY FOREST CONTRACTS; SUPPLEMENTAL AGREEMENTS.

Upon application of the owner, any auxiliary forest contract ~~heretofore or hereafter executed~~ may be made subject to any provisions of law enacted subsequent to the execution of the contract and in force at the time of application, so far as not already applicable, with the approval of the county board and the commissioner of natural resources. ~~As evidence thereof~~ A supplemental agreement in a form prescribed by the commissioner and approved by the attorney general shall must be executed by the commissioner in behalf of the state and by the owner. ~~Such~~ The supplemental agreement shall must be filed and recorded in like manner as the original supplemental contract under section 88.49, subdivision 9, and shall ~~thereupon take~~ takes effect upon filing and recording.

Sec. 58. Minnesota Statutes 2014, section 88.53, subdivision 1, is amended to read:

Subdivision 1. **Time for disposal.** ~~Any corporation, association, or organization may acquire and hold any amount of land without restriction and without limit as to acreage or quantity for the purpose of including same within and holding same as an auxiliary forest under the provisions of sections 88.47 to 88.53. When the same shall cease land ceases to be an auxiliary forest, the owners shall have five years within which to dispose of the land, any provisions of general law to the contrary notwithstanding.~~

Sec. 59. Minnesota Statutes 2014, section 88.53, subdivision 2, is amended to read:

Subd. 2. **Rules.** The director shall make rules and adopt and prescribe such forms and procedure as ~~shall be is~~ necessary in carrying out the provisions of sections ~~88.47~~ 88.49 to 88.53; and the director and every county board, county recorder, registrar of titles, assessor, tax collector, and every other person in official authority having any duties to perform under or growing out of sections ~~88.47~~ 88.49 to 88.53 are hereby severally vested with full power and authority to enforce such rules, employ help and assistance, acquire and use equipment and supplies, or do any other act or thing reasonably necessary to the proper performance of duties under or arising from the administration and enforcement of sections ~~88.47~~ 88.49 to 88.53. ~~It shall be the duty of~~ The director ~~to~~ must cause periodic inspections to be made of all auxiliary forests for the purpose of determining whether relative contract and statutory provisions ~~relative thereto~~ are being complied with.

Sec. 60. Minnesota Statutes 2014, section 88.6435, subdivision 4, is amended to read:

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

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

Sec. 61. Minnesota Statutes 2014, section 90.14, is amended to read:

90.14 AUCTION SALE PROCEDURE.

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

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

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

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

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

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

Sec. 62. Minnesota Statutes 2014, section 90.193, is amended to read:

90.193 EXTENSION OF TIMBER PERMITS.

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

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

Sec. 63. [92.83] CONDEMNATION OF SCHOOL TRUST LAND.

Subdivision 1. Purpose. The purpose of this section is to extinguish the school trust interest in school trust lands where long-term economic return is prohibited by designation or policy while producing economic benefits for Minnesota's public schools. For the purposes of satisfying the Minnesota Constitution, article XI, section 8, which limits the sale of school trust lands to a public sale, the commissioner of natural resources shall acquire school trust lands through condemnation, as provided in subdivision 2.

Subd. 2. Commencement of condemnation proceedings. When the commissioner of natural resources has determined sufficient money is available to acquire any of the lands identified under section 84.027, subdivision 18, paragraph (c), the commissioner shall proceed to extinguish the school trust interest by condemnation action. When requested by the commissioner, the attorney general shall commence condemnation of the identified school trust lands.

Subd. 3. Payment. The portion of the payment of the award and judgment that is for the value of the land shall be deposited into the permanent school fund. The remainder of the award and judgment payment shall first be remitted for reimbursement to the accounts from which expenses were paid, with any remainder deposited into the permanent school fund.

Subd. 4. Account. The school trust lands account is created in the state treasury. Money credited to the account is appropriated to the commissioner of natural resources for the purposes of this section.

Sec. 64. Minnesota Statutes 2014, section 94.10, subdivision 2, is amended to read:

Subd. 2. **Public sale requirements.** (a) After complying with subdivision 1 and before any public sale of surplus state-owned land is made and at least 30 days before the sale, the commissioner of natural resources shall publish a notice of the sale in a newspaper of general distribution in the county in which the real property to be sold is situated. The notice shall specify the time and place at which the sale will commence, a general description of the lots or tracts to be offered, and a general statement of the terms of sale. The commissioner shall also provide electronic notice of sale.

(b) The minimum bid for a parcel of land must include the estimated value or appraised value of the land and any improvements and, if any of the land is valuable for merchantable timber, the value of the merchantable timber. The minimum bid may include expenses incurred by the commissioner in rendering the property salable, including survey, appraisal, legal, advertising, and other expenses.

(c) Except as provided under paragraph (d), parcels remaining unsold after the offering may be sold to anyone agreeing to pay at least 75 percent of the appraised value. The sale shall continue until all parcels are sold or until the commissioner orders a reappraisal or withdraws the remaining parcels from sale.

(d) The commissioner may retain the services of a licensed real estate broker to find a buyer for parcels remaining unsold after the offering. The sale price may be negotiated by the broker, but must not be less than 90 percent of the appraised value as determined by the commissioner. The broker's fee must be established by prior agreement between the commissioner and the broker and must not exceed ten percent of the sale price for sales of \$10,000 or more. The broker's fee must be paid to the broker from the proceeds of the sale.

Sec. 65. Minnesota Statutes 2014, section 94.16, subdivision 2, is amended to read:

Subd. 2. **Payment of expenses.** A portion of the proceeds from the sale equal in amount to the survey, appraisal, legal, advertising, real estate broker fee, and other expenses incurred by the commissioner of natural resources in rendering the property salable and sold shall be remitted to the account from which the expenses were paid, and are appropriated and immediately available for expenditure in the same manner as other money in the account.

Sec. 66. Minnesota Statutes 2014, section 94.16, subdivision 3, is amended to read:

Subd. 3. **Proceeds from natural resources land.** (a) Except as provided in ~~paragraph~~ paragraphs (b) and (c), the remainder of the proceeds from the sale of lands classified as a unit of the outdoor recreation system under section 86A.05 that were under the control and supervision of the commissioner of natural resources shall be credited to the land acquisition account in the natural resources fund.

(b) The remainder of the proceeds from the sale of administrative sites under the control and supervision of the commissioner of natural resources shall be credited to the facilities management account established under section 84.0857 and used to acquire facilities or renovate existing buildings for administrative use or to acquire land for, design, and construct administrative buildings for the Department of Natural Resources.

(c) The remainder of the proceeds from the sale of land not within a unit of the outdoor recreation system under section 86A.05 and not an administrative site, but under the control and supervision of the commissioner of natural resources, shall be credited to the school trust lands account established under section 92.83.

Sec. 67. Minnesota Statutes 2014, section 97A.055, subdivision 4b, is amended to read:

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

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

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

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

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

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

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

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

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

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

Sec. 68. Minnesota Statutes 2014, section 97B.668, is amended to read:

97B.668 CANADA-GEESE GAME BIRDS CAUSING DAMAGE.

Notwithstanding sections 97B.091 and 97B.805, subdivisions 1 and 2, a person or agent of that person on lands and nonpublic waters owned or operated by the person may nonlethally scare, haze, chase, or harass ~~Canada geese~~ game birds that are causing property damage ~~from March 11 to August 31~~ or to protect a disease risk at any time or

place that a hunting season for the game birds is not open. This section does not apply to public waters as defined under section 103G.005, subdivision 15, ~~or~~. This section does not apply to migratory waterfowl on nests and other federally protected game birds on nests, except ducks and geese on nests unless when a permit is obtained under section 97A.401.

Sec. 69. Minnesota Statutes 2014, section 97C.301, is amended by adding a subdivision to read:

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

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

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

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

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

Sec. 70. Minnesota Statutes 2014, section 103B.101, is amended by adding a subdivision to read:

Subd. 12a. **Authority to issue penalty orders.** (a) A county or watershed district with jurisdiction or the Board of Water and Soil Resources may issue an order requiring violations of the water resources riparian protection requirements under sections 103F.48, 103F.415, and 103F.421, to be corrected and administratively assessing monetary penalties up to \$500 for noncompliance commencing on day one of the 11th month after the noncompliance notice was issued. One-half of the proceeds collected from an administrative penalty order issued under this section must be remitted to the county or watershed district with jurisdiction over the noncompliant site.

(b) Administrative penalties may be reissued and appealed under paragraph (a) according to section 103F.48, subdivision 9.

Sec. 71. Minnesota Statutes 2014, section 103B.101, is amended by adding a subdivision to read:

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

Sec. 72. **[103B.103] EASEMENT STEWARDSHIP ACCOUNTS.**

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

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

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

Subd. 3. **Financial contributions.** The board shall seek a financial contribution to the water and soil conservation easement stewardship account for each conservation easement acquired by the board. The board shall seek a financial contribution or assess an easement stewardship payment to the mitigation easement stewardship account for each wetland banking easement acquired by the board. Unless otherwise provided by law, the board shall determine the amount of the contribution or payment, which must be an amount calculated to earn sufficient money to meet the costs of managing the easement at a level that neither significantly overrecovers nor underrecovers the costs. In determining the amount of the financial contribution, the board shall consider:

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

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

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

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

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

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

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

Sec. 73. Minnesota Statutes 2014, section 103B.3355, is amended to read:

103B.3355 WETLAND FUNCTIONS FOR DETERMINING PUBLIC VALUES.

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

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

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

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

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

(5) fish, wildlife, native plant habitats;

(6) low-flow augmentation;

(7) carbon sequestration; and

(8) other public uses.

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

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

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

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

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

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

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

Sec. 74. Minnesota Statutes 2014, section 103D.335, subdivision 21, is amended to read:

Subd. 21. **Contracts.** The managers may make contracts or other arrangements with the federal government, persons, railroads or other corporations, political subdivisions, and the state or other states, with drainage authorities, flood control, soil conservation, or other improvement districts in this state or other states, for cooperation or

assistance in constructing, maintaining, and operating the projects of the watershed district, or for the control of its waters, or for making surveys and investigations or reports on them. Property acquired for flood damage reduction purposes by the watershed district may be operated or leased by the district for agricultural purposes during periods the property is not needed for flood control, provided it remains subject to use by the watershed district as necessary for flood control purposes. Notwithstanding section 16A.695, revenue received by the watershed district from the operation or lease of state bond financed property acquired for flood control purposes shall be retained by the district in a separate project-specific account and used solely for flood control operation, maintenance, and replacement purposes within the related project area and, if the district determines that the account contains adequate reserves for future operation, maintenance, and replacement, any excess may be used for the construction, operation, maintenance, or replacement of other flood control projects as approved by the commissioner.

Sec. 75. Minnesota Statutes 2014, section 103F.421, subdivision 4, is amended to read:

Subd. 4. **Application for cost-sharing funds.** ~~The landowner has 90 days after a mediated settlement is filed~~ complaint is substantiated to apply for state cost-sharing funds that will provide 75 percent of the cost of the permanent conservation practices. Only 50 Fifty percent of the cost share will be provided if the application is not made within 90 days after the settlement is filed, unless the soil and water conservation district or the board provides an extension. An extension must be granted if funds are not available. The landowner must apply for 50 percent of the cost share within 270 days after the mediated settlement is filed.

Sec. 76. Minnesota Statutes 2014, section 103F.421, is amended by adding a subdivision to read:

Subd. 6. **Application of state and federal law.** Nothing in this section is intended to preclude the application of other applicable state or federal law.

Sec. 77. **[103F.48] RIPARIAN PROTECTION AND WATER QUALITY PRACTICES.**

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

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

(c) "Buffer" means an area consisting of perennial vegetation, excluding invasive plants and noxious weeds, adjacent to all bodies of water within the state and that protects the water resources of the state from runoff pollution; stabilizes soils, shores, and banks; and protects or provides riparian corridors.

(d) "Buffer protection map" means buffer maps established and maintained by the commissioner of natural resources.

(e) "Commissioner" means the commissioner of natural resources.

(f) "Executive director" means the executive director of the Board of Water and Soil Resources.

(g) "Local water management authority" means a watershed district, metropolitan water management organization, or county operating separately or jointly in its role as local water management authority under chapter 103B or 103D.

(h) "Normal water level" means the level evidenced by the long-term presence of surface water as indicated directly by hydrophytic plants or hydric soils or indirectly determined via hydrological models or analysis.

(i) "Public waters" has the meaning given in section 103G.005, subdivision 15.

Subd. 2. **Purpose.** It is the policy of the state to establish riparian buffers and water quality practices to:

- (1) protect state water resources from erosion and runoff pollution;
- (2) stabilize soils, shores, and banks; and
- (3) protect or provide riparian corridors.

Subd. 3. **Water resources riparian protection requirements on public waters and public drainage systems.**

(a) Except as provided in paragraph (b), landowners owning property adjacent to a water body identified and mapped on a buffer protection map must maintain a buffer to protect the state's water resources as follows:

(1) for all public waters, the more restrictive of:

- (i) a 50-foot average width, 30-foot minimum width, continuous buffer of perennially rooted vegetation; or
- (ii) the state shoreland standards and criteria adopted by the commissioner under section 103F.211; and

(2) for public drainage systems established under chapter 103E, a 16.5-foot minimum width continuous buffer of perennially rooted vegetation on ditches within the benefited area of public drainage systems.

(b) A landowner owning property adjacent to a water body identified in a buffer protection map and whose property is used for cultivation farming may meet the requirements under paragraph (a) by adopting an alternative riparian water quality practice, or combination of structural, vegetative, and management practices, based on the Natural Resources Conservation Service Field Office Technical Guide or other practices approved by the board, that provide water quality protection comparable to the buffer protection for the water body that the property abuts.

(c) The width of a buffer must be measured from the top or crown of the bank. Where there is no defined bank, measurement must be from the edge of the normal water level.

(d) Upon request by a landowner or authorized agent or operator of a landowner, a technical professional employee or contractor of the soil and water conservation district or its delegate may issue a validation of compliance with the requirements of this subdivision. The soil and water conservation district validation may be appealed to the board as described in subdivision 9.

(e) Buffers or alternative water quality practices required under paragraph (a) or (b) must be in place on or before:

- (1) November 1, 2017, for public waters; and
- (2) November 1, 2018, for public drainage systems.

Subd. 4. **Local water resources riparian protection.** On or before July 1, 2017, the soil and water conservation district shall develop, adopt, and submit to each local water management authority within its boundary a summary of watercourses for inclusion in the local water management authority's plan. A local water management authority that receives a summary of watercourses identified under this subdivision must revise its comprehensive local water management plan or comprehensive watershed management plan to incorporate the soil and water conservation district recommendations.

Subd. 5. **Exemptions.** Land adjacent to waters subject to subdivision 3 is exempt from the water resource protection requirements under subdivision 3, to the extent these exemptions are not inconsistent with the requirements of the state shoreland rules adopted by the commissioner pursuant to section 103F.211, if it is:

(1) enrolled in the federal Conservation Reserve Program;

(2) used as a public or private water access or recreational use area including stairways, landings, picnic areas, access paths, beach and watercraft access areas, and permitted water-oriented structures as provided in the shoreland model standards and criteria adopted pursuant to section 103F.211 or as provided for in an approved local government shoreland ordinance;

(3) covered by a road, trail, building, or other structures; or

(4) regulated by a national pollutant discharge elimination system/state disposal system (NPDES/SDS) permit under Minnesota Rules, chapter 7090, and provides water resources riparian protection, in any of the following categories:

(i) municipal separate storm sewer system (MS4);

(ii) construction storm water (CSW); or

(iii) industrial storm water (ISW);

(5) part of a water-inundation cropping system; or

(6) in a temporary nonvegetated condition due to drainage tile installation and maintenance, alfalfa or other perennial crop or plant seeding, or construction or conservation projects authorized by a federal, state, or local government unit.

Subd. 6. **Local implementation and assistance.** (a) Soil and water conservation districts must assist landowners with implementation of the water resource riparian protection requirements established in this section. For the purposes of this subdivision, assistance includes planning, technical assistance, implementation of approved alternative practices, and tracking progress towards compliance with the requirements.

(b) The commissioner or the board must provide sufficient funding to soil and water conservation districts to implement this section.

Subd. 7. **Corrective actions.** (a) If the soil and water conservation district determines a landowner is not in compliance with this section, the district must notify the county or watershed district with jurisdiction over the noncompliant site. The county or watershed district must provide the landowner with a list of corrective actions needed to come into compliance and a practical timeline to meet the requirements in this section. The county or watershed district with jurisdiction must provide a copy of the corrective action notice to the board.

(b) If the landowner does not comply with the list of actions and timeline provided, the county or watershed district may enforce this section under the authority granted in section 103B.101, subdivision 12a. Before exercising this authority, a county or watershed district must adopt a plan containing procedures for the issuance of administrative penalty orders and may issue orders beginning November 1, 2017. If a county or watershed district with jurisdiction over the noncompliant site has not adopted a plan under this paragraph, the board may enforce this section under the authority granted in section 103B.101, subdivision 12a.

(c) If the county, watershed district, or board determines that sufficient steps have been taken to fully resolve noncompliance, all or part of the penalty may be forgiven.

(d) An order issued under paragraph (b) may be appealed to the board as provided under subdivision 9.

(e) A corrective action is not required for conditions resulting from a flood or other act of nature.

(f) A landowner agent or operator of a landowner may not remove or willfully degrade a riparian buffer or water quality practice, wholly or partially, unless the agent or operator has obtained a signed statement from the property owner stating that the permission for the work has been granted by the unit of government authorized to approve the work in this section or that a buffer or water quality practice is not required as validated by the soil and water conservation district. Removal or willful degradation of a riparian buffer or water quality practice, wholly or partially, by an agent or operator is a separate and independent offense and may be subject to the corrective actions and penalties in this subdivision.

Subd. 8. **Funding subject to withholding.** The state may withhold funding from a local water management authority or a soil and water conservation district that fails to implement this section. Funding subject to withholding includes soil and water program aid, a natural resources block grant, and other project or program funding. Funding may be restored upon the board's approval of a corrective action plan.

Subd. 9. **Appeals of validations and penalty orders.** A landowner or agent or operator may appeal the terms and conditions of a soil and water conservation district validation or an administrative penalty order to the board within 30 days of receipt of written or electronic notice of the validation or order. The request for appeal must be in writing. The appealing party must provide a copy of the validation or order that is being appealed, the basis for the appeal, and any supporting evidence. The request for appeal may be submitted personally, by first class mail, or electronically to the executive director. If a written or electronic request for appeal is not submitted within 30 days, the validation or order is final. The executive director shall review the request and supporting evidence and issue a decision within 60 days of receipt of an appeal. The executive director's decision is appealable directly to the Court of Appeals pursuant to sections 14.63 to 14.69.

Subd. 10. **Landowner financial assistance and public drainage system procedure.** (a) A landowner or drainage authority may contact the soil and water conservation district for information on how to apply for local, state, or federal cost-share grants, contracts, or loans that are available to establish buffers or other water resource protection measures.

(b) The provisions of sections 103E.011, subdivision 5; 103E.021, subdivision 6; and 103E.715 may be used in advance or retroactively to acquire or provide compensation for all or part of the buffer strip establishment or alternative riparian water quality practices as required under subdivision 3, paragraph (a), within the benefited area of a public drainage system. Implementation of this subdivision is not subject to limitation of project costs to the current benefits adopted for the drainage system.

Subd. 11. **State lands.** This section applies to the state and its departments and agencies.

Sec. 78. Minnesota Statutes 2014, section 103F.612, subdivision 2, is amended to read:

Subd. 2. **Application.** (a) A wetland owner may apply to the county where a wetland is located for designation of a wetland preservation area in a high priority wetland area ~~identified in a comprehensive local water plan, as defined in section 103B.3363, subdivision 3, and located within a high priority wetland region~~ designated by the Board of Water and Soil Resources, if the county chooses to accept wetland preservation area applications. The application must be made on forms provided by the board. If a wetland is located in more than one county, the application must be submitted to the county where the majority of the wetland is located.

(b) The application shall be executed and acknowledged in the manner required by law to execute and acknowledge a deed and must contain at least the following information and other information the Board of Water and Soil Resources requires:

(1) legal description of the area to be approved, which must include an upland strip at least 16-1/2 feet in width around the perimeter of wetlands within the area and may include total upland area of up to four acres for each acre of wetland;

(2) parcel identification numbers where designated by the county auditor;

(3) name and address of the owner;

(4) a statement by the owner covenanting that the land will be preserved as a wetland and will only be used in accordance with conditions prescribed by the Board of Water and Soil Resources and providing that the restrictive covenant will be binding on the owner and the owner's successors or assigns, and will run with the land.

(c) The upland strip required in paragraph (b), clause (1), must be planted with permanent vegetation other than a noxious weed.

Sec. 79. Minnesota Statutes 2014, section 103G.005, is amended by adding a subdivision to read:

Subd. 10g. **In-lieu fee program.** "In-lieu fee program" means a program in which wetland replacement requirements of section 103G.222 are satisfied through payment of money to the board or a board-approved sponsor to develop replacement credits according to section 103G.2242, subdivision 12.

Sec. 80. Minnesota Statutes 2014, section 103G.222, subdivision 1, is amended to read:

Subdivision 1. **Requirements.** (a) Wetlands must not be drained or filled, wholly or partially, unless replaced by ~~restoring or creating wetland areas of~~ actions that provide at least equal public value under a replacement plan approved as provided in section 103G.2242, a replacement plan under a local governmental unit's comprehensive wetland protection and management plan approved by the board under section 103G.2243, or, if a permit to mine is required under section 93.481, under a mining reclamation plan approved by the commissioner under the permit to mine. For project-specific wetland replacement completed prior to wetland impacts authorized or conducted under a permit to mine within the Great Lakes and Rainy River watershed basins, those basins shall be considered a single watershed for purposes of determining wetland replacement ratios. Mining reclamation plans shall apply the same principles and standards for replacing wetlands ~~by restoration or creation of wetland areas~~ that are applicable to mitigation plans approved as provided in section 103G.2242. Public value must be determined in accordance with section 103B.3355 or a comprehensive wetland protection and management plan established under section 103G.2243. Sections 103G.221 to 103G.2372 also apply to excavation in permanently and semipermanently flooded areas of types 3, 4, and 5 wetlands.

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

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

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

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

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

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

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

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

(c) If a wetland is located in a cultivated field, then replacement must be accomplished through restoration only without regard to the priority order in paragraph (b), provided that the altered wetland is not converted to a nonagricultural use for at least ten years.

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

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

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

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

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

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

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

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

(l) For projects involving draining or filling of wetlands associated with a new public transportation project, and for projects expanded solely for additional traffic capacity, public transportation authorities may purchase credits from the board at the cost to the board to establish credits. Proceeds from the sale of credits provided under this paragraph are appropriated to the board for the purposes of this paragraph. For the purposes of this paragraph, "transportation project" does not include an airport project.

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

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

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

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

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

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

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

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

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

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

Sec. 81. Minnesota Statutes 2014, section 103G.222, subdivision 3, is amended to read:

Subd. 3. **Wetland replacement siting.** (a) Impacted wetlands in a 50 to 80 percent area must be replaced in a 50 to 80 percent area or in a less than 50 percent area. Impacted wetlands in a less than 50 percent area must be replaced in a less than 50 percent area. All wetland replacement must follow this priority order:

- (1) on site or in the same minor watershed as the impacted wetland;
- (2) in the same watershed as the impacted wetland;
- (3) in the same county or wetland bank service area as the impacted wetland; and
- (4) in another wetland bank service area; and.

~~(5) statewide for public transportation projects, except that wetlands impacted in less than 50 percent areas must be replaced in less than 50 percent areas, and wetlands impacted in the seven county metropolitan area must be replaced at a ratio of two to one in: (i) the affected county or, (ii) in another of the seven metropolitan counties, or (iii) in one of the major watersheds that are wholly or partially within the seven county metropolitan area, but at least one to one must be replaced within the seven county metropolitan area.~~

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

(b) Notwithstanding paragraph (a), wetland banking credits approved according to a complete wetland banking application submitted to a local government unit by April 1, 1996, may be used to replace wetland impacts resulting from public transportation projects statewide.

(c) Notwithstanding paragraph (a), clauses (1) and (2), the priority order for replacement by wetland banking begins at paragraph (a), clause (3), according to rules adopted under section 103G.2242, subdivision 1.

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

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

- (1) take advantage of naturally occurring hydrogeomorphological conditions and require minimal landscape alteration;
- (2) have a high likelihood of becoming a functional wetland that will continue in perpetuity;
- (3) do not adversely affect other habitat types or ecological communities that are important in maintaining the overall biological diversity of the area; and

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

~~(e) Applicants and local government units shall rely on board approved comprehensive inventories of replacement opportunities and watershed conditions, including the Northeast Minnesota Wetland Mitigation Inventory and Assessment (January 2010), in determining whether reasonable, practicable, and environmentally beneficial replacement opportunities are available.~~

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

(g) The board must establish wetland replacement ratios and wetland bank service area priorities to implement the siting and targeting of wetland replacement and encourage the use of high priority areas for wetland replacement.

Sec. 82. Minnesota Statutes 2014, section 103G.2242, subdivision 1, is amended to read:

Subdivision 1. **Rules.** (a) The board, in consultation with the commissioner, shall adopt rules governing the approval of wetland value replacement plans under this section and public waters work permits affecting public waters wetlands under section 103G.245. These rules must address the criteria, procedure, timing, and location of acceptable replacement of wetland values; and may address the state establishment and administration of a wetland banking program for public and private projects, ~~which may include~~ including provisions allowing ~~monetary payment to the wetland banking program for alteration of wetlands on agricultural land for an in-lieu fee program;~~ the administrative, monitoring, and enforcement procedures to be used; and a procedure for the review and appeal of decisions under this section. In the case of peatlands, the replacement plan rules must consider the impact on carbon ~~balance described in the report required by Laws 1990, chapter 587, and include the planting of trees or shrubs.~~ Any in-lieu fee program established by the board must conform with Code of Federal Regulations, title 33, section 332.8, as amended.

(b) After the adoption of the rules, a replacement plan must be approved by a resolution of the governing body of the local government unit, consistent with the provisions of the rules or a comprehensive wetland protection and management plan approved under section 103G.2243.

(c) If the local government unit fails to apply the rules, or fails to implement a local comprehensive wetland protection and management plan established under section 103G.2243, the government unit is subject to penalty as determined by the board.

Sec. 83. Minnesota Statutes 2014, section 103G.2242, subdivision 2, is amended to read:

Subd. 2. **Evaluation.** (a) Questions concerning the public value, location, size, or type of a wetland shall be submitted to and determined by a Technical Evaluation Panel after an on-site inspection. The Technical Evaluation Panel shall be composed of a technical professional employee of the board, a technical professional employee of the local soil and water conservation district or districts, a technical professional with expertise in water resources management appointed by the local government unit, and a technical professional employee of the Department of Natural Resources for projects affecting public waters or wetlands adjacent to public waters. The panel shall use the "United States Army Corps of Engineers Wetland Delineation Manual" (January 1987), including updates, supplementary guidance, and replacements, if any, "Wetlands of the United States" (United States Fish and Wildlife Service Circular 39, 1971 edition), and "Classification of Wetlands and Deepwater Habitats of the United States" (1979 edition). The panel shall provide the wetland determination and recommendations on other technical matters to the local government unit that must approve a replacement plan, ~~wetland banking plan~~ sequencing, exemption determination, no-loss determination, or wetland boundary or type determination and may recommend approval or denial of the plan. The authority must consider and include the decision of the Technical Evaluation Panel in their approval or denial of a plan or determination.

(b) Persons conducting wetland or public waters boundary delineations or type determinations are exempt from the requirements of chapter 326. The board may develop a professional wetland delineator certification program.

(c) The board must establish an interagency team to assist in identifying and evaluating potential wetland replacement sites. The team must consist of members of the Technical Evaluation Panel and representatives from the Department of Natural Resources; the Pollution Control Agency; the United States Army Corps of Engineers, St. Paul district; and other organizations as determined by the board.

Sec. 84. Minnesota Statutes 2014, section 103G.2242, subdivision 3, is amended to read:

Subd. 3. **Replacement completion.** (a) Replacement of wetland values must be completed prior to or concurrent with the actual draining or filling of a wetland, unless:

(1) an irrevocable bank letter of credit or other security financial assurance acceptable to the local government unit or the board is given to the local government unit or the board to guarantee the successful completion of the replacement; or

(2) the replacement is approved under an in-lieu fee program according to rules adopted under subdivision 1. In the case of an in-lieu fee program established by a board-approved sponsor, the board may require that a financial assurance in an amount and method acceptable to the board be given to the board to ensure the approved sponsor fulfills the sponsor's obligation to complete the required wetland replacement.

~~The board may establish, sponsor, or administer a wetland banking program, which may include provisions allowing monetary payment to the wetland bank for impacts to wetlands on agricultural land, for impacts that occur in greater than 80 percent areas, and for public road projects.~~ (b) The board may acquire land in fee title, purchase or accept easements, enter into agreements, and purchase existing wetland replacement credits to facilitate the wetland banking program. The board may establish in-lieu fee payment amounts and hold money in an account in the special revenue fund, which is appropriated to the board to be used solely for establishing replacement wetlands and administering the wetland banking program.

(c) The board shall coordinate the establishment and operation of a wetland bank with the United States Army Corps of Engineers, the Natural Resources Conservation Service of the United States Department of Agriculture, and the commissioners of natural resources, agriculture, and the Pollution Control Agency.

Sec. 85. Minnesota Statutes 2014, section 103G.2242, subdivision 4, is amended to read:

Subd. 4. **Decision.** Upon receiving and considering all required data, the local government unit reviewing replacement plan applications, ~~banking plan~~ sequencing applications, and exemption or no-loss determination requests must act on all replacement plan applications, ~~banking plan~~ sequencing applications, and exemption or no-loss determination requests in compliance with section 15.99.

Sec. 86. Minnesota Statutes 2014, section 103G.2242, subdivision 12, is amended to read:

Subd. 12. **Replacement credits.** (a) No public or private wetland restoration, enhancement, or construction may be allowed for replacement unless specifically designated for replacement and paid for by the individual or organization performing the wetland restoration, enhancement, or construction, ~~and is completed prior to any draining or filling of the wetland.~~

(b) Paragraph (a) does not apply to a wetland whose owner has paid back with interest the individual or organization restoring, enhancing, or constructing the wetland.

(c) Notwithstanding section 103G.222, subdivision 1, paragraph (i), the following actions, and others established in rule, that are consistent with criteria in rules adopted by the board in conjunction with the commissioners of natural resources and agriculture, are eligible for replacement credit as determined by the local government unit or the board, including enrollment in a statewide wetlands bank:

(1) reestablishment of permanent native, noninvasive vegetative cover on a wetland on agricultural land that was planted with annually seeded crops, was in a crop rotation seeding of pasture grasses or legumes, or was in a land retirement program during the past ten years;

(2) buffer areas of permanent native, noninvasive vegetative cover established or preserved on upland adjacent to replacement wetlands;

(3) wetlands restored for conservation purposes under terminated easements or contracts; ~~and~~

(4) water quality treatment ponds constructed to pretreat storm water runoff prior to discharge to wetlands, public waters, or other water bodies, provided that the water quality treatment ponds must be associated with an ongoing or proposed project that will impact a wetland and replacement credit for the treatment ponds is based on the replacement of wetland functions and on an approved storm water management plan for the local government; and

(5) in a greater than 80 percent area, restoration and protection of streams and riparian buffers that are important to the functions and sustainability of aquatic resources.

(d) Notwithstanding section 103G.222, subdivision 1, paragraphs (f) and (g), the board may establish by rule different replacement ratios for restoration projects with exceptional natural resource value.

Sec. 87. Minnesota Statutes 2014, section 103G.2242, subdivision 14, is amended to read:

Subd. 14. **Fees established.** (a) Fees must be assessed for managing wetland bank accounts and transactions as follows:

(1) account maintenance annual fee: one percent of the value of credits not to exceed \$500;

(2) account establishment, deposit, or transfer: 6.5 percent of the value of credits not to exceed \$1,000 per establishment, deposit, or transfer; and

(3) withdrawal fee: 6.5 percent of the value of credits withdrawn.

(b) The board may establish fees at or below the amounts in paragraph (a) for single-user or other dedicated wetland banking accounts.

(c) Fees for single-user or other dedicated wetland banking accounts established pursuant to section 103G.005, subdivision 10e, clause (4), are limited to establishment of a wetland banking account and are assessed at the rate of 6.5 percent of the value of the credits not to exceed \$1,000.

(d) The board may assess a fee to pay the costs associated with establishing conservation easements, or other long-term protection mechanisms prescribed in the rules adopted under subdivision 1, on property used for wetland replacement.

Sec. 88. Minnesota Statutes 2014, section 103G.2251, is amended to read:

103G.2251 STATE CONSERVATION EASEMENTS; WETLAND BANK CREDIT.

In greater than 80 percent areas, preservation of wetlands, riparian buffers, and watershed areas essential to maintaining important functions and sustainability of aquatic resources in the watershed that are protected by a permanent conservation easement as defined under section 84C.01 and held by the board may be eligible for wetland replacement or mitigation credits, according to rules adopted by the board. To be eligible for credit under this section, a conservation easement must be established after May 24, 2008, and approved by the board. Wetland areas on private lands preserved under this section are not eligible for replacement or mitigation credit if the area has been protected using public conservation funds.

Sec. 89. Minnesota Statutes 2014, section 103G.245, subdivision 2, is amended to read:

Subd. 2. **Exceptions.** A public waters work permit is not required for:

(1) work in altered natural watercourses that are part of drainage systems established under chapter 103D or 103E if the work in the waters is undertaken according to chapter 103D or 103E; ~~or~~

(2) a drainage project for a drainage system established under chapter 103E that does not substantially affect public waters; ~~or~~

(3) culvert restoration or replacement of the same size and elevation, if the restoration or replacement does not impact a designated trout stream.

Sec. 90. Minnesota Statutes 2014, section 103G.271, subdivision 3, is amended to read:

Subd. 3. **Permit restriction during summer months.** The commissioner must not modify or restrict the amount of appropriation from a groundwater source authorized in a water use permit issued to irrigate agricultural land between ~~May~~ April 1 and October 1, ~~or, for agricultural land with a crop, until November 15,~~ unless the commissioner determines the authorized amount of appropriation endangers a domestic water supply.

Sec. 91. Minnesota Statutes 2014, section 103G.271, subdivision 5, is amended to read:

Subd. 5. **Prohibition on once-through water use permits.** (a) Except as provided in paragraph (c), the commissioner may not issue a water use permit to increase the volume of appropriation from a groundwater source for a once-through cooling system.

(b) Except as provided in paragraph (c), once-through system water use permits using in excess of 5,000,000 gallons annually must be terminated by the commissioner, unless the discharge is into a public water basin within a nature preserve approved by the commissioner and established prior to January 1, 2001. The commissioner may issue a permit for a system in existence prior to January 1, 2015, for up to 5,000,000 gallons annually. Existing once-through systems must not be expanded and are required to convert to water efficient alternatives within the design life of existing equipment.

(c) Notwithstanding paragraphs (a) and (b), the commissioner, with the approval of the commissioners of health and the Pollution Control Agency, may issue once-through system water use permits on an annual basis for groundwater thermal exchange devices or aquifer storage and recovery systems that return all once-through system water to the source aquifer. Water use permit processing fees in subdivision 6, paragraph (a), apply to all water withdrawals under this paragraph, including any reuse of water returned to the source aquifer.

Sec. 92. Minnesota Statutes 2014, section 103G.271, subdivision 6a, is amended to read:

Subd. 6a. **Payment of fees for past unpermitted appropriations.** An entity that appropriates water without a required permit under subdivision 1 must pay the applicable water use permit processing fee specified in subdivision 6 for the period during which the unpermitted appropriation occurred. The fees for unpermitted appropriations are required for the previous seven calendar years after being notified of the need for a permit. This fee is in addition to any other fee or penalty assessed. The commissioner may waive payment of fees for past unpermitted appropriations for a residential system permitted under subdivision 5, paragraph (b).

Sec. 93. Minnesota Statutes 2014, section 103G.287, subdivision 1, is amended to read:

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

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

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

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

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

~~(5)~~ (4) the results of an aquifer test completed according to specifications approved by the commissioner. The test must be conducted at the maximum pumping rate requested in the application and for a length of time adequate to assess or predict impacts to other wells and surface water and groundwater resources. The permit applicant is responsible for all costs related to the aquifer test, including the construction of groundwater and surface water monitoring installations, and water level readings before, during, and after the aquifer test; and

~~(6)~~ (5) the results of any assessments conducted by the commissioner under paragraph (c).

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

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

Sec. 94. **[103G.289] WELL INTERFERENCE; WELL SEALING.**

The commissioner shall not validate a well interference claim if the affected well has been sealed prior to the completion of the commissioner's investigation of the complaint. If the well is sealed prior to completion of the investigation, the commissioner must dismiss the complaint.

Sec. 95. Minnesota Statutes 2014, section 103G.291, subdivision 3, is amended to read:

Subd. 3. **Water supply plans; demand reduction.** (a) Every public water supplier serving more than 1,000 people must submit a water supply plan to the commissioner for approval by January 1, 1996. In accordance with guidelines developed by the commissioner, the plan must address projected demands, adequacy of the water supply system and planned improvements, existing and future water sources, natural resource impacts or limitations, emergency preparedness, water conservation, supply and demand reduction measures, and allocation priorities that are consistent with section 103G.261. Public water suppliers must update their plan and, upon notification, submit it to the commissioner for approval every ten years.

(b) The water supply plan in paragraph (a) is required for all communities in the metropolitan area, as defined in section 473.121, with a municipal water supply system and is a required element of the local comprehensive plan required under section 473.859. ~~Water supply plans or updates submitted after December 31, 2008, must be consistent with the metropolitan area master water supply plan required under section 473.1565, subdivision 1, paragraph (a), clause (2).~~

(c) Public water suppliers serving more than 1,000 people must encourage water conservation by employing water use demand reduction measures, as defined in subdivision 4, paragraph (a), before requesting approval from the commissioner of health under section 144.383, paragraph (a), to construct a public water supply well or requesting an increase in the authorized volume of appropriation. The commissioner of natural resources and the water supplier shall use a collaborative process to achieve demand reduction measures as a part of a water supply plan review process.

(d) Public water suppliers serving more than 1,000 people must submit records that indicate the number of connections and amount of use by customer category and volume of water unaccounted for with the annual report of water use required under section 103G.281, subdivision 3.

(e) For the purposes of this section, "public water supplier" means an entity that owns, manages, or operates a public water supply, as defined in section 144.382, subdivision 4.

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

Sec. 96. Minnesota Statutes 2014, section 103G.301, subdivision 5a, is amended to read:

Subd. 5a. **Town fees limited exemption.** Notwithstanding this section or any other law, no permit application, general permit notification, or field inspection fee shall be charged to a town in connection with the construction or alteration of a town road, bridge, or culvert ~~shall exceed \$100.~~

Sec. 97. **[114C.40] VOLUNTARY SELF REPORTING OF VIOLATIONS.**

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

(b) "Commissioner" means the commissioner of the Pollution Control Agency.

(c) "Environmental requirement" means a requirement in a law administered by the agency, a rule adopted by the agency, a permit or order issued by the agency, an agreement entered into with the agency, or a court order issued pursuant to any of the foregoing.

(d) "Regulated entity" means a public or private organization that is subject to environmental requirements.

Subd. 2. **Enforcement delay.** The commissioner must defer for at least 90 days enforcement of an environmental requirement against a regulated entity if:

(1) violation of the environmental requirement was first identified by the regulated entity or an employee of or person contracted by the regulated entity;

(2) the regulated entity notified the commissioner of the violation within two business days of it coming to the regulated entity's attention;

(3) the regulated entity has not been subject to an enforcement action within the past two years from the date of the notification under clause (2); and

(4) the regulated entity has committed, in writing, to correct the violation as expeditiously as possible under the circumstances.

Subd. 3. **Penalties waived.** The commissioner must not impose or bring an action for any administrative, civil, or criminal penalties against a regulated entity if, after the 90-day delay provided under subdivision 2, the regulated entity has corrected the violation or has a schedule to correct the violation approved by the commissioner.

Subd. 4. **Exceptions.** Notwithstanding subdivisions 2 and 3, the commissioner may, at any time, bring:

(1) a criminal enforcement action against any person who commits a violation under section 609.671;

(2) a civil or administrative enforcement action, which may include a penalty, under section 115.071 or 116.072, against the regulated entity if:

(i) a violation caused serious harm to, or presents an imminent and substantial endangerment to, human health or the environment;

(ii) a violation is of the specific terms of an administrative order, a judicial order or consent decree, a stipulation agreement, or a schedule of compliance;

(iii) a violation has resulted in a substantial economic benefit which gives the regulated entity a clear advantage over its business competitors; or

(iv) a violation is identified through a legally mandated monitoring or sampling requirement prescribed by statute, regulation, permit, judicial or administrative order, or consent agreement; or

(3) an enforcement action against a regulated entity to enjoin an imminent and substantial danger under section 116.11.

Subd. 5. **Reporting required by law.** Nothing in this section alters the obligation of any regulated entity to report releases, violations, or other matters that are required to be reported by state or federal law, rule, permit, or enforcement action.

Sec. 98. **[115.035] INDEPENDENT PEER REVIEW OF WATER QUALITY STANDARDS.**

(a) For the purposes of this section, "independent peer review" means a peer review conducted by an expert or experts in an area related to the work being reviewed who was not directly or indirectly involved with the work conducted or contracted by the agency and who is not currently employed by the agency.

(b) The commissioner of the Pollution Control Agency shall ensure that any proposed change to a water quality standard under this chapter or chapter 116 is subject to an independent peer review when:

(1) the estimated financial impact to affected permittees is \$50,000,000 or more, in total, within the first five years of implementation;

(2) the change supports or proposes a significant new precedent, model, or methodology; or

(3) the change addresses a significant controversial issue.

(c) The commissioner must provide notice and take public comment on the charge questions for independent peer review and must allow written and oral public comment as part of the independent peer review process and the peer review report. Documentation of compliance with the notice and comment requirements and the peer review report must be included in the statement of need and reasonableness.

(d) The commissioner shall ensure that peer review is conducted in accordance with the guidance contained in the United States Environmental Protection Agency's Peer Review Handbook.

Sec. 99. Minnesota Statutes 2014, section 115.44, is amended by adding a subdivision to read:

Subd. 9. **Annual report.** (a) By January 15 each year, the commissioner shall post on the Pollution Control Agency's Web site a report on the agency's activities the previous calendar year to implement standards and classification requirements into national pollutant discharge elimination system and state disposal system permits held by municipalities. The report must include:

(1) a summary of permits issued or reissued over the previous calendar year, including any changes to permitted effluent limits due to water quality standards adopted or revised during the previous permit term;

(2) highlights of innovative approaches employed by the agency and municipalities to develop and achieve permit requirements in a cost-effective manner;

(3) a summary of standards development and water quality rulemaking activities over the previous calendar year, including economic analyses;

(4) a summary of standards development and water quality rulemaking activities anticipated for the next three years, including economic analyses;

(5) a process and timeframe for municipalities to provide input to the agency regarding their needs based on the information provided in the report; and

(6) a list of anticipated permitting initiatives in the next calendar year that may impact municipalities and the agency's plan for involving the municipalities throughout the planning and decision making process. The plan must include opportunities for input and public comment from municipalities on rulemaking initiatives prior to preparation of a statement of need and reasonableness required under section 14.131. The commissioner must ensure the agency's plan under this clause is implemented.

(b) For the purposes of this section, "economic analyses" must include assessments of the potential costs to regulated municipalities associated with water quality standards or rules proposed by the agency.

Sec. 100. Minnesota Statutes 2014, section 115.55, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to sections 115.55 to 115.56.

(b) "Advisory committee" means the Advisory Committee on Subsurface Sewage Treatment Systems established under the subsurface sewage treatment system rules. The advisory committee must be appointed to ensure geographic representation of the state and include elected public officials.

(c) "Applicable requirements" means:

(1) local ordinances that comply with the subsurface sewage treatment system rules, as required in subdivision 2; or

(2) in areas without compliant ordinances described in clause (1), the subsurface sewage treatment system rules.

(d) "Building sewer connected to a subsurface sewage treatment system" means the pipe that connects a structure to a subsurface sewage treatment system. Building sewers connected to subsurface sewage treatment systems are codefined as both plumbing and subsurface sewage treatment system components.

~~(e)~~ (e) "City" means a statutory or home rule charter city.

~~(f)~~ (f) "Commissioner" means the commissioner of the Pollution Control Agency.

~~(g)~~ (g) "Dwelling" means a building or place used or intended to be used by human occupants as a single-family or two-family unit.

~~(h)~~ (h) "Subsurface sewage treatment system" or "system" means a sewage treatment system, or part thereof, that uses subsurface soil treatment and disposal, or a holding tank, serving a dwelling, other establishment, or a group thereof, and that does not require a state permit. Subsurface sewage treatment system includes a building sewer connected to a subsurface sewage treatment system.

~~(i)~~ (i) "Subsurface sewage treatment system professional" means an inspector, installer, designer, service provider, or maintainer.

~~(j)~~ (j) "Subsurface sewage treatment system rules" means rules adopted by the agency that establish minimum standards and criteria for the design, location, installation, use, maintenance, and closure of subsurface sewage treatment systems.

~~(k)~~ (k) "Inspector" means a person who inspects subsurface sewage treatment systems for compliance with the applicable requirements.

~~(l)~~ (l) "Installer" means a person who constructs or repairs subsurface sewage treatment systems.

~~(m)~~ (m) "Local unit of government" means a township, city, or county.

~~(n)~~ (n) "Performance-based system" means a system that is designed specifically for environmental conditions on a site and is designed to adequately protect the public health and the environment and provide consistent, reliable, long-term performance. At a minimum, a performance based system must ensure that applicable water quality standards are met in both ground and surface water that ultimately receive the treated sewage.

~~(o)~~ (o) "Maintainer" means a person who removes solids and liquids from and maintains and repairs components of subsurface sewage treatment systems including, but not limited to, sewage, aerobic, and holding tanks.

~~(p)~~ (p) "Seasonal dwelling" means a dwelling that is occupied or used for less than 180 days per year and less than 120 consecutive days.

~~(q)~~ (q) "Septic system tank" means any covered receptacle designed, constructed, and installed as part of a subsurface sewage treatment system.

~~(r)~~ (r) "Designer" means a person who:

- (1) investigates soils and site characteristics to determine suitability, limitations, and sizing requirements; and
- (2) designs subsurface sewage treatment systems.

~~(s)~~ (s) "Straight-pipe system" means a sewage disposal system that transports raw or partially treated sewage directly to a lake, a stream, a drainage system, or ground surface.

Sec. 101. Minnesota Statutes 2014, section 115.56, subdivision 2, is amended to read:

Subd. 2. **License required.** (a) Except as provided in paragraph (b), a person may not design, install, maintain, pump, inspect, or provide service to a subsurface sewage treatment system without a license issued by the commissioner. Licenses issued under this section allow work on subsurface sewage treatment systems that do not require a state permit using prescriptive designs and design guidances provided by the agency. Licensees who design systems using these prescriptive designs and design guidances are not subject to the additional licensing requirements of section 326.03.

(b) A license is not required for a person who complies with the applicable requirements if the person is:

- (1) a qualified employee of state or local government who is a certified professional;
- (2) an individual who constructs a subsurface sewage treatment system on land that is owned or leased by the individual and functions solely as the individual's dwelling or seasonal dwelling, unless specifically disallowed in local ordinance. A person constructing a subsurface sewage treatment system under this clause must comply with all local administrative and technical requirements. In addition, the system must be inspected before being covered and a compliance report must be provided to the local unit of government after the inspection;
- (3) a farmer who pumps and disposes of sewage waste from subsurface sewage treatment systems, holding tanks, and privies on land that is owned or leased by the farmer; or
- (4) an individual who performs labor or services for a licensed business under this section in connection with the design, installation, operation, pumping, or inspection of a subsurface sewage treatment system at the direction and under the personal supervision of a person certified under this section.

(c) The commissioner, in conjunction with the University of Minnesota Extension Service or another higher education institution, shall ensure adequate training and design guidance exists for subsurface sewage treatment system certified professionals.

(d) The commissioner shall conduct examinations to test the knowledge of applicants for certification and shall issue documentation of certification.

(e) Licenses may be issued only upon submission of general liability insurance, a corporate surety bond in the amount of at least ~~\$10,000~~ \$25,000, and the name of the individual who will be the designated certified individual for that business. The bond may be for both plumbing work and subsurface sewage treatment work if the bond complies with the requirements of this section and satisfies the requirements and references identified in section 326B.46, subdivision 2.

(f) Local units of government may not require additional local licenses for subsurface sewage treatment system businesses.

(g) No other professional license under section 326.03 is required to design, install, maintain, inspect, or provide service for a subsurface sewage treatment system that does not require a state permit using prescriptive designs and design guidances provided by the agency if the system designer, installer, maintainer, inspector, or service provider is licensed under this subdivision and the local unit of government has not adopted additional requirements.

Sec. 102. Minnesota Statutes 2014, section 115A.03, subdivision 25a, is amended to read:

Subd. 25a. **Recyclable materials.** "Recyclable materials" means materials that are separated from mixed municipal solid waste for the purpose of recycling or composting, including paper, glass, plastics, metals, automobile oil, batteries, ~~and~~ source-separated compostable materials, and sole source food waste streams that are managed through biodegradative processes. Refuse-derived fuel or other material that is destroyed by incineration is not a recyclable material.

Sec. 103. Minnesota Statutes 2014, section 115A.03, subdivision 32a, is amended to read:

Subd. 32a. **Source-separated compostable materials.** "Source-separated compostable materials" means materials that:

- (1) are separated at the source by waste generators for the purpose of preparing them for use as compost;
- (2) are collected separately from mixed municipal solid waste, and are governed by the licensing provisions of section 115A.93;
- (3) are comprised of food wastes, fish and animal waste, plant materials, diapers, sanitary products, and paper that is not recyclable because the commissioner has determined that no other person is willing to accept the paper for recycling;
- (4) are delivered to a facility to undergo controlled microbial degradation to yield a humus-like product meeting the agency's class I or class II, or equivalent, compost standards and where process ~~residues~~ rejects do not exceed 15 percent by weight of the total material delivered to the facility; and
- (5) may be delivered to a transfer station, mixed municipal solid waste processing facility, or recycling facility only for the purposes of composting or transfer to a composting facility, unless the commissioner determines that no other person is willing to accept the materials.

Sec. 104. Minnesota Statutes 2014, section 115A.1314, subdivision 1, is amended to read:

Subdivision 1. **Registration fee.** (a) Each manufacturer who registers under section 115A.1312 must, by September 1, 2007, and each year thereafter, pay to the commissioner of revenue an annual registration fee. The commissioner of revenue must deposit the fee in the state treasury and credit the fee to the environmental fund.

(b) The registration fee is equal to a base fee of \$2,500, plus a variable recycling fee calculated according to the formula:

$((A \times B) - (C + D)) \times E$, where:

(1) A = the number of pounds of a manufacturer's video display devices sold to households during the previous program year, as reported to the department under section 115A.1316, subdivision 1;

(2) B = the proportion of sales of video display devices required to be recycled, set at 0.6 for the first program year and 0.8 for the second program year and every year thereafter;

(3) C = the number of pounds of covered electronic devices recycled by a manufacturer from households during the previous program year, as reported to the department under section 115A.1316, subdivision 1;

(4) D = the number of recycling credits a manufacturer elects to use to calculate the variable recycling fee, as reported to the department under section 115A.1316, subdivision 1; and

(5) E = the estimated per-pound cost of recycling, initially set at \$0.50 per pound for manufacturers who recycle less than 50 percent of the product (A x B); \$0.40 per pound for manufacturers who recycle at least 50 percent but less than 90 percent of the product (A x B); and \$0.30 per pound for manufacturers who recycle at least 90 percent but less than 100 percent of the product (A x B).

(c) If, as specified in paragraph (b), the term $C - (A \times B)$ equals a positive number of pounds, that amount is defined as the manufacturer's recycling credits. A manufacturer may retain recycling credits to be added, in whole or in part, to the actual value of C, as reported under section 115A.1316, subdivision 2, during any succeeding program year, provided that no more than 25 percent of a manufacturer's obligation (A x B) for any program year may be met with recycling credits generated in a prior program year. A manufacturer may sell any portion or all of its recycling credits to another manufacturer, at a price negotiated by the parties, who may use the credits in the same manner.

(d) For the purpose of calculating a manufacturer's variable recycling fee under paragraph (b), the weight of covered electronic devices collected from households located outside the 11-county metropolitan area, as defined in subdivision 2, paragraph (c), is calculated at 1.5 times their actual weight.

(e) The registration fee for the initial program year and the base registration fee thereafter for a manufacturer who produces fewer than 100 video display devices for sale annually to households is \$1,250.

(f) For the ninth program year, the agency shall publish a statewide recycling goal of 16,000,000 pounds.

(g) For the ninth program year, the agency shall determine each registered manufacturer's market share of video display devices to be collected and recycled based on the manufacturer's percentage share of the total weight of video display devices sold as reported to the department for the eighth program year as reported to the agency by July 15, 2015. By July 30, 2015, the agency shall provide each manufacturer with a determination of its share of video display devices to be collected and recycled, which is the quotient of the total weight of the manufacturer's video display devices sold to households in the eighth program year, divided by the total weight of all manufacturers' video display devices sold to households in this state based on reporting to the agency for the eighth program year, then applied proportionally to the statewide recycling goal of 16,000,000 pounds as specified in paragraph (f).

(h) If a manufacturer's obligation for the recycling of video display devices as determined in paragraph (b), clauses (1) and (2), by weight is higher than the obligation determined by the agency in paragraph (g), then the higher number is the obligation for program year nine.

(i) For the ninth program year, a manufacturer that did not report sales data to the department for the eighth or ninth program years shall be subject to a recycling obligation that is equal to 80 percent by weight of the manufacturer's video display devices sold to households.

Sec. 105. Minnesota Statutes 2014, section 115A.1415, subdivision 16, is amended to read:

Subd. 16. **Administrative fee.** (a) The stewardship organization or individual producer submitting a stewardship plan shall pay an annual administrative fee to the commissioner. The agency may establish a variable fee based on relevant factors, including, but not limited to, the portion of architectural paint sold in the state by members of the organization compared to the total amount of architectural paint sold in the state by all organizations submitting a stewardship plan.

(b) Prior to July 1, 2014, and before July 1 annually thereafter, the agency shall identify the costs it incurs under this section. The agency shall set the fee at an amount that, when paid by every stewardship organization or individual producer that submits a stewardship plan, is adequate to reimburse the agency's full costs of administering this section. The total amount of annual fees collected under this subdivision must not exceed the amount necessary to reimburse costs incurred by the agency to administer this section.

(c) A stewardship organization or individual producer subject to this subdivision must pay the agency's administrative fee under paragraph (a) on or before July 1, 2014, and annually thereafter. Each year after the initial payment, the annual administrative fee may not exceed five percent of the aggregate stewardship assessment added to the cost of all architectural paint sold by producers in the state for the preceding calendar year.

(d) All fees received under this section shall be deposited in the state treasury and credited to a product stewardship account in the special revenue fund. For fiscal years 2014 ~~and~~ 2015, 2016, and 2017, the amount collected under this section is annually appropriated to the agency to implement and enforce this section.

Sec. 106. Minnesota Statutes 2014, section 115A.551, subdivision 2a, is amended to read:

Subd. 2a. **County recycling goals.** (a) By December 31, 2030, each county will have as a goal to recycle the following amounts:

(1) for a county outside of the metropolitan area, 35 percent by weight of total solid waste generation; and

(2) for a metropolitan county, 75 percent by weight of total solid waste generation.

(b) Each county will develop and implement or require political subdivisions within the county to develop and implement programs, practices, or methods designed to meet its recycling goal. Nothing in this section or in any other law may be construed to prohibit a county from establishing a higher recycling goal.

(c) Any quantified recyclable materials that meet the definition in subdivision 1, paragraph (a), or section 115A.03, subdivision 25a, are eligible to be counted toward a county's recycling goal under this subdivision.

Sec. 107. Minnesota Statutes 2014, section 115A.557, subdivision 2, is amended to read:

Subd. 2. **Purposes for which money may be spent.** (a) A county receiving money distributed by the commissioner under this section may use the money only for the development and implementation of programs to:

(1) reduce the amount of solid waste generated;

(2) recycle the maximum amount of solid waste technically feasible;

(3) create and support markets for recycled products;

(4) remove problem materials from the solid waste stream and develop proper disposal options for them;

- (5) inform and educate all sectors of the public about proper solid waste management procedures;
- (6) provide technical assistance to public and private entities to ensure proper solid waste management;
- (7) provide educational, technical, and financial assistance for litter prevention;
- (8) process mixed municipal solid waste generated in the county at a resource recovery facility located in Minnesota; ~~and~~
- (9) compost source-separated compostable materials, including the provision of receptacles for residential composting;
- (10) prevent food waste or collect and transport food donated to humans or to be fed to animals; and
- (11) process source-separated compostable materials that are to be used to produce Class I or Class II compost, as defined in Minnesota Rules, part 7035.2836, after being processed in an anaerobic digester, but not to construct buildings or acquire equipment.

(b) Beginning in fiscal year 2015 and continuing thereafter, of any money distributed by the commissioner under this section to a metropolitan county, as defined in section 473.121, subdivision 4, that exceeds the amount the county was eligible to receive under this section in fiscal year 2014: (1) at least 50 percent must be expended on activities in paragraph (a), ~~clause clauses~~ (9) to (11); and (2) the remainder must be expended on activities in paragraph (a), clauses (1) to (7) and (9) to (11) that advance the county toward achieving its recycling goal under section 115A.551.

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

Sec. 108. **[115A.565] RECYCLING COMPETITIVE GRANT PROGRAM.**

Subdivision 1. Grant program established. The commissioner shall make competitive grants to political subdivisions to establish curbside recycling or composting, increase recycling or composting, reduce the amount of recyclable materials entering disposal facilities, or reduce the costs associated with hauling waste by locating collection sites as close as possible to the site where the waste is generated. To be eligible for grants under this section, a political subdivision must be located outside the seven-county metropolitan area and a city must have a population of less than 45,000.

Subd. 2. Application. (a) The commissioner must develop forms and procedures for soliciting and reviewing applications for grants under this section.

(b) The determination of whether to make a grant under this section is within the discretion of the commissioner, subject to subdivision 4. The commissioner's decisions are not subject to judicial review, except for abuse of discretion.

Subd. 3. Priorities; eligible projects. (a) If applications for grants exceed the available appropriations, grants must be made for projects that, in the commissioner's judgment, provide the highest return in public benefits.

(b) To be eligible to receive a grant, a project must:

(1) be locally administered;

(2) have an educational component and measurable outcomes;

(3) request \$250,000 or less;

(4) demonstrate local direct and indirect matching support of at least a quarter amount of the grant request; and

(5) include at least one of the following elements:

(i) transition to residential recycling through curbside or centrally located collection sites;

(ii) development of local recycling systems to support curbside recycling; or

(iii) development or expansion of local recycling systems to support recycling bulk materials, including, but not limited to, electronic waste.

Subd. 4. **Cancellation of grant.** If a grant is awarded under this section and funds are not encumbered for the grant within four years after the award date, the grant must be canceled.

Sec. 109. Minnesota Statutes 2014, section 115A.93, subdivision 1, is amended to read:

Subdivision 1. **License and registration required; reporting.** (a) A person may not collect mixed municipal solid waste for hire without a license from the jurisdiction where the mixed municipal solid waste is collected. The local licensing entity shall submit a list of licensed collectors to the agency.

(b) A person may not collect recyclable materials for hire unless registered with the agency. If a person is licensed under paragraph (a), the person need not register with the agency under this paragraph.

(c) The agency, in consultation with the Solid Waste Management Coordinating Board, the Association of Minnesota Counties, the Minnesota Solid Waste Administrators Association, and representatives from the waste industry shall, by July 1, 2016, develop uniform short and long reporting forms that will reduce duplicative reporting to governmental units by collectors of solid waste and recyclable materials.

(d) A collector of mixed municipal solid waste or recyclable materials shall separately report to the agency on an annual basis information including, but not limited to, the quantity of mixed municipal solid waste and the quantity of recyclable materials collected:

(1) from commercial customers;

(2) from residential customers;

(3) by county of origin; and

(4) by destination of the material.

Sec. 110. Minnesota Statutes 2014, section 115B.34, subdivision 2, is amended to read:

Subd. 2. **Property damage losses.** (a) Losses compensable by the fund for property damage are limited to the following losses caused by damage to the principal residence of the claimant:

(1) the reasonable cost of replacing or decontaminating the primary source of drinking water for the property not to exceed the amount actually expended by the claimant or assessed by a local taxing authority, if the Department of Health has confirmed that the remedy provides safe drinking water and advised that the water not be used for drinking or determined that the replacement or decontamination of the source of drinking water was necessary, up to a maximum of \$25,000;

(2) the reasonable cost to install a mitigation system for the claimant's principal residence, not to exceed the amount actually expended by the claimant, if the agency has recommended such installation to protect human health due to soil vapor intrusion into the residence from releases of harmful substances. Reimbursement of eligible claims shall not exceed \$25,000;

~~(2)~~ (3) losses incurred as a result of a bona fide sale of the property at less than the appraised market value under circumstances that constitute a hardship to the owner, limited to 75 percent of the difference between the appraised market value and the selling price, but not to exceed \$25,000; and

~~(3)~~ (4) losses incurred as a result of the inability of an owner in hardship circumstances to sell the property due to the presence of harmful substances, limited to the increase in costs associated with the need to maintain two residences, but not to exceed \$25,000.

(b) In computation of the loss under paragraph (a), clause ~~(3)~~ (4), the agency shall offset the loss by the amount of any income received by the claimant from the rental of the property.

(c) For purposes of paragraph (a), the following definitions apply:

(1) "appraised market value" means an appraisal of the market value of the property disregarding any decrease in value caused by the presence of a harmful substance in or on the property; and

(2) "hardship" means an urgent need to sell the property based on a special circumstance of the owner including catastrophic medical expenses, inability of the owner to physically maintain the property due to a physical or mental condition, and change of employment of the owner or other member of the owner's household requiring the owner to move to a different location.

(d) Appraisals are subject to agency approval. The agency may adopt rules governing approval of appraisals, criteria for establishing a hardship, and other matters necessary to administer this subdivision.

Sec. 111. Minnesota Statutes 2014, section 115B.48, is amended by adding a subdivision to read:

Subd. 9. **Owner or operator.** "Owner or operator" means a person who:

(1) owns or has owned a dry cleaning facility; or

(2) owns or owned real property on which a dry cleaning facility operates or operated.

EFFECTIVE DATE. This section is effective only upon enactment of a transfer of \$743,000 in fiscal year 2016 from the general account in the remediation fund to the dry cleaner environmental response and reimbursement account for reimbursement of remediation costs by persons other than responsible parties, as specified in article 3, section 2, subdivision 4.

Sec. 112. Minnesota Statutes 2014, section 116.02, subdivision 1, is amended to read:

Subdivision 1. **Creation.** A pollution control agency, designated as the Minnesota Pollution Control Agency, is hereby created. ~~The agency shall consist of the commissioner and eight members appointed by the governor, by and with the advice and consent of the senate. One of such members shall be a person knowledgeable in the field of agriculture and one shall be representative of organized labor.~~

Sec. 113. Minnesota Statutes 2014, section 116.02, subdivision 5, is amended to read:

Subd. 5. **Agency is successor to commission.** The Pollution Control Agency is the successor of the Water Pollution Control Commission, and all powers and duties now vested in or imposed upon said commission by chapter 115, or any act amendatory thereof or supplementary thereto, are hereby transferred to, imposed upon, and vested in the Minnesota commissioner of the Pollution Control Agency, ~~except as to those matters pending before the commission in which hearings have been held and evidence has been adduced. The Water Pollution Commission shall complete its action in such pending matters not later than six months from May 26, 1967. The Water Pollution Control Commission, as heretofore constituted, is hereby abolished, (a) effective upon completion of its action in the pending cases, as hereinbefore provided for; or (b) six months from May 26, 1967, whichever is the earlier.~~

Sec. 114. Minnesota Statutes 2014, section 116.03, subdivision 1, is amended to read:

Subdivision 1. **Office.** (a) The Office of Commissioner of the Pollution Control Agency is created and is under the supervision and control of the commissioner, who is appointed by the governor under the provisions of section 15.06.

(b) The commissioner may appoint a deputy commissioner and assistant commissioners who shall be in the unclassified service.

(c) The commissioner shall make all decisions on behalf of the agency ~~that are not required to be made by the agency under section 116.02.~~

Sec. 115. Minnesota Statutes 2014, section 116.03, subdivision 2a, is amended to read:

Subd. 2a. **Mission; efficiency.** It is part of the agency's mission that within the agency's resources the commissioner ~~and the members of the agency~~ shall endeavor to:

- (1) prevent the waste or unnecessary spending of public money;
- (2) use innovative fiscal and human resource practices to manage the state's resources and operate the agency as efficiently as possible;
- (3) coordinate the agency's activities wherever appropriate with the activities of other governmental agencies;
- (4) use technology where appropriate to increase agency productivity, improve customer service, increase public access to information about government, and increase public participation in the business of government;
- (5) utilize constructive and cooperative labor-management practices to the extent otherwise required by chapters 43A and 179A;
- (6) report to the legislature on the performance of agency operations and the accomplishment of agency goals in the agency's biennial budget according to section 16A.10, subdivision 1; and
- (7) recommend to the legislature appropriate changes in law necessary to carry out the mission and improve the performance of the agency.

Sec. 116. Minnesota Statutes 2014, section 116.07, subdivision 4d, is amended to read:

Subd. 4d. **Permit fees.** (a) The agency may collect permit fees in amounts not greater than those necessary to cover the reasonable costs of developing, reviewing, and acting upon applications for agency permits and implementing and enforcing the conditions of the permits pursuant to agency rules. Permit fees shall not include the

costs of litigation. The fee schedule must reflect reasonable and routine direct and indirect costs associated with permitting, implementation, and enforcement. The agency may impose an additional enforcement fee to be collected for a period of up to two years to cover the reasonable costs of implementing and enforcing the conditions of a permit under the rules of the agency. Any money collected under this paragraph shall be deposited in the environmental fund.

(b) Notwithstanding paragraph (a), the agency shall collect an annual fee from the owner or operator of all stationary sources, emission facilities, emissions units, air contaminant treatment facilities, treatment facilities, potential air contaminant storage facilities, or storage facilities subject to ~~the requirement to obtain a permit a notification, permit, or license requirement under subchapter this chapter, subchapters I and V of the federal Clean Air Act, United States Code, title 42, section 7401 et seq., or section 116.081 or rules adopted thereunder.~~ The annual fee shall be used to pay for all direct and indirect reasonable costs, including ~~attorney general legal~~ legal costs, required to develop and administer the notification, permit, or license program requirements of subchapter this chapter, subchapters I and V of the federal Clean Air Act, United States Code, title 42, section 7401 et seq., and sections of this chapter and the or rules adopted under this chapter related to air contamination and noise thereunder. Those costs include the reasonable costs of reviewing and acting upon an application for a permit; implementing and enforcing statutes, rules, and the terms and conditions of a permit; emissions, ambient, and deposition monitoring; preparing generally applicable regulations; responding to federal guidance; modeling, analyses, and demonstrations; preparing inventories and tracking emissions; and providing information to the public about these activities.

(c) The agency shall set fees that:

(1) will result in the collection, in the aggregate, from the sources listed in paragraph (b), of an amount not less than \$25 per ton of each volatile organic compound; pollutant regulated under United States Code, title 42, section 7411 or 7412 (section 111 or 112 of the federal Clean Air Act); and each pollutant, except carbon monoxide, for which a national primary ambient air quality standard has been promulgated;

(2) may result in the collection, in the aggregate, from the sources listed in paragraph (b), of an amount not less than \$25 per ton of each pollutant not listed in clause (1) that is regulated under this chapter or air quality rules adopted under this chapter; and

(3) shall collect, in the aggregate, from the sources listed in paragraph (b), the amount needed to match grant funds received by the state under United States Code, title 42, section 7405 (section 105 of the federal Clean Air Act).

The agency must not include in the calculation of the aggregate amount to be collected under clauses (1) and (2) any amount in excess of 4,000 tons per year of each air pollutant from a source. The increase in air permit fees to match federal grant funds shall be a surcharge on existing fees. The commissioner may not collect the surcharge after the grant funds become unavailable. In addition, the commissioner shall use nonfee funds to the extent practical to match the grant funds so that the fee surcharge is minimized.

(d) To cover the reasonable costs described in paragraph (b), the agency shall provide in the rules promulgated under paragraph (c) for an increase in the fee collected in each year by the percentage, if any, by which the Consumer Price Index for the most recent calendar year ending before the beginning of the year the fee is collected exceeds the Consumer Price Index for the calendar year 1989. For purposes of this paragraph the Consumer Price Index for any calendar year is the average of the Consumer Price Index for all-urban consumers published by the United States Department of Labor, as of the close of the 12-month period ending on August 31 of each calendar year. The revision of the Consumer Price Index that is most consistent with the Consumer Price Index for calendar year 1989 shall be used.

(e) Any money collected under paragraphs (b) to (d) must be deposited in the environmental fund and must be used solely for the activities listed in paragraph (b).

(f) Permit applicants who wish to construct, reconstruct, or modify a facility may offer to reimburse the agency for the costs of staff time or consultant services needed to expedite the permit development process, including the analysis of environmental review documents. The reimbursement shall be in addition to permit application fees imposed by law. When the agency determines that it needs additional resources to develop the permit application in an expedited manner, and that expediting the development is consistent with permitting program priorities, the agency may accept the reimbursement. Reimbursements accepted by the agency are appropriated to the agency for the purpose of developing the permit or analyzing environmental review documents. Reimbursement by a permit applicant shall precede and not be contingent upon issuance of a permit; shall not affect the agency's decision on whether to issue or deny a permit, what conditions are included in a permit, or the application of state and federal statutes and rules governing permit determinations; and shall not affect final decisions regarding environmental review.

(g) The fees under this subdivision are exempt from section 16A.1285.

Sec. 117. Minnesota Statutes 2014, section 116.07, subdivision 4j, is amended to read:

Subd. 4j. **Permits; solid waste facilities.** (a) The agency may not issue a permit for new or additional capacity for a mixed municipal solid waste resource recovery or disposal facility as defined in section 115A.03 unless each county using or projected in the permit to use the facility has in place a solid waste management plan approved under section 115A.46 or 473.803 and amended as required by section 115A.96, subdivision 6. The agency shall issue the permit only if the capacity of the facility is consistent with the needs for resource recovery or disposal capacity identified in the approved plan or plans. Consistency must be determined by the Pollution Control Agency. Plans approved before January 1, 1990, need not be revised if the capacity sought in the permit is consistent with the approved plan or plans.

(b) The agency shall require as part of the permit application for a waste incineration facility identification of preliminary plans for ash management and ash leachate treatment or ash utilization. The permit issued by the agency must include requirements for ash management and ash leachate treatment.

(c) Within 180 days of receipt of a completed application, the agency shall approve, disapprove, or delay decision on the application, with reasons for the delay, in writing.

(d) The agency may not issue a permit for a new disposal facility, as defined in section 115A.03, subdivision 10, or a permit to expand an existing disposal facility unless:

(1) all local units of government in which the facility is to be sited and exercising their respective land use and zoning authority pursuant to chapter 366, 494, or 462 have granted approval for and provided any required public notices of the new or expanded facility prior to the issuance of the permit;

(2) all local units of government in which the facility is to be sited and exercising their respective land use and zoning authority pursuant to chapter 366, 494, or 462 have authorized the permit to be issued prior to or concurrent with the required approval by the local unit of government; or

(3) the new or expanded facility is part of and will be sited on land already identified in an approved solid waste management plan as described in paragraph (a).

(e) The commissioners of the Pollution Control Agency and natural resources shall apply Minnesota Rules, parts 7001.3050, subpart 3, item G, and 7035.2525, subpart 2, item G, to solid waste facilities permitted under and in compliance with those rules and in compliance with Minnesota Rules, chapter 6132.

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

Sec. 118. Minnesota Statutes 2014, section 116.07, subdivision 7, is amended to read:

Subd. 7. **Counties; processing of applications for animal lot permits.** Any Minnesota county board may, by resolution, with approval of the Pollution Control Agency, assume responsibility for processing applications for permits required by the Pollution Control Agency under this section for livestock feedlots, poultry lots or other animal lots. The responsibility for permit application processing, if assumed by a county, may be delegated by the county board to any appropriate county officer or employee.

(a) For the purposes of this subdivision, the term "processing" includes:

(1) the distribution to applicants of forms provided by the Pollution Control Agency;

(2) the receipt and examination of completed application forms, and the certification, in writing, to the Pollution Control Agency either that the animal lot facility for which a permit is sought by an applicant will comply with applicable rules and standards, or, if the facility will not comply, the respects in which a variance would be required for the issuance of a permit; and

(3) rendering to applicants, upon request, assistance necessary for the proper completion of an application.

(b) For the purposes of this subdivision, the term "processing" may include, at the option of the county board, issuing, denying, modifying, imposing conditions upon, or revoking permits pursuant to the provisions of this section or rules promulgated pursuant to it, subject to review, suspension, and reversal by the Pollution Control Agency. The Pollution Control Agency shall, after written notification, have 15 days to review, suspend, modify, or reverse the issuance of the permit. After this period, the action of the county board is final, subject to appeal as provided in chapter 14. For permit applications filed after October 1, 2001, section 15.99 applies to feedlot permits issued by the agency or a county pursuant to this subdivision.

(c) For the purpose of administration of rules adopted under this subdivision, the commissioner and the agency may provide exceptions for cases where the owner of a feedlot has specific written plans to close the feedlot within five years. These exceptions include waiving requirements for major capital improvements.

(d) For purposes of this subdivision, a discharge caused by an extraordinary natural event such as a precipitation event of greater magnitude than the 25-year, 24-hour event, tornado, or flood in excess of the 100-year flood is not a "direct discharge of pollutants."

(e) In adopting and enforcing rules under this subdivision, the commissioner shall cooperate closely with other governmental agencies.

(f) The Pollution Control Agency shall work with the Minnesota Extension Service, the Department of Agriculture, the Board of Water and Soil Resources, producer groups, local units of government, as well as with appropriate federal agencies such as the Natural Resources Conservation Service and the Farm Service Agency, to notify and educate producers of rules under this subdivision at the time the rules are being developed and adopted and at least every two years thereafter.

(g) The Pollution Control Agency shall adopt rules governing the issuance and denial of permits for livestock feedlots, poultry lots or other animal lots pursuant to this section. Pastures are exempt from the rules authorized under this paragraph. A feedlot permit is not required for livestock feedlots with more than ten but less than 50 animal units; provided they are not in shoreland areas. A livestock feedlot permit does not become required solely because of a change in the ownership of the buildings, grounds, or feedlot. These rules apply both to permits issued by counties and to permits issued by the Pollution Control Agency directly.

(h) The Pollution Control Agency shall exercise supervising authority with respect to the processing of animal lot permit applications by a county.

(i) Any new rules or amendments to existing rules proposed under the authority granted in this subdivision, or to implement new fees on animal feedlots, must be submitted to the members of legislative policy and finance committees with jurisdiction over agriculture and the environment prior to final adoption. The rules must not become effective until 90 days after the proposed rules are submitted to the members.

(j) Until new rules are adopted that provide for plans for manure storage structures, any plans for a liquid manure storage structure must be prepared or approved by a registered professional engineer or a United States Department of Agriculture, Natural Resources Conservation Service employee.

(k) A county may adopt by ordinance standards for animal feedlots that are more stringent than standards in Pollution Control Agency rules.

(l) After January 1, 2001, a county that has not accepted delegation of the feedlot permit program must hold a public meeting prior to the agency issuing a feedlot permit for a feedlot facility with 300 or more animal units, unless another public meeting has been held with regard to the feedlot facility to be permitted.

(m) After the proposed rules published in the State Register, volume 24, number 25, are finally adopted, the agency may not impose additional conditions as a part of a feedlot permit, unless specifically required by law or agreed to by the feedlot operator.

(n) For the purposes of feedlot permitting, a discharge from land-applied manure or a manure stockpile that is managed according to agency rule must not be subject to a fine for a discharge violation.

(o) For the purposes of feedlot permitting, manure that is land applied, or a manure stockpile that is managed according to agency rule, must not be considered a discharge into waters of the state, unless the discharge is to waters of the state, as defined by section 103G.005, subdivision 17, except type 1 or type 2 wetlands, as defined in section 103G.005, subdivision 17b, and does not meet discharge standards established for feedlots under agency rule.

(p) Unless the upgrade is needed to correct an immediate public health threat under section 145A.04, subdivision 8, or the facility is determined to be a concentrated animal feeding operation under Code of Federal Regulations, title 40, section 122.23, in effect on April 15, 2003, the agency may not require a feedlot operator:

(1) to spend more than \$3,000 to upgrade an existing feedlot with less than 300 animal units unless cost-share money is available to the feedlot operator for 75 percent of the cost of the upgrade; or

(2) to spend more than \$10,000 to upgrade an existing feedlot with between 300 and 500 animal units, unless cost-share money is available to the feedlot operator for 75 percent of the cost of the upgrade or \$50,000, whichever is less.

(q) For the purposes of this section, "pastures" means areas, including winter feeding areas as part of a grazing area, where grass or other growing plants are used for grazing and where the concentration of animals allows a vegetative cover to be maintained during the growing season except that vegetative cover is not required:

(1) in the immediate vicinity of supplemental feeding or watering devices;

(2) in associated corrals and chutes where livestock are gathered for the purpose of sorting, veterinary services, loading and unloading trucks and trailers, and other necessary activities related to good animal husbandry practices; and

(3) in associated livestock access lanes used to convey livestock to and from areas of the pasture.

(r) A feedlot operator who stores and applies up to 100,000 gallons per calendar year of private truck wash wastewater resulting from trucks that transport animals or supplies to and from the feedlot does not require a permit to land-apply industrial by-products if the feedlot operator stores and applies the wastewater in accordance with Pollution Control Agency requirements for land applications of industrial by-product that do not require a permit.

(s) A feedlot operator who holds a permit from the Pollution Control Agency to land-apply industrial by-products from a private truck wash is not required to have a certified land applicator apply the private truck wash wastewater if the wastewater is applied by the feedlot operator to cropland owned or leased by the feedlot operator or by a commercial animal waste technician licensed by the commissioner of agriculture under chapter 18C.

For purposes of this paragraph and paragraph (r), "private truck wash" means a truck washing facility owned or leased, operated, and used only by a feedlot operator to wash trucks owned or leased by the feedlot operator and used to transport animals or supplies to and from the feedlot.

Sec. 119. Minnesota Statutes 2014, section 116.07, is amended by adding a subdivision to read:

Subd. 13. Limitation regarding certain policies, guidelines, and other nonbinding interpretive statements.
The commissioner shall not seek to implement or enforce against any entity or permittee a policy, guideline, or other nonbinding interpretive statement that meets the definition of a rule under chapter 14 if the policy, guideline, or other nonbinding interpretive statement has not been adopted as a rule in accordance with chapter 14.

Sec. 120. Minnesota Statutes 2014, section 116C.991, is amended to read:

116C.991 ENVIRONMENTAL REVIEW; SILICA SAND PROJECTS.

(a) Until ~~July 1, 2015~~ a final rule is adopted pursuant to Laws 2013, chapter 114, article 4, section 105, paragraph (d), an environmental assessment worksheet must be prepared for any silica sand project that meets or exceeds the following thresholds, unless the project meets or exceeds the thresholds for an environmental impact statement under rules of the Environmental Quality Board and an environmental impact statement must be prepared:

(1) excavates 20 or more acres of land to a mean depth of ten feet or more during its existence. The local government is the responsible governmental unit; or

(2) is designed to store or is capable of storing more than 7,500 tons of silica sand or has an annual throughput of more than 200,000 tons of silica sand and is not required to receive a permit from the Pollution Control Agency. The Pollution Control Agency is the responsible governmental unit.

(b) In addition to the contents required under statute and rule, an environmental assessment worksheet completed according to this section must include:

(1) a hydrogeologic investigation assessing potential groundwater and surface water effects and geologic conditions that could create an increased risk of potentially significant effects on groundwater and surface water;

(2) for a project with the potential to require a groundwater appropriation permit from the commissioner of natural resources, an assessment of the water resources available for appropriation;

(3) an air quality impact assessment that includes an assessment of the potential effects from airborne particulates and dust;

(4) a traffic impact analysis, including documentation of existing transportation systems, analysis of the potential effects of the project on transportation, and mitigation measures to eliminate or minimize adverse impacts;

- (5) an assessment of compatibility of the project with other existing uses; and
- (6) mitigation measures that could eliminate or minimize any adverse environmental effects for the project.

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

Sec. 121. Minnesota Statutes 2014, section 116D.04, is amended by adding a subdivision to read:

Subd. 17. **Discretionary review notification.** The commissioners of natural resources and the Pollution Control Agency, when ordering the preparation of a discretionary environmental impact statement or discretionary environmental assessment worksheet for a proposed action, must notify the proposer of the action by certified mail at least 21 calendar days prior to making the order.

Sec. 122. Minnesota Statutes 2014, section 127A.353, subdivision 1, is amended to read:

Subdivision 1. **Appointment.** The school trust lands director shall be appointed by the governor. ~~The commissioner of administration shall provide office space for the director.~~ The commissioner shall provide human resources, payroll, accounting, procurement, and other similar administrative services to the school trust lands director. The director's appointment is subject to the advice and consent of the senate.

Sec. 123. Minnesota Statutes 2014, section 144.12, is amended by adding a subdivision to read:

Subd. 4. **Camper cabins and bunk houses.** Camper cabins and bunk houses are exempt from floor space, air space, or bed spacing requirements applicable to lodging establishments adopted by the commissioner. For the purposes of this section:

(1) "bunk house" means a building, structure, or enclosure intended to sleep more than one person for up to three nights that does not include a kitchen or bathroom; and

(2) "camper cabin" means a permanent rustic enclosure with walls and a floor that does not include a kitchen or bath; is located in a state park administered by the commissioner of natural resources, at a resort as defined under section 157.15, subdivision 11, or at a recreational camping area as defined under section 327.14, subdivision 8; and is intended to be a place where sleeping accommodations are furnished to the public.

Sec. 124. Minnesota Statutes 2014, section 171.07, is amended by adding a subdivision to read:

Subd. 18. **All-terrain vehicle safety certificate.** (a) The department shall maintain in its records information transmitted electronically from the commissioner of natural resources identifying each person to whom the commissioner has issued an all-terrain vehicle safety certificate. The records transmitted from the Department of Natural Resources must contain the full name and date of birth as required for the driver's license or identification card. Records that are not matched to a driver's license or identification card record may be deleted after seven years.

(b) After receiving information under paragraph (a) that a person has received an all-terrain vehicle safety certificate, the department shall include, on all drivers' licenses or Minnesota identification cards subsequently issued to the person, a graphic or written indication that the person has received the certificate.

(c) If a person who has received an all-terrain vehicle safety certificate applies for a driver's license or Minnesota identification card before that information has been transmitted to the department, the department may accept a copy of the certificate as proof of its issuance and shall then follow the procedures in paragraph (b).

EFFECTIVE DATE. This section is effective January 1, 2016, or the date the new driver and vehicle services information technology system is implemented, whichever comes later.

Sec. 125. Minnesota Statutes 2014, section 282.011, subdivision 3, is amended to read:

Subd. 3. **Title examination.** The commissioner of revenue shall, if requested by the purchaser or the county attorney of the county where all or a portion of the land is situated, deliver the deed to the county attorney for use under Minnesota Statutes 2014, section 88.48, subdivision 5, but such delivery shall not be considered delivery to the purchaser. The county attorney shall be instructed when taking the transferral of the deed that said deed shall not be delivered to the purchaser unless the land involved is accepted as and placed into an auxiliary forest.

Sec. 126. Minnesota Statutes 2014, section 446A.073, subdivision 1, is amended to read:

Subdivision 1. **Program established.** When money is appropriated for grants under this program, the authority shall award grants up to a maximum of \$3,000,000 to governmental units to cover up to one-half the cost of ~~wastewater treatment or storm~~ water infrastructure projects made necessary by:

(1) a wasteload reduction prescribed under a total maximum daily load plan required by section 303(d) of the federal Clean Water Act, United States Code, title 33, section 1313(d);

(2) a phosphorus concentration or mass limit which requires discharging one milligram per liter or less at permitted design flow which is incorporated into a permit issued by the Pollution Control Agency;

(3) any other water quality-based effluent limit established under section 115.03, subdivision 1, paragraph (e), clause (8), and incorporated into a permit issued by the Pollution Control Agency that exceeds secondary treatment limits; or

(4) a total nitrogen limit of ten milligrams per liter or less for a land-based treatment system.

Sec. 127. Minnesota Statutes 2014, section 446A.073, subdivision 3, is amended to read:

Subd. 3. **Project priorities.** When money is appropriated for grants under this program, the authority shall accept applications during the month of July and reserve money for projects expected to proceed with construction by the end of the fiscal year in the order listed on the Pollution Control Agency's project priority list and in an amount based on the cost estimate submitted to the authority in the grant application or the as-bid costs, whichever is less. Notwithstanding Minnesota Rules, chapter 7077, the Pollution Control Agency may rank a drinking water infrastructure project on the agency's project priority list if the project is necessary to meet an applicable requirement in subdivision 1.

Sec. 128. Minnesota Statutes 2014, section 446A.073, subdivision 4, is amended to read:

Subd. 4. **Grant approval.** The authority must make a grant for an eligible project only after:

(1) the applicant has submitted the as-bid cost for the ~~wastewater treatment or storm~~ water infrastructure project;

(2) the Pollution Control Agency has approved the as-bid costs and certified the grant eligible portion of the project; and

(3) the authority has determined that the additional financing necessary to complete the project has been committed from other sources.

Sec. 129. Minnesota Statutes 2014, section 473.1565, is amended to read:

473.1565 METROPOLITAN AREA WATER SUPPLY PLANNING ACTIVITIES; ADVISORY COMMITTEE COMMITTEES.

Subdivision 1. **Planning activities.** (a) The Metropolitan Council must carry out planning activities addressing the water supply needs of the metropolitan area as defined in section 473.121, subdivision 2. The planning activities must include, at a minimum:

(1) development and maintenance of a base of technical information needed for sound water supply decisions including surface and groundwater availability analyses, water demand projections, water withdrawal and use impact analyses, modeling, and similar studies;

(2) development and periodic update of a metropolitan area master water supply plan, prepared in cooperation with and subject to the approval of the ~~commissioner of natural resources~~ policy advisory committee established in this section, that:

(i) provides guidance for local water supply systems and future regional investments;

(ii) emphasizes conservation, interjurisdictional cooperation, and long-term sustainability; and

(iii) addresses the reliability, security, and cost-effectiveness of the metropolitan area water supply system and its local and subregional components;

(3) recommendations for clarifying the appropriate roles and responsibilities of local, regional, and state government in metropolitan area water supply;

(4) recommendations for streamlining and consolidating metropolitan area water supply decision-making and approval processes; and

(5) recommendations for the ongoing and long-term funding of metropolitan area water supply planning activities and capital investments.

(b) The council must carry out the planning activities in this subdivision in consultation with the Metropolitan Area Water Supply Policy and Technical Advisory Committee ~~Committees~~ established in ~~subdivision 2~~ this section.

Subd. 2. **Policy advisory committee.** (a) A Metropolitan Area Water Supply Policy Advisory Committee is established to assist the council in its planning activities in subdivision 1. The policy advisory committee has the following membership:

(1) the commissioner of agriculture or the commissioner's designee;

(2) the commissioner of health or the commissioner's designee;

(3) the commissioner of natural resources or the commissioner's designee;

(4) the commissioner of the Pollution Control Agency or the commissioner's designee;

(5) two officials of counties that are located in the metropolitan area, appointed by the governor, in consultation with the Association of Minnesota Counties;

(6) five officials of noncounty local governmental units that are located in the metropolitan area, appointed by the governor, in consultation with the Association of Metropolitan Municipalities;

(7) the chair of the Metropolitan Council or the chair's designee, who is chair of the advisory committee; ~~and~~

(8) one official each from the counties of Chisago, Isanti, Sherburne, and Wright, appointed by the governor, in consultation with the Association of Minnesota Counties and the League of Minnesota Cities; and

(9) a representative of the Saint Paul Regional Water Services, appointed by and serving at the pleasure of the Saint Paul Regional Water Services, and a representative of the Minneapolis Water Department, appointed by and serving at the pleasure of the mayor of the city of Minneapolis.

A local government unit in each of the seven counties in the metropolitan area and Chisago, Isanti, Sherburne, and Wright Counties must be represented in the 11 appointments made under clauses (5), (6), and (8).

(b) Members of the advisory committee appointed by the governor serve at the pleasure of the governor. Members of the advisory committee serve without compensation but may be reimbursed for their reasonable expenses as determined by the Metropolitan Council. ~~The advisory committee expires December 31, 2016.~~

(c) The council must consider the work and recommendations of the policy advisory committee when the council is preparing its regional development framework.

Subd. 2a. Technical advisory committee. A Metropolitan Area Water Supply Technical Advisory Committee is established to inform the policy advisory committee's work by providing scientific and engineering expertise necessary to provide the region an adequate and sustainable water supply. The technical advisory committee consists of 15 members appointed by the policy advisory committee, with the majority of members representing single-city and multicity public water supply systems in the metropolitan area and including experts in:

(1) water resources analysis and modeling;

(2) hydrology; and

(3) the engineering, planning, design, and construction of water systems or water systems finance.

Members of the technical advisory committee serve at the pleasure of the policy advisory committee, without compensation, but may be reimbursed for their reasonable expenses as determined by the council.

Subd. 3. Reports to legislature. (a) The council must submit reports to the legislature regarding its findings, recommendations, and continuing planning activities under subdivision 1. These reports shall be included in the "Minnesota Water Plan" required in section 103B.151, and five-year interim reports may be provided as necessary.

(b) By February 15, 2017, and at least every five years thereafter, the policy advisory committee shall report to the council, the Legislative Water Commission, and the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over environment and natural resources with the information required under this section. The policy advisory committee's report and recommendations must include information provided by the technical advisory committee.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 130. **SURPLUS STATE LAND SALES.**

The school trust lands director shall identify, in consultation with the commissioner of natural resources, at least \$5,000,000 in state-owned lands suitable for sale. The lands identified shall not be within a unit of the outdoor recreation system under Minnesota Statutes, section 86A.05, an administrative site, or trust land. The commissioner shall sell at least \$3,000,000 worth of lands identified under this section by June 30, 2017. Notwithstanding Minnesota Statutes, section 94.16, subdivision 3, or any other law to the contrary, the amount of the proceeds from the sale of lands that exceeds the actual expenses of selling the lands must be deposited in the school trust lands account and used to extinguish the school trust interest as provided under Minnesota Statutes, section 92.83, on school trust lands that have public water access sites or old growth forests located on them.

Sec. 131. **REQUIRED RULEMAKING; SUBSURFACE SEWAGE TREATMENT SYSTEMS.**

The commissioner of the Pollution Control Agency shall adopt rules, using the expedited rulemaking process in Minnesota Statutes, section 14.389, that set forth procedures to conform with the changes to Minnesota Statutes, chapter 115, under this act and to streamline the subsurface sewage treatment system (SSTS) license application and renewal process in a manner that:

(1) surety bond and insurance requirements of licensed SSTS businesses meet the requirements of Minnesota Statutes, chapter 115 and section 326B.46, subdivision 2; and

(2) properly trained SSTS installers may complete work on a building sewer with respect to the Plumbing Code and plumbing program and SSTS designers and inspectors may complete work on a building sewer connected to an SSTS with respect to the Plumbing Code and plumbing program.

Sec. 132. **WETLAND CONSERVATION ACT REPORT.**

By March 15, 2016, the Board of Water and Soil Resources, in cooperation with the Department of Natural Resources, shall report to the committees with jurisdiction over environment and natural resources on the proposals to implement high priority areas for wetland replacement and in-lieu fees for replacement and modify wetland replacement siting and actions eligible for credit. In developing the report, the board and department shall consult with stakeholders and agencies.

Sec. 133. **ALL-TERRAIN VEHICLE REGISTRATION TRANSITION.**

(a) A person must have an unexpired class 1 or class 2 all-terrain vehicle or off-road vehicle registration and may continue to display the unexpired class 1 or class 2 all-terrain vehicle or off-road vehicle registration until the electronic licensing system has been upgraded to conform with the amendments to Minnesota Statutes, section 84.92, under this act.

(b) When the electronic licensing system has been upgraded, a person who possesses an unexpired class 1 or class 2 all-terrain vehicle or off-road vehicle registration may continue to display that unexpired class 1 or class 2 all-terrain vehicle or off-road vehicle registration until the class 1 or class 2 all-terrain vehicle or off-road vehicle registration is renewed, transferred, or replacement registration is applied for.

Sec. 134. **COST ANALYSIS OF WATER QUALITY STANDARDS.**

(a) The commissioner of management and budget, after consultation with the commissioner of the Pollution Control Agency, shall issue a request for proposal not to exceed \$500,000 to contract with a nonstate entity for an engineering cost analysis of current and recently adopted, proposed, or anticipated changes to water quality standards and rules, including:

(1) recently adopted or proposed changes to total suspended solid, nutrient, chloride, nitrate, and sulfate standards;

(2) proposed nondegradation rulemaking provisions; and

(3) proposed changes to water quality standards to incorporate a tiered aquatic life use framework.

(b) The contractor may employ engineering subcontractors serving local governments to complete the analysis. The analysis must include a cost analysis for a representative sample of at least 15 communities and provide an estimate of the cost impact to average residential and commercial connections in those communities. The sample must include a diverse set of communities based on geography, watersheds, community size, wastewater facility types and operators, storm water system types, and other factors to ensure the analysis is representative of the state as a whole. The analysis must include:

(1) an estimate of the overall capital and operating costs to maintain and upgrade wastewater and storm water systems for existing water quality standards;

(2) an estimate of the overall capital and operating costs likely to be incurred to upgrade wastewater and storm water systems for recently adopted, proposed, or anticipated changes to water quality standards; and

(3) an estimate of the incremental effect to overall water quality in the receiving waters as a direct result of the recently adopted, proposed, or anticipated changes to water quality standards.

(c) The commissioner shall submit the analysis to the chairs and ranking minority members of the committees and divisions of the house of representatives and senate with jurisdiction over water quality standards no later than January 1, 2017.

(d) Any appropriation for the contract under paragraph (a) does not cancel and is available until expended. Any money in excess of the \$500,000 needed must be paid from the agency's base budget.

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

Sec. 135. **RED RIVER MINIMUM WATER QUALITY STANDARDS.**

As part of achieving phosphorous reductions needed to protect the Red River and Lake Winnipeg, the Minnesota Pollution Control Agency shall work with the North Dakota Department of Health and the United States Environmental Protection Agency Regions 5 and 8 and with wastewater treatment plants in the Red River Basin that discharge more than 1,800 pounds of phosphorus per year to place wastewater treatment plants on a schedule to achieve a one milligram per liter total phosphorus effluent limit no sooner than 2025, unless a sooner date is mutually agreed to for a treatment plant by the agencies.

Sec. 136. **WILD RICE WATER QUALITY STANDARDS.**

(a) Until the commissioner of the Pollution Control Agency amends rules refining the wild rice water quality standard in Minnesota Rules, part 7050.0224, subpart 2, to consider all independent research and publicly funded research and to include criteria for identifying waters and a list of waters subject to the standard, implementation of the wild rice water quality standard in Minnesota Rules, part 7050.0224, subpart 2, shall be limited to the following, unless the permittee requests additional conditions:

(1) when issuing, modifying, or renewing national pollutant discharge elimination system (NPDES) or state disposal system (SDS) permits, the agency shall endeavor to protect wild rice, and in doing so shall be limited by the following conditions:

(i) the agency shall not require permittees to expend money for design or implementation of sulfate treatment technologies or other forms of sulfate mitigation; and

(ii) the agency may require sulfate minimization plans in permits; and

(2) the agency shall not list waters containing natural beds of wild rice as impaired for sulfate under section 303(d) of the federal Clean Water Act, United States Code, title 33, section 1313, until the rulemaking described in this paragraph takes effect.

(b) Upon the rule described in paragraph (a) taking effect, the agency may reopen permits issued or reissued after the effective date of this section as needed to include numeric permit limits based on the wild rice water quality standard.

(c) The commissioner shall complete the rulemaking described in paragraph (a) by January 15, 2018.

Sec. 137. **FEDERAL CLEAN WATER ACT SECTION 404 PERMIT PROGRAM FEASIBILITY STUDY.**

(a) The Board of Water and Soil Resources and the commissioner of natural resources shall study the feasibility of the state assuming administration of the section 404 permit program of the federal Clean Water Act. The United States Army Corps of Engineers, St. Paul District; and the United States Environmental Protection Agency shall be consulted with during the development of the study. The study shall identify:

(1) the federal requirements for state assumption of the 404 program;

(2) the potential extent of assumption, including those waters that would remain under the jurisdiction of the United States Army Corps of Engineers due to the prohibition of 404 assumption in certain waters as defined in section 404(g)(1) of the federal Clean Water Act;

(3) differences in waters regulated under Minnesota laws compared to waters of the United States, including complications and potential solutions to address the current uncertainties relating to determining waters of the United States;

(4) measures to ensure the protection of aquatic resources consistent with the Clean Water Act, Wetland Conservation Act, and the public waters program administered by the Department of Natural Resources;

(5) changes to existing state law, including changes to current implementation structure and processes, that would need to occur to allow for state assumption of the 404 program;

(6) new agency responsibilities for implementing federal requirements and procedures that would become the obligation of the state under assumption, including the staff and resources needed for implementation;

(7) the estimated costs and savings that would accrue to affected units of government;

(8) the effect on application review and approval processes and time frames;

(9) alternatives to assumption that would also achieve the goals of regulatory simplification, efficiency, and reduced permitting times;

(10) options for financing any additional costs of implementation; and

(11) other information as determined by the board and commissioner.

(b) The board and commissioner shall involve stakeholders in the development of the plan of study consistent with Minnesota Statutes, section 103B.101, subdivision 16.

(c) By January 15, 2017, the board and commissioner must report the study to the legislative policy and finance committees and divisions with jurisdiction over environment and natural resources.

Sec. 138. **METROPOLITAN PARKS; INTEREST EARNINGS.**

Notwithstanding Laws 1985, First Special Session chapter 15, section 5, subdivision 2, paragraph (b), and Laws 1987, chapter 384, article 3, section 45, the Metropolitan Council shall use the interest earnings in Laws 1985, First Special Session chapter 15, section 5, subdivision 2, for the use and betterment of all regional recreational open space lands under the jurisdiction of the Metropolitan Council.

EFFECTIVE DATE. This section is effective January 1, 2018.

Sec. 139. **REFUNDS; YOUTH BEAR LICENSES.**

The commissioner of natural resources may issue refunds for youth bear licenses that were purchased between August 1, 2013, and June 30, 2014, to individuals who were 10, 11, or 12 years old at the time of purchase until June 30, 2016.

Sec. 140. **WATER RETENTION PROJECTS.**

By August 1, 2015, the commissioner of natural resources, in cooperation with the commissioners of agriculture and the Pollution Control Agency, the Board of Water and Soil Resources, and other interested parties, shall develop proposals for significant large-scale projects that provide flood water retention, water quality improvements, nutrient and sediment reduction, and wildlife habitat for submission to the Lessard-Sams Outdoor Heritage Council, Clean Water Council, and the Legislative-Citizen Commission on Minnesota Resources for funding in fiscal year 2017. Any deadlines established by the Lessard-Sams Outdoor Heritage Council, Clean Water Council, or the Legislative-Citizen Commission on Minnesota Resources are waived for purposes of the submissions.

Sec. 141. **WILD TURKEY CRITICAL HABITAT PLATE.**

The commissioner of natural resources and the commissioner of public safety must select a design depicting wild turkey when selecting designs for the next selection of critical habitat plates as provided under Minnesota Statutes, section 168.1296, subdivision 2.

Sec. 142. **BASE BUDGET REPORT.**

The commissioners of agriculture, natural resources, and the Pollution Control Agency shall each submit a report that contains the details of their base budgets, including prior appropriation riders, to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over the environment and natural resources by October 15, 2016.

Sec. 143. **NEGATIVE SURFACE WATER IMPACTS; RECOMMENDATIONS.**

By December 15, 2015, the commissioner of natural resources shall consult with interested stakeholders and submit a report to the Legislative Water Commission and the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over the environment and natural resources policy and finance on recommendations for statutory or rule definitions and thresholds for negative impacts to surface waters as described in Minnesota Statutes, sections 103G.285 and 103G.287, subdivision 2. Stakeholders must include but are not limited to agricultural interests; environmental interests; businesses; community water suppliers; state, federal, and local agencies; universities; and other interested stakeholders.

Sec. 144. **RULEMAKING; SSTS; EXISTING CAMPGROUNDS AND RESORTS.**

(a) The commissioner of the Pollution Control Agency shall adopt rules, using the expedited rulemaking process in Minnesota Statutes, section 14.389, to eliminate the need for existing campgrounds and resorts that are open for 180 days or less per year to estimate wastewater flow rates to subsurface sewage treatment systems as required by Minnesota Rules, part 7081.0040, subpart 1, item B. The rules shall establish flow monitoring and recording for subsurface sewage treatment systems at existing campgrounds and resorts that are open for 180 days or less per year as provided in paragraphs (b) to (f).

(b) The rules shall provide that existing campgrounds and resorts are allowed to use the following flow measurement methods:

(1) sewage lift station pump with runtime meter and counter;

(2) sewage flow meter;

(3) flow meters on wells; and

(4) water softener system with flow measurement when the measurement includes all flow to the subsurface soil treatment system, including backwash.

(c) The measured flow rate must include the total of all treatment systems that are located on the resort or campground. If fewer than 25 percent of the systems are not measured, an average of the metered systems can be used to determine the flow from the unmetered systems.

(d) A daily flow rate and daily campground occupancy rate must be recorded for a minimum of two weeks, centered on and including July 4. Weekly monitoring must also be done for an additional continuous two weeks prior and two weeks following July 4.

(e) If no flow data exists, the existing campground or resort owner or operator shall implement an acceptable flow measurement plan and start measuring and recording flow data within 120 days of notification.

(f) Flow measurement devices must be calibrated before start-up of monitoring and another calibration during the test to verify results.

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

Sec. 145. **RULEMAKING; SEPTIC SYSTEM PROFESSIONALS; ELIGIBILITY.**

The commissioner of the Pollution Control Agency shall adopt rules, using the expedited rulemaking process in Minnesota Statutes, section 14.389, to create a procedure for previously or currently certification-eligible septic system professionals to apply to re-establish or maintain certification eligibility. The conditional eligibility shall

begin upon acceptance of an application by the Pollution Control Agency and end upon completion of recertification procedures, including completion of necessary continuing education and examinations. The length of the conditional eligibility shall be limited to one year.

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

Sec. 146. **INITIAL IMPLEMENTATION; WAIVERS.**

A soil and water conservation district must grant a conditional compliance waiver under Minnesota Statutes, section 103F.48, to landowners who have applied for and maintained eligibility for financial assistance within one year of the dates listed in Minnesota Statutes, section 103F.48, subdivision 3, paragraph (e), according to Minnesota Statutes, section 103F.48. A conditional compliance waiver also must be granted to landowners who are subject to a drainage proceeding commenced under Minnesota Statutes, sections 103E.011, subdivision 5; 103E.021, subdivision 6; and 103E.715. The conditional compliance waiver is valid until financial assistance is available for buffer installation, but not later than November 1, 2018.

Sec. 147. **TRANSFERS.**

(a) By June 30, 2015, the commissioner of management and budget shall transfer to the natural resources conservation easement stewardship account, established in Minnesota Statutes, section 84.69, the remaining balance in the forests for the future conservation easement account under Minnesota Statutes, section 84.68.

(b) By June 30, 2015, the commissioner of management and budget shall transfer to the natural resources conservation easement stewardship account, established in Minnesota Statutes, section 84.69, the following amounts:

- (1) \$114,840 from Laws 2011, First Special Session chapter 6, article 1, section 2, subdivision 3, paragraph (a);
- (2) \$25,000 from Laws 2012, chapter 264, article 1, section 2, subdivision 5, paragraph (a); and
- (3) \$14,000 from Laws 2013, chapter 137, article 1, section 2, subdivision 2, paragraph (c).

(c) The commissioner of management and budget shall transfer additional amounts from Laws 2013, chapter 137, article 1, section 2, subdivision 2, paragraph (c), to the natural resources conservation easement stewardship account, established in Minnesota Statutes, section 84.69, upon closing on conservation easements funded by the appropriation, provided that total transfers to the account shall not exceed \$42,000.

(d) The commissioner of management and budget shall transfer amounts from Laws 2014, chapter 256, article 1, section 2, subdivision 2, paragraph (e), to the natural resources conservation easement stewardship account, established in Minnesota Statutes, section 84.69, upon closing on conservation easements funded by the appropriation, provided that total transfers to the account shall not exceed \$112,000.

(e) By June 30, 2015, the commissioner of management and budget shall transfer to the water and soil conservation easement stewardship account, established in Minnesota Statutes, section 103B.103, the following amounts:

- (1) \$191,667 from Laws 2011, First Special Session chapter 6, article 1, section 2, subdivision 2, paragraph (c);
- (2) \$57,750 from Laws 2011, First Special Session chapter 6, article 1, section 2, subdivision 4, paragraph (a);
- (3) \$15,750 from Laws 2011, First Special Session chapter 6, article 1, section 2, subdivision 4, paragraph (c);

(4) \$48,000 from Laws 2012, chapter 264, article 1, section 2, subdivision 2, paragraph (a);

(5) \$1,821 from Laws 2012, chapter 264, article 1, section 2, subdivision 3, paragraph (a);

(6) \$26,400 from Laws 2013, chapter 137, article 1, section 2, subdivision 3, paragraph (b);

(7) \$26,400 from Laws 2013, chapter 137, article 1, section 2, subdivision 2, paragraph (e);

(8) \$4,800 from Laws 2013, chapter 137, article 1, section 2, subdivision 4, paragraph (d); and

(9) \$4,500 from Laws 2014, chapter 256, article 1, section 2, subdivision 2, paragraph (f).

(f) The commissioner of management and budget shall continue to transfer money, appropriated to the Board of Water and Soil Resources on or before June 30, 2015, for conservation easement monitoring and enforcement funds to the water and soil conservation easement stewardship account, established in Minnesota Statutes, section 103B.103, upon closing on conservation easements, provided that total transfers to the account shall not exceed the "up to" amount specified in each appropriation.

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

Sec. 148. **REVISOR'S INSTRUCTIONS.**

(a) The revisor of statutes shall delete the range reference "88.47 to 88.53" wherever it appears in Minnesota Statutes and Minnesota Rules and insert "88.49 to 88.53."

(b) The revisor of statutes shall renumber the subdivisions of Minnesota Statutes, section 103G.005, to retain alphabetical order and shall correct cross-references to the renumbered subdivisions.

Sec. 149. **REVISOR'S INSTRUCTION.**

The revisor of statutes shall prepare draft legislation to amend statutes to conform with structural changes to the Minnesota Pollution Control Agency under sections 112 to 115 and 150. The revisor shall submit the proposed legislation to the chairs of the house of representatives and senate committees with jurisdiction over environment policy by January 1, 2016.

Sec. 150. **REPEALER.**

(a) Minnesota Statutes 2014, sections 84.68; 88.47; 88.48; 88.49, subdivisions 1, 2, and 10; 88.491, subdivision 1; 88.51, subdivision 2; and 282.013, are repealed.

(b) Minnesota Statutes 2014, section 86B.13, subdivisions 2 and 4, are repealed.

(c) Minnesota Statutes 2014, section 116.02, subdivisions 2, 3, 4, 6, 7, 8, 9, and 10, are repealed.

(d) Minnesota Statutes 2014, sections 103F.421, subdivision 5; 103F.451; and 114D.50, subdivision 4a, are repealed.

EFFECTIVE DATE. Paragraph (b) of this section is effective the day following final enactment.

ARTICLE 5
GAME AND FISH

Section 1. Minnesota Statutes 2014, section 84.027, subdivision 13a, is amended to read:

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

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

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

(b) The commissioner of natural resources may adopt rules under section 14.389 that are authorized under chapters 97A, 97B, and 97C, for purposes in addition to those listed in paragraph (a), clause (1), subject to the notice and public hearing provisions of section 14.389, subdivision 5.

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

Sec. 2. Minnesota Statutes 2014, section 84.0274, subdivision 3, is amended to read:

Subd. 3. **Condemnation limits.** No lands shall be acquired by the commissioner of natural resources by means of condemnation unless the owner requests that the owner's lands be condemned or the condemnation is specifically authorized by law. Notwithstanding subdivision 5, paragraph (g), and sections 117.52 and 117.521, the owner shall not be paid relocation costs when the owner requests that their lands be condemned.

Sec. 3. Minnesota Statutes 2014, section 84.0274, subdivision 5, is amended to read:

Subd. 5. **Owner's rights.** When the state proposes to purchase in fee or any lesser interest in land which will be administered by the commissioner of natural resources, the landowner shall have the following rights:

(a) the right to be informed of the specific intended use of the property and of any change in the intended use of the property which occurs during the acquisition process. The owner shall also be informed that the documents regarding the purchase will be public records if the land is purchased by the state;

(b) the right to be paid a fair price for the property. The price shall include the fair market value of the land plus:

(1) all necessary incidental costs such as abstracting and recording fees related to the sale. The costs of clearing title defects, paying taxes, and attorney's fees are not reimbursable; and

(2) any penalties incurred by the owner where the property is security for a loan or advance of credit that contains a provision requiring or permitting the imposition of a penalty if the loan or advance of credit is prepaid;

(c) the right to payment, at the owner's election, in a lump sum or in up to four annual installments;

(d) the right to have the property fairly appraised by the state. The state's appraiser shall physically inspect the property and the owner shall be allowed to accompany the appraiser when the appraisal is made. The state's appraiser shall certify in the appraisal report to having physically inspected the property and having given the landowner an opportunity to accompany the appraiser on inspections. Notwithstanding section 13.44, subdivision 3, before an offer is made, the landowner shall be informed of the value determined pursuant to section 84.0272;

(e) the right to retain a qualified independent appraiser to conduct an appraisal at any time prior to certification of the state's appraisal of the property ~~and to be reimbursed for appraisal fees as provided in section 117.232, subdivision 1, if the land is sold to the state~~ and to have that appraisal considered along with the state's in certifying the selling price and the right to be reimbursed for appraisal fees up to \$1,500 if the land is sold to the state;

(f) the right to have the state acquire the property by means of condemnation upon the owner's request with the agreement of the commissioner;

(g) when the property is being acquired by condemnation or the condemnation is specifically authorized by law, the right to receive or waive relocation assistance, services, payments and benefits as provided in sections 117.52 and 117.521 and to contest the state's offer for relocation and moving expenses;

(h) the right to accept the state's offer for the property ~~and contest the state's offer for relocation and moving expenses;~~

(i) the right to continue occupancy of the property until full payment is received, provided that when the owner elects to receive payment in annual installments pursuant to clause (c), the owner may retain occupancy until the first payment is made; and

(j) the right to seek the advice of counsel regarding any aspect of the land transaction.

Sec. 4. Minnesota Statutes 2014, section 84D.03, subdivision 3, is amended to read:

Subd. 3. **Bait harvest from infested waters.** (a) Taking wild animals from infested waters for bait or aquatic farm purposes is prohibited, except as provided in paragraph (b), ~~(c), or (d),~~ and section 97C.341.

(b) In waters that are listed as infested waters, except those listed ~~because they contain as infested with~~ prohibited invasive species of fish or certifiable diseases of fish, as defined under section 17.4982, subdivision 6, taking wild animals may be permitted for:

(1) commercial taking of wild animals for bait and aquatic farm purposes ~~according to~~ as provided in a permit issued under section 84D.11, subject to rules adopted by the commissioner; and

(2) bait purposes for noncommercial personal use in waters that contain Eurasian water milfoil, when the infested waters are listed solely because they contain Eurasian water milfoil and if the equipment for taking is limited to cylindrical minnow traps not exceeding 16 inches in diameter and 32 inches in length; ~~and,~~

~~(3) (c) In streams or rivers that are listed as infested waters, except those listed as infested with certifiable diseases of fish, as defined under section 17.4982, subdivision 6, the harvest of bullheads, goldeyes, mooneyes, sheepshead (freshwater drum), and suckers for bait from streams or rivers listed as infested waters, by hook and line for noncommercial personal use. Other provisions that apply to this clause are~~ is allowed as follows:

~~(i)~~ (1) fish taken under this ~~clause paragraph~~ must be used on the same body of water where caught and while still on that water body. Where the river or stream is divided by barriers such as dams, the fish must be caught and used on the same section of the river or stream;

~~(ii)~~ (2) fish taken under this ~~clause paragraph~~ may not be transported live from or off the water body;

~~(iii)~~ (3) fish harvested under this ~~clause paragraph~~ may only be used in accordance with this section;

~~(iv)~~ (4) any other use of wild animals used for bait from infested waters is prohibited;

(v) (5) fish taken under this ~~clause~~ paragraph must meet all other size restrictions and requirements as established in rules; and

(vi) (6) all species listed under this ~~clause~~ paragraph shall be included in the person's daily limit as established in rules, if applicable.

(d) In the Mississippi River downstream of St. Anthony Falls and the St. Croix River downstream of the dam at Taylors Falls, including portions described as Minnesota-Wisconsin boundary waters in Minnesota Rules, part 6266.0500, subpart 1, items A and B, the harvest of gizzard shad by cast net for noncommercial personal use as bait for angling, as provided in a permit issued under section 84D.11, is allowed as follows:

(1) nontarget species must immediately be returned to the water;

(2) gizzard shad taken under this paragraph must be used on the same body of water where caught and while still on that water body. Where the river is divided by barriers such as dams, the gizzard shad must be caught and used on the same section of the river;

(3) gizzard shad taken under this paragraph may not be transported off the water body; and

(4) gizzard shad harvested under this paragraph may only be used in accordance with this section.

This paragraph expires December 1, 2017.

(e) (e) Equipment authorized for minnow harvest in a listed infested water by permit issued under paragraph (b) may not be transported to, or used in, any waters other than waters specified in the permit.

Sec. 5. Minnesota Statutes 2014, section 86B.201, is amended by adding a subdivision to read:

Subd. 4. **Construction area restrictions.** The commissioner, after consulting with the governmental units and contractors involved in a construction project, may adopt, by written order, temporary water surface use controls for recreational uses at public construction and maintenance sites that cross or are adjacent to waters of the state for a period of time not to exceed the duration of the construction or maintenance project. Temporary controls adopted under this subdivision are exempt from the rulemaking requirements of chapter 14 and section 14.386 does not apply.

Sec. 6. Minnesota Statutes 2014, section 86B.313, subdivision 1, is amended to read:

Subdivision 1. **General requirements.** (a) In addition to requirements of other laws relating to watercraft, a person may not operate or permit the operation of a personal watercraft:

(1) without each person on board the personal watercraft wearing a United States Coast Guard (USCG) approved Type I, II, III, or V wearable personal flotation device with a USCG label indicating it either is approved for or does not prohibit use with personal watercraft or water skiing;

(2) between one hour before sunset and 9:30 a.m.;

(3) at greater than slow-no wake speed within 150 feet of:

(i) a shoreline;

(ii) a dock;

(iii) a swimmer;

(iv) a raft used for swimming or diving; or

(v) a moored, anchored, or nonmotorized watercraft;

(4) while towing a person on water skis, a kneeboard, an inflatable craft, or any other device unless:

(i) an observer is on board; or

(ii) the personal watercraft is equipped with factory-installed or factory-specified accessory mirrors that give the operator a wide field of vision to the rear;

(5) without the lanyard-type engine cutoff switch being attached to the person, clothing, or personal flotation device of the operator, if the personal watercraft is equipped by the manufacturer with such a device;

(6) if any part of the spring-loaded throttle mechanism has been removed, altered, or tampered with so as to interfere with the return-to-idle system;

(7) to chase or harass wildlife;

(8) through emergent or floating vegetation at other than a slow-no wake speed;

(9) in a manner that unreasonably or unnecessarily endangers life, limb, or property, including weaving through congested watercraft traffic, jumping the wake of another watercraft within 150 feet of the other watercraft, or operating the watercraft while facing backwards;

(10) in any other manner that is not reasonable and prudent; or

(11) without a personal watercraft rules decal, issued by the commissioner, attached to the personal watercraft so as to be in full view of the operator.

(b) Paragraph (a), clause (3), does not apply to a person operating a personal watercraft to launch or land a person on water skis, a kneeboard, or similar device by the most direct route to open water.

Sec. 7. Minnesota Statutes 2014, section 86B.313, subdivision 4, is amended to read:

Subd. 4. **Dealers and rental operations.** (a) A dealer of personal watercraft shall distribute a summary of the laws and rules governing the operation of personal watercraft and, upon request, shall provide instruction to a purchaser regarding:

(1) the laws and rules governing personal watercraft; and

(2) the safe operation of personal watercraft.

(b) A person who offers personal watercraft for rent:

(1) shall provide a summary of the laws and rules governing the operation of personal watercraft and provide instruction regarding the laws and rules and the safe operation of personal watercraft to each person renting a personal watercraft;

(2) shall provide a United States Coast Guard (USCG) approved ~~Type I, II, III, or V~~ wearable personal flotation device with a USCG label indicating it either is approved for or does not prohibit use with personal watercraft or water skiing and any other required safety equipment to all persons who rent a personal watercraft at no additional cost; and

(3) shall require that a watercraft operator's permit from this state or from the operator's state of residence be shown each time a personal watercraft is rented to any person younger than age 18 and shall record the permit on the form provided by the commissioner.

(c) Each dealer of personal watercraft or person offering personal watercraft for rent shall have the person who purchases or rents a personal watercraft sign a form provided by the commissioner acknowledging that the purchaser or renter has been provided a copy of the laws and rules regarding personal watercraft operation and has read them. The form must be retained by the dealer or person offering personal watercraft for rent for a period of six months following the date of signature and must be made available for inspection by sheriff's deputies or conservation officers during normal business hours.

Sec. 8. Minnesota Statutes 2014, section 86B.315, is amended to read:

86B.315 TOWING PERSON ON WATER SKIS OR OTHER DEVICE.

Subdivision 1. **Observer or mirror required.** A person may not operate a watercraft on waters of this state and create a wake for a wake surfer or tow a person on water skis, an aquaplane, a surfboard, a saucer, or a similar device unless:

(1) there is another person in the watercraft in addition to the operator who is in a position to continually observe the person being towed; or

(2) the boat is equipped with a mirror providing the operator a wide field of vision to the rear.

Subd. 2. **Prohibited night skiing or towing prohibited activities.** On waters of this state, from one-half hour after sunset to sunrise of the following day, a person may not:

(1) wake surf;

(2) operate a watercraft creating a wake for a wake surfer;

(3) be towed by a watercraft; or

(4) operate a watercraft towing a person on water skis, an aquaplane, a surfboard, a saucer, or another device on waters of this state from one hour after sunset to sunrise of the following day.

Sec. 9. Minnesota Statutes 2014, section 97A.015, subdivision 49, is amended to read:

Subd. 49. **Undressed bird.** "Undressed bird" means:

(1) a bird, ~~excluding~~ including ducks, with a fully feathered wing intact; or

~~(2) a duck with a fully feathered wing and head attached; or~~

~~(3) a pheasant, Hungarian partridge, or wild turkey with one leg and foot intact.~~

Sec. 10. Minnesota Statutes 2014, section 97A.045, subdivision 11, is amended to read:

Subd. 11. **Power to prevent or control wildlife disease.** (a) If the commissioner determines that action is necessary to prevent or control a wildlife disease, the commissioner may prevent or control wildlife disease in a species of wild animal in addition to the protection provided by the game and fish laws by further limiting, closing, expanding, or opening seasons or areas of the state; by reducing or increasing limits in areas of the state; by establishing disease management zones; by authorizing free licenses; by allowing shooting from motor vehicles by persons designated by the commissioner; by issuing replacement licenses for sick animals; by requiring sample collection from hunter-harvested animals; by limiting wild animal possession, transportation, and disposition; and by restricting wildlife feeding.

(b) The commissioner shall restrict wildlife feeding within the modified accredited bovine tuberculosis zone proposed by the Board of Animal Health. In addition to any other penalties provided by law, a person who violates wildlife feeding restrictions required under this paragraph may not obtain a hunting license to take a wild animal for two years after the date of conviction.

(c) The commissioner may prevent or control wildlife disease in a species of wild animal in the state by posting restrictions on public access to active disease areas or by emergency rule adopted under section 84.027, subdivision 13.

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

Sec. 11. Minnesota Statutes 2014, section 97A.057, subdivision 1, is amended to read:

Subdivision 1. **Compliance with federal law.** The commissioner shall take any action necessary to comply with the Federal Aid in Wildlife Restoration Act, United States Code, title 16, sections 669 to 669i, and the Federal Aid in Fish Restoration Act, United States Code, title 16, sections 777 to 777k. Notwithstanding section 16E.145 or any other law to the contrary, an appropriation for an information or telecommunications technology project from the game and fish fund, as established in section 97A.055, must be made to the commissioner. Any assets acquired with or expenditures made from the game and fish fund must remain under control of the commissioner.

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

Sec. 12. Minnesota Statutes 2014, section 97A.211, subdivision 1, is amended to read:

Subdivision 1. **Notice to appear in court.** (a) A person must be given notice to appear in court for a misdemeanor violation of the game and fish laws; chapter 84, 84D, 103E, or 103G; sections 103F.201 to 103F.221; or section 103F.601 or 609.68 if:

(1) the person is arrested and is released from custody prior to appearing before a court; or

(2) the person is subject to a lawful arrest and is not arrested because it reasonably appears to the enforcement officer that arrest is unnecessary to prevent further criminal conduct and that there is a substantial likelihood that the person will respond to a notice.

(b) The enforcement officer shall prepare, ~~in quadruplicate,~~ a written or electronic notice to appear in court as provided by Rules of Criminal Procedure and section 169.99. The notice must be in the form and has the effect of a summons and complaint. The notice must contain the name and address of the person charged; and the offense; ~~and~~ The notice must contain the time and the place to appear in court. ~~The court must have jurisdiction within the county where the offense is alleged to have been committed~~ or must direct the defendant to contact the court or violations bureau to schedule an appearance.

Sec. 13. Minnesota Statutes 2014, section 97A.211, subdivision 2, is amended to read:

Subd. 2. **Release after arrest.** A person arrested for a misdemeanor violation of the game and fish laws; chapter 84, 84D, 103E, or 103G; sections 103F.201 to 103F.221; or section 103F.601 or 609.68 may obtain release by ~~signing the written notice prepared by the arresting officer~~ promising to appear in court. The officer shall deliver a ~~copy marked "SUMMONS" notice~~ to the person arrested. The officer must then release the person from custody.

Sec. 14. Minnesota Statutes 2014, section 97A.255, subdivision 4, is amended to read:

Subd. 4. **Each violation a separate offense; prosecution of aggregated offenses.** (a) Except as allowed in paragraph (b), each wild animal unlawfully taken, bought, sold, transported, or possessed is a separate offense. If acquitted, a person may not be prosecuted for a similar offense involving another animal in the same incident.

(b) In any prosecution that involves two or more offenses committed by the same person within six months in two or more counties, the accused may be prosecuted in any county in which one of the offenses was committed for all of the offenses in aggregate.

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

Sec. 15. Minnesota Statutes 2014, section 97A.411, subdivision 3, is amended to read:

Subd. 3. **Deer license.** (a) Except as provided in paragraphs (b) and (c), a license to take deer by archery, firearms, or muzzleloader issued after the opening of the related archery, firearms, or muzzleloader deer season, respectively, is not valid ~~until the second day after~~ unless it is was issued prior to legal shooting hours on the day of its first use.

(b) The commissioner may issue a license to take additional deer under section 97B.301, subdivision 4, that is ~~not valid immediately upon issuance~~ unless it was issued prior to legal shooting hours on the day the license is first used.

(c) Paragraph (a) does not apply to deer licenses for discharged military personnel under section 97A.465, subdivision 4.

Sec. 16. Minnesota Statutes 2014, section 97A.435, subdivision 4, is amended to read:

Subd. 4. **Separate selection of eligible licensees.** (a) The commissioner may conduct a separate selection for up to 20 percent of the turkey licenses to be issued for any area. Only persons who are owners or tenants of and who live on at least 40 acres of land in the permit area, and their family members who live on the qualifying land, are eligible applicants for turkey licenses for the separate selection. The qualifying land may be noncontiguous. Persons who are unsuccessful in a separate selection must be included in the selection for the remaining licenses. Persons who obtain a license in a separate selection must allow public turkey hunting on their land during that turkey season. A license issued under this subdivision is restricted to the permit area where the qualifying land is located.

(b) The commissioner may by rule establish criteria for determining eligible family members under this subdivision.

Sec. 17. Minnesota Statutes 2014, section 97A.465, is amended by adding a subdivision to read:

Subd. 7. Residents of veterans homes. (a) A resident from a Minnesota veterans home may obtain a firearm or muzzleloader deer license during the season and take antlerless deer without a permit in all areas of the state open during the respective regular firearms or muzzleloader deer seasons in any permit area. This subdivision does not

authorize the taking of an antlerless deer by another member of a party under section 97B.301, subdivision 3, in an area closed to taking antlerless deer or where the number of antlerless deer that may be taken is limited by a quota on the number of permits.

(b) A person may assist a Minnesota veterans home resident during the firearms or muzzleloader deer season without having a deer hunting license, but the person may not shoot a deer.

Sec. 18. **[97A.56] FERAL SWINE.**

Subdivision 1. **Definition.** For purposes of this section, "feral swine" means a member of the genus and species *Sus scrofa* that lives in the wild.

Subd. 2. **Prohibited actions; penalty.** (a) A person may not possess or release feral swine or swine that were feral during any part of the swines' lifetime or allow feral swine to run at large.

(b) A person may not hunt or trap feral swine, except as authorized by the commissioner for feral swine control or eradication. It is not a violation of this section if a person shoots a feral swine and reports the taking to the commissioner within 24 hours. All swine taken in this manner must be surrendered to the commissioner.

(c) A person who violates this subdivision is guilty of a misdemeanor.

Subd. 3. **Authorized removal of feral swine.** A person authorized under game and fish laws to take feral swine is not liable to the owner for the value of the animals.

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

Sec. 19. Minnesota Statutes 2014, section 97B.041, is amended to read:

97B.041 POSSESSION OF FIREARMS AND AMMUNITION RESTRICTED IN DEER ZONES.

(a) A person may not possess a firearm or ammunition outdoors during the period beginning the fifth day before the open firearms season and ending the second day after the close of the season within an area where deer may be taken by a firearm, except:

(1) during the open season and in an area where big game may be taken, a firearm and ammunition authorized for taking big game in that area may be used to take big game in that area if the person has a valid big game license in possession;

(2) an unloaded firearm that is in a case or in a closed trunk of a motor vehicle;

(3) a shotgun and shells containing No. 4 buckshot or smaller diameter lead shot or steel shot;

(4) a handgun or rifle capable of firing only rimfire cartridges of .17 and .22 caliber, including .22 magnum caliber cartridges;

(5) handguns possessed by a person authorized to carry a handgun under sections 624.714 and 624.715 for the purpose authorized; and

(6) on a target range operated under a permit from the commissioner.

(b) This section does not apply during an open firearms season in an area where deer may be taken only by muzzleloader, except that muzzle-loading firearms lawful for the taking of deer may be possessed only by persons with a valid license to take deer by muzzleloader during the muzzleloader season. While muzzleloader hunting, a person with a valid license to take deer by muzzleloader may not possess a firearm other than:

(1) a muzzleloader that is legal for taking deer under section 97B.031, subdivision 1; and

(2) a firearm as described in paragraph (a), clauses (2) to (5).

(c) A first violation of paragraph (a) is punishable by a warning.

Sec. 20. Minnesota Statutes 2014, section 97B.063, is amended to read:

97B.063 HUNTER SATISFACTION SURVEY.

The commissioner shall annually administer the collection of hunter information related to participation and satisfaction. This may include information on preferences, values, interests, participation rates and patterns, barriers to participation, or other factors. The data shall be collected using established social science methods. The commissioner shall annually submit a summary of the information gathered under this section to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over environment and natural resources no later than January 1 for the preceding fiscal year. The commissioner shall also make the summary information available on the department's Web site.

Sec. 21. Minnesota Statutes 2014, section 97B.081, subdivision 3, is amended to read:

Subd. 3. **Exceptions.** (a) It is not a violation of this section for a person to:

(1) cast the rays of a spotlight, headlight, or other artificial light to take raccoons according to section 97B.621, subdivision 3, or tend traps according to section 97B.931;

(2) hunt fox or coyote from January 1 to March 15 while using a handheld artificial light, provided that the person is:

(i) on foot;

(ii) using a shotgun;

(iii) not within a public road right-of-way;

(iv) using a handheld or electronic calling device; and

(v) not within 200 feet of a motor vehicle; or

(3) cast the rays of a handheld artificial light to retrieve wounded or dead big game animals, provided that the person is:

(i) on foot; and

(ii) not in possession of a firearm or bow.

(b) It is not a violation of subdivision 2 for a person to cast the rays of a spotlight, headlight, or other artificial light to:

(1) carry out any agricultural, safety, emergency response, normal vehicle operation, or occupation-related activities that do not involve taking wild animals; or

(2) carry out outdoor recreation as defined in section 97B.001 that is not related to spotting, locating, or taking a wild animal.

(c) Except as otherwise provided by the game and fish laws, it is not a violation of this section for a person to use an electronic range finder device from one-half hour before sunrise until one-half hour after sunset while lawfully hunting wild animals.

(d) It is not a violation of this section for a licensed bear hunter to cast the rays of a handheld artificial light to track or retrieve a wounded or dead bear while possessing a firearm, provided that the person:

(1) has the person's valid bear hunting license in possession;

(2) is on foot; and

(3) is following the blood trail of a bear that was shot during legal shooting hours.

Sec. 22. Minnesota Statutes 2014, section 97B.085, subdivision 2, is amended to read:

Subd. 2. **Taking unprotected wild animals; permit required.** A person may ~~not~~ use radio equipment to take unprotected wild animals ~~without a permit. The commissioner may issue a permit to take unprotected animals with radio equipment. The commissioner shall cancel the permit upon receiving a valid complaint of misconduct regarding the permittee's hunting activities.~~

Sec. 23. Minnesota Statutes 2014, section 97B.301, is amended by adding a subdivision to read:

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

Sec. 24. **[97B.722] POSSESSION OF FIREARMS; HUNTING TURKEY.**

(a) While afield hunting turkeys, licensees may not have in possession or control any firearm or bow and arrow except those defined as legal for taking turkeys in rules adopted by the commissioner.

(b) Paragraph (a) does not apply to a person carrying a handgun in compliance with section 624.714.

Sec. 25. **[97B.9251] BEAVER SEASON.**

The commissioner may establish open seasons and restrictions for taking beaver from 9:00 a.m. on the Saturday nearest October 26 in the North Zone and from 9:00 a.m. on the Saturday nearest October 30 in the South Zone. The seasons shall be open until May 15.

Sec. 26. Minnesota Statutes 2014, section 97C.345, is amended by adding a subdivision to read:

Subd. 3a. Cast nets for gizzard shad. (a) Cast nets may be used only to take gizzard shad for use as bait for angling:

(1) from July 1 to November 30; and

(2) from the Mississippi River downstream of St. Anthony Falls and the St. Croix River downstream of the dam at Taylors Falls, including portions described as Minnesota-Wisconsin boundary waters in Minnesota Rules, part 6266.0500, subpart 1, items A and B, that are listed as infested waters as allowed under section 84D.03, subdivision 3.

(b) Cast nets used under this subdivision must be monofilament and may not exceed seven feet in diameter, and mesh size must be from three-eighths to five-eighths inch bar measure.

(c) This subdivision expires December 1, 2017. The commissioner must report to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over environment and natural resources by March 1, 2018, on the number of permits issued, conservation impacts from the use of cast nets, and recommendations for any necessary changes in statutes or rules.

Sec. 27. Minnesota Statutes 2014, section 97C.501, subdivision 2, is amended to read:

Subd. 2. Minnow dealers. (a) A person may not be a minnow dealer without a minnow dealer license except as provided in subdivision 3.

(b) A minnow dealer must obtain a minnow dealer's vehicle license for each motor vehicle used to transport minnows. The serial number, motor vehicle license number, make, and model must be on the license. The license must be conspicuously displayed in the vehicle.

(c) A minnow dealer may not transport minnows out of the state without an exporting minnow dealer license. A minnow dealer must obtain an exporting minnow dealer's vehicle license for each motor vehicle used to transport minnows out of the state. The serial number, motor vehicle license number, make, and model must be on the license. The license must be conspicuously displayed in the vehicle.

(d) A person with a minnow dealer's license may sell minnows at one retail outlet. A minnow dealer must obtain a minnow retailer license for each additional retail outlet operated. A minnow dealer operating a retail outlet under a minnow dealer's license must list the following information for the retail outlet: name of the business; city; state; zip code; and legal description or fire number. The retail outlet name and location may be changed by making application to the commissioner.

(e) A minnow dealer may designate employees as helpers who are authorized to take, buy, sell, and transport minnows on behalf of the minnow dealer. The employees designated as helpers must be listed on the minnow dealer's license, and a copy of the license designating the employee as a helper must be in the helper's possession when acting on behalf of the minnow dealer. The minnow dealer may add and delete helpers listed on the dealer's license within a license year by notifying the commissioner in writing of the change to the license. Employees who are acting under the direction and control of the minnow dealer but who are not designated as helpers may not buy or sell minnows on behalf of the minnow dealer. This paragraph does not apply to employees selling minnows at the retail outlet location under paragraph (d).

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

Sec. 28. **RULEMAKING; LIFTING SPEARING BANS AND NORTHERN PIKE REGULATIONS.**

(a) The commissioner of natural resources shall amend Minnesota Rules, parts 6262.0575, subpart 9, and 6264.0400, subparts 70 and 72, to delete the language prohibiting spearing.

(b) Notwithstanding Minnesota Statutes, section 97C.007, the commissioner of natural resources shall amend Minnesota Rules, part 6264.0400, subpart 71, to delete the language prohibiting spearing and modify the northern pike protected slot to 26 to 40 inches.

(c) The commissioner may use the good cause exemption under Minnesota Statutes, section 14.388, subdivision 1, clause (3), to adopt rules under this section, and Minnesota Statutes, section 14.386, does not apply.

EFFECTIVE DATE. This section is effective July 1, 2015.

Sec. 29. **RULEMAKING; WATER SURFACE USE RESTRICTIONS.**

(a) The commissioner of natural resources shall amend Minnesota Rules, part 6110.3700, subpart 9, to allow a longer period of temporary special controls in situations of local emergency by deleting "five" and inserting "30" and deleting "five-day" and inserting "30-day."

(b) The commissioner may use the good cause exemption under Minnesota Statutes, section 14.388, subdivision 1, clause (3), to adopt rules under this section, and Minnesota Statutes, section 14.386, does not apply except as provided under Minnesota Statutes, section 14.388.

Sec. 30. **RULEMAKING; PERSONAL FLOTATION DEVICES.**

(a) To conform with changes in federal regulation, the commissioner of natural resources shall amend Minnesota Rules, part 6110.1200, subpart 3, as follows:

(1) delete the term "Type I, II, or III" and insert "wearable";

(2) delete the term "Type IV" and insert "throwable";

(3) delete items B and D and reletter the remaining items; and

(4) insert a new item that reads:

"C. All personal flotation devices required by this subpart must be:

(1) approved by the U.S. Coast Guard;

(2) legibly marked with any requirements and the approval number issued by the U.S. Coast Guard;

(3) in serviceable condition free of tears, rot, punctures, or waterlogging, and with all straps and fasteners present and in good condition;

(4) of the appropriate size for the intended wearer, if the device is designed to be worn, and in compliance with any requirements listed on the U.S. Coast Guard approval label;

(5) for wearable devices, either readily accessible or worn, except when:

(a) devices are required to be worn to be accepted as U.S. Coast Guard-approved; or

(b) wearing a U.S. Coast Guard-approved wearable personal flotation device is mandatory; and

(6) for throwable devices, immediately available.

"Readily accessible" means easily retrievable within a reasonable amount of time in an emergency. "Immediately available" means easily reached in time of emergency. Personal flotation devices located in locked containers, under heavy objects, or left in shipping bags are not considered readily accessible or immediately available."

(b) The commissioner may use the good cause exemption under Minnesota Statutes, section 14.388, subdivision 1, clause (3), to adopt rules under this section, and Minnesota Statutes, section 14.386, does not apply except as provided under Minnesota Statutes, section 14.388.

Sec. 31. **RULEMAKING; MOTORIZED TRAIL ENVIRONMENTAL REVIEW.**

(a) The Environmental Quality Board shall amend Minnesota Rules, chapter 4410, to allow the following without preparing a mandatory environmental assessment worksheet:

(1) constructing a recreational trail less than 25 miles long on forested or other naturally vegetated land for a recreational use;

(2) adding a new motorized recreational use or a seasonal motorized recreational use to an existing motorized recreational trail if the treadway width is not expanded as a result of the added use; and

(3) designating an existing, legally constructed route, such as a logging road, for motorized recreational trail use.

(b) The board may use the good cause exemption rulemaking procedure under Minnesota Statutes, section 14.388, subdivision 1, clause (3), to adopt rules under this section, and Minnesota Statutes, section 14.386, does not apply except as provided under Minnesota Statutes, section 14.388.

Sec. 32. **REPEALER.**

(a) Minnesota Statutes 2014, section 97A.475, subdivision 25, is repealed.

(b) Minnesota Rules, part 6264.0400, subparts 27 and 28, are repealed.

EFFECTIVE DATE. Paragraph (b) is effective July 1, 2015."

Amend the title as follows:

Page 1, delete lines 2 to 17

Page 1, line 18, delete everything before "amending" and insert "relating to state government; appropriating money for agriculture, environment, and natural resources; modifying public entity purchasing requirements; modifying solid waste provisions; modifying subsurface sewage treatment systems provisions; modifying Dry Cleaner Environmental Response and Reimbursement Law; modifying environmental review; modifying structure of Minnesota Pollution Control Agency; modifying disposition of certain revenue; providing for temporary water surface use controls; providing for riparian buffers; providing for self-reporting of certain environmental violations; modifying compensable losses due to harmful substances; modifying invasive species provisions; modifying

landowners' bill of rights; modifying state parks and trails provisions; modifying recreational vehicle provisions; modifying land sale and acquisition provisions; modifying forestry and timber provisions; modifying regulation of camper cabins and bunk houses; providing for all-terrain vehicle safety training indication on drivers' licenses and identification cards; creating accounts; modifying certain grant, permit, and fee provisions; modifying Water Law; modifying personal flotation device provisions; regulating wake surfing; modifying game and fish laws; modifying metropolitan area water supply planning provisions; regulating water quality standards; making policy and technical changes to various agricultural related provisions, including provisions related to pesticides, plant protection, fertilizers, nursery law, seeds, dairy, food handlers, food, farmland, farming, and loans; authorizing the Industrial Hemp Development Act; modifying license exclusions for the direct sale of certain prepared food; establishing the agriculture research, education, extension, and technology transfer grant program; providing incentive payments; providing a vocational training pilot program; establishing the farm opportunity loan program; requiring studies and reports; requiring rulemaking; providing criminal penalties;"

Correct the title numbers accordingly

We request the adoption of this report and repassage of the bill.

House Conferees: DENNY MCNAMARA, ROD HAMILTON, TOM HACKBARTH, DAN FABIAN and DAVID DILL.

Senate Conferees: DAVID J. TOMASSONI, DAN SPARKS, JOHN A. HOFFMAN and BILL WEBER.

McNamara moved that the report of the Conference Committee on H. F. No. 846 be adopted and that the bill be repassed as amended by the Conference Committee.

A roll call was requested and properly seconded.

The question was taken on the McNamara motion and the roll was called. There were 81 yeas and 52 nays as follows:

Those who voted in the affirmative were:

Albright	Dettmer	Heintzeman	Lucero	Pelowski	Sundin
Anderson, M.	Dill	Hertaus	Lueck	Peppin	Swedzinski
Anderson, P.	Drazkowski	Hoppe	Mack	Petersburg	Theis
Anderson, S.	Erickson	Howe	Marquart	Peterson	Torkelson
Anzelc	Fabian	Johnson, B.	McDonald	Pierson	Uglen
Backer	Fenton	Kelly	McNamara	Poppe	Urdahl
Baker	Franson	Kiel	Melin	Pugh	Vogel
Barrett	Garofalo	Knoblach	Metsa	Quam	Whelan
Bennett	Green	Koznick	Miller	Rarick	Wills
Christensen	Gruenhagen	Kresha	Nash	Runbeck	Zerwas
Cornish	Gunther	Lien	Newberger	Sanders	Spk. Daudt
Daniels	Hackbarth	Lohmer	Nornes	Schomacker	
Davids	Hamilton	Loon	O'Driscoll	Scott	
Dean, M.	Hancock	Loonan	O'Neill	Smith	

Those who voted in the negative were:

Allen	Bly	Considine	Erhardt	Halverson	Hilstrom
Applebaum	Carlson	Davnie	Fischer	Hansen	Hornstein
Bernardy	Clark	Dehn, R.	Freiberg	Hausman	Hortman

Isaacson	Lesch	Masin	Newton	Schultz	Ward
Johnson, C.	Liebling	Moran	Norton	Selcer	Winkler
Johnson, S.	Lillie	Mullery	Persell	Simonson	Yarusso
Kahn	Loeffler	Murphy, E.	Pinto	Slocum	Youakim
Laine	Mahoney	Murphy, M.	Rosenthal	Thissen	
Lenczewski	Mariani	Nelson	Schoen	Wagenius	

The motion prevailed.

POINT OF ORDER

Pelowski raised a point of order pursuant to rule 2.32 relating to Order in Debate. Speaker pro tempore Davids ruled the point of order well taken.

H. F. No. 846, A bill for an act relating to state government; appropriating money for environment and natural resources; modifying public entity purchasing requirements; modifying solid waste provisions; modifying subsurface sewage treatment systems provisions; modifying compensable losses due to harmful substances; modifying invasive species provisions; modifying state parks and trails provisions; modifying requirements for fire training; modifying auxiliary forest provisions; modifying recreational vehicle provisions; providing for all-terrain vehicle safety training indication on drivers' licenses and identification cards; modifying and providing for certain fees; creating and modifying certain accounts; providing for and modifying certain grants; modifying disposition of certain revenue; modifying certain permit provisions; providing for condemnation of certain school trust lands; modifying Water Law; providing for certain enforcement delay; modifying personal flotation device provisions; regulating wake surfing; modifying game and fish laws; modifying Metropolitan Area Water Supply Advisory Committee and specifying duties; providing for Minnesota Pollution Control Agency Citizens' Board; prohibiting sale of certain personal care products containing synthetic plastic microbeads; requiring reports; requiring rulemaking; amending Minnesota Statutes 2014, sections 16A.531, subdivision 1a; 16C.073, subdivision 2; 84.415, subdivision 7; 84.788, subdivision 5, by adding a subdivision; 84.82, subdivision 6; 84.84; 84.92, subdivisions 8, 9, 10; 84.922, subdivision 4; 84.925, subdivision 5; 84.9256, subdivision 1; 84.928, subdivision 1; 84D.01, subdivisions 13, 15, 17, 18, by adding a subdivision; 84D.03, subdivision 3; 84D.06; 84D.10, subdivision 3; 84D.11, subdivision 1; 84D.12, subdivisions 1, 3; 84D.13, subdivision 5; 84D.15, subdivision 3; 85.015, subdivision 28, by adding a subdivision; 85.054, subdivision 12; 85.32, subdivision 1; 86B.313, subdivisions 1, 4; 86B.315; 86B.401, subdivision 3; 88.17, subdivision 3; 88.49, subdivisions 3, 4, 5, 6, 7, 8, 9, 11; 88.491, subdivision 2; 88.50; 88.51, subdivisions 1, 3; 88.52, subdivisions 2, 3, 4, 5, 6; 88.523; 88.53, subdivisions 1, 2; 88.6435, subdivision 4; 90.14; 90.193; 94.10, subdivision 2; 94.16, subdivisions 2, 3; 97A.045, subdivision 11; 97A.057, subdivision 1; 97A.435, subdivision 4; 97A.465, by adding a subdivision; 97B.063; 97B.081, subdivision 3; 97B.085, subdivision 2; 97B.301, by adding a subdivision; 97B.668; 97C.005, subdivision 1, by adding a subdivision; 97C.301, by adding a subdivision; 97C.345, by adding a subdivision; 97C.501, subdivision 2; 103B.101, by adding a subdivision; 103B.3355; 103F.612, subdivision 2; 103G.005, by adding a subdivision; 103G.222, subdivisions 1, 3; 103G.2242, subdivisions 1, 2, 3, 4, 12, 14; 103G.2251; 103G.245, subdivision 2; 103G.271, subdivisions 3, 5, 6a; 103G.287, subdivisions 1, 2; 103G.291, subdivision 3; 103G.301, subdivision 5a; 115.03, by adding a subdivision; 115.073; 115.55, subdivisions 1, 3; 115.56, subdivision 2; 115A.03, subdivision 25a; 115A.551, subdivision 2a; 115A.557, subdivision 2; 115A.93, subdivision 1; 115B.34, subdivision 2; 115C.05; 116.02; 116.03, subdivision 1; 116.07, subdivisions 4d, 4j, 7, by adding a subdivision; 116D.04, by adding a subdivision; 144.12, by adding a subdivision; 171.07, by adding a subdivision; 282.011, subdivision 3; 446A.073, subdivisions 1, 3, 4; 473.1565; Laws 2010, chapter 215, article 3, section 3, subdivision 6, as amended; Laws 2014, chapter 312, article 12, section 6, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 84; 84D; 85; 92; 97A; 97B; 103B;

103G; 114C; 115; 115A; 325E; repealing Minnesota Statutes 2014, sections 84.68; 86B.13, subdivisions 2, 4; 88.47; 88.48; 88.49, subdivisions 1, 2, 10; 88.491, subdivision 1; 88.51, subdivision 2; 97A.475, subdivision 25; 97B.905, subdivision 3; 116.02, subdivisions 7, 8, 10; 282.013; 477A.19; Minnesota Rules, part 6264.0400, subparts 27, 28.

The bill was read for the third time, as amended by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 83 yeas and 50 nays as follows:

Those who voted in the affirmative were:

Albright	Dettmer	Hamilton	Loon	O'Driscoll	Scott
Anderson, M.	Dill	Hancock	Loonan	O'Neill	Smith
Anderson, P.	Drazkowski	Heintzeman	Lucero	Pelowski	Sundin
Anderson, S.	Erhardt	Hertaus	Lueck	Peppin	Swedzinski
Anzelc	Erickson	Hoppe	Mack	Petersburg	Theis
Backer	Fabian	Howe	Marquart	Peterson	Torkelson
Baker	Fenton	Johnson, B.	McDonald	Pierson	Uglen
Barrett	Fischer	Kelly	McNamara	Poppe	Urdahl
Bennett	Franson	Kiel	Melin	Pugh	Vogel
Christensen	Garofalo	Knoblach	Metsa	Quam	Whelan
Cornish	Green	Koznick	Miller	Rarick	Wills
Daniels	Gruenhagen	Kresha	Nash	Runbeck	Zerwas
Davids	Gunther	Lien	Newberger	Sanders	Spk. Daudt
Dean, M.	Hackbarth	Lohmer	Nornes	Schomacker	

Those who voted in the negative were:

Allen	Freiberg	Johnson, S.	Mariani	Persell	Wagenius
Applebaum	Halverson	Kahn	Masin	Pinto	Ward
Bernardy	Hansen	Laine	Moran	Rosenthal	Winkler
Bly	Hausman	Lenczewski	Mullery	Schoen	Yarusso
Carlson	Hilstrom	Lesch	Murphy, E.	Schultz	Youakim
Clark	Hornstein	Liebling	Murphy, M.	Selcer	
Considine	Hortman	Lillie	Nelson	Simonson	
Davnie	Isaacson	Loeffler	Newton	Slocum	
Dehn, R.	Johnson, C.	Mahoney	Norton	Thissen	

The bill was repassed, as amended by Conference, and its title agreed to.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 844, A bill for an act relating to education; providing for funding and policy in early childhood, kindergarten through grade 12, and adult education, including general education, education excellence, standards and assessments, charter schools, special education, facilities and technology, nutrition and accounting, libraries,

early childhood education, prevention, self-sufficiency and lifelong learning, state agencies, and forecast adjustments; requiring rulemaking; appropriating money; amending Minnesota Statutes 2014, sections 5A.03; 16A.103, subdivision 1c; 120A.41; 120B.02, subdivision 2; 120B.021, subdivision 4; 120B.022, subdivisions 1, 1a, 1b; 120B.024, subdivision 2; 120B.11, subdivision 1a; 120B.12, subdivision 4a; 120B.125; 120B.13, subdivision 4; 120B.30, subdivisions 1, 1a, 3; 120B.31, subdivision 4; 120B.36, subdivision 1; 121A.17, subdivision 5; 122A.09, subdivision 4, by adding subdivisions; 122A.14, subdivisions 3, 9, by adding a subdivision; 122A.18, subdivisions 2, 7c, 8; 122A.20, subdivision 1; 122A.21, subdivisions 1, 2; 122A.23; 122A.245, subdivisions 1, 3, 7; 122A.25; 122A.30; 122A.31, subdivisions 1, 2; 122A.40, subdivisions 5, 8, 10, 11, 13; 122A.41, subdivisions 2, 5, 6, 14; 122A.414, subdivision 2; 122A.60; 122A.61, subdivision 1; 122A.69; 122A.70, subdivision 1; 123A.24, subdivision 1; 123A.75, subdivision 1; 123B.045; 123B.59, subdivisions 6, 7; 123B.77, subdivision 3; 123B.88, subdivision 1, by adding a subdivision; 124D.041, subdivisions 1, 2; 124D.09, subdivisions 5, 5a, 8, 9, 12; 124D.091, subdivision 1; 124D.10, subdivisions 1, 3, 4, 8, 9, 12, 14, 16, 23, by adding a subdivision; 124D.11, subdivisions 1, 9; 124D.121; 124D.122; 124D.126, subdivision 1; 124D.127; 124D.128, subdivision 1; 124D.13; 124D.135; 124D.16; 124D.165; 124D.531, subdivisions 1, 2, 3; 124D.73, subdivisions 3, 4; 124D.74, subdivisions 1, 3, 6; 124D.75, subdivisions 1, 3, 9; 124D.76; 124D.78; 124D.79, subdivisions 1, 2; 124D.791, subdivision 4; 124D.861; 124D.862; 125A.01; 125A.023, subdivisions 3, 4; 125A.027; 125A.03; 125A.08; 125A.085; 125A.0942, subdivision 3; 125A.21; 125A.28; 125A.63, subdivisions 2, 3, 4, 5; 125A.75, subdivision 9; 125A.76, subdivisions 1, 2c; 125B.26, subdivision 2; 126C.10, subdivisions 1, 2, 2a, 2e, 3, 13a, 18, 24; 126C.13, subdivision 4; 126C.15, subdivisions 1, 2, 3; 126C.17, subdivisions 1, 2; 127A.05, subdivision 6; 127A.49, subdivision 1; 134.355, subdivisions 8, 9, 10; 135A.101, by adding a subdivision; 179A.20, by adding a subdivision; Laws 2013, chapter 116, article 1, section 58, subdivisions 2, as amended, 3, as amended, 4, as amended, 5, as amended, 6, as amended, 7, as amended, 11, as amended; article 3, section 37, subdivisions 3, as amended, 4, as amended, 5, as amended, 20, as amended; article 4, section 9, subdivision 2, as amended; article 5, section 31, subdivisions 2, as amended, 3, as amended, 4, as amended; article 6, section 12, subdivisions 2, as amended, 6, as amended; article 7, sections 19; 21, subdivisions 2, as amended, 3, as amended, 4, as amended; article 8, section 5, subdivisions 3, as amended, 4, as amended, 14, as amended; Laws 2014, chapter 312, article 16, section 15; proposing coding for new law in Minnesota Statutes, chapters 119A; 121A; 122A; 124D; 125A; repealing Minnesota Statutes 2014, sections 120B.128; 122A.40, subdivision 11; 125A.63, subdivision 1; 126C.12, subdivision 6; 126C.13, subdivisions 3a, 3b, 3c; 126C.41, subdivision 1; Minnesota Rules, part 3500.1000.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

JOANNE M. ZOFF, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

S. F. No. 1647.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said Senate File is herewith transmitted to the House.

JOANNE M. ZOFF, Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. No. 1647

A bill for an act relating to transportation; amending various provisions related to transportation and public safety policies, including data practices and storage; motor carriers; traffic regulation modifications; parking signs; advertising devices; permits and licenses; vehicle equipment; mini truck operation; railroad liability, powers, and

crossing by utilities; rail event response preparedness; minimum train crew size; drive away in-transit licenses; road design; engine compression regulation by city of St. Paul; turnbacks; bikeways; subcontracting goals; reporting requirements and alternative damages appraisal for transportation projects; amending Minnesota Statutes 2014, sections 13.69, subdivision 1; 13.72, by adding a subdivision; 160.18, by adding a subdivision; 160.20, subdivision 4; 160.232; 160.266, subdivisions 2, 3, by adding subdivisions; 161.088, subdivisions 3, 4, 5; 161.321, subdivisions 2a, 2c, 4; 161.368; 168.33, subdivision 2; 169.06, subdivision 4a; 169.18, subdivision 12; 169.475, subdivision 1; 169.49; 169.782, subdivisions 1, 2, 4; 169.791, subdivisions 1, 2; 169.81, by adding a subdivision; 171.02, by adding a subdivision; 171.06, subdivision 3; 171.061, subdivision 3; 171.07, subdivision 1b; 173.02, by adding a subdivision; 173.15; 174.03, subdivisions 10, 11; 174.12, subdivision 5; 174.40, by adding a subdivision; 174.52, subdivisions 4a, 5; 219.76; 219.761; 221.031, by adding a subdivision; 221.605, by adding a subdivision; 299D.085, subdivision 2; 473.146, subdivision 4; Laws 2009, chapter 158, section 10, as amended; Laws 2014, chapter 312, article 10, section 11, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 161; 219; 237; 383B; 473.

May 18, 2015

The Honorable Sandra L. Pappas
President of the Senate

The Honorable Kurt L. Daudt
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 1647 report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 1647 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1
TRANSPORTATION APPROPRIATIONS

Section 1. **SUMMARY OF APPROPRIATIONS.**

The amounts shown in this section summarize direct appropriations by fund made in this act, and do not have legal effect.

	<u>2016</u>	<u>2017</u>	<u>Total</u>
<u>General</u>	\$139,347,000	\$135,792,000	\$275,139,000
<u>Airports</u>	25,109,000	25,109,000	50,218,000
<u>C.S.A.H.</u>	670,768,000	698,495,000	1,369,263,000
<u>M.S.A.S.</u>	170,743,000	178,141,000	348,884,000
<u>Special Revenue</u>	61,475,000	62,210,000	123,685,000
<u>H.U.T.D.</u>	2,192,000	2,213,000	4,405,000
<u>Trunk Highway</u>	1,673,708,000	1,672,006,000	3,345,714,000
<u>Total</u>	<u>\$2,743,342,000</u>	<u>\$2,773,966,000</u>	<u>\$5,517,308,000</u>

Sec. 2. **TRANSPORTATION 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 trunk highway fund, or another named fund, and are available for the fiscal years indicated for each purpose. Amounts for "Total Appropriation" and sums shown in the corresponding columns marked "Appropriations by Fund" are summary only and do have legal effect. The figures "2016" and "2017" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2016, or June 30, 2017, respectively. "The first year" is fiscal year 2016. "The second year" is fiscal year 2017. "The biennium" is fiscal years 2016 and 2017.

APPROPRIATIONS
Available for the Year
Ending June 30

2016 **2017**

Sec. 3. **DEPARTMENT OF TRANSPORTATION**

Subdivision 1. **Total Appropriation** **\$2,488,269,000** **\$2,496,573,000**

Appropriations by Fund

	<u>2016</u>	<u>2017</u>
<u>General</u>	<u>44,115,000</u>	<u>21,058,000</u>
<u>Airports</u>	<u>25,109,000</u>	<u>25,109,000</u>
<u>C.S.A.H.</u>	<u>670,768,000</u>	<u>698,495,000</u>
<u>M.S.A.S.</u>	<u>170,743,000</u>	<u>178,141,000</u>
<u>Trunk Highway</u>	<u>1,577,534,000</u>	<u>1,573,770,000</u>

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

Subd. 2. **Multimodal Systems**

(a) **Aeronautics**

(1) **Airport Development and Assistance** **19,798,000** **19,798,000**

This appropriation is from the state airports fund and must be spent according to Minnesota Statutes, section 360.305, subdivision 4.

The base appropriation in each of fiscal years 2018 and 2019 is \$14,298,000.

Notwithstanding Minnesota Statutes, section 16A.28, subdivision 6, this appropriation is available for five years after appropriation. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

(2) Aviation Support and Services6,661,0006,661,000Appropriations by Fund

	<u>2016</u>	<u>2017</u>
<u>Airports</u>	<u>5,311,000</u>	<u>5,311,000</u>
<u>Trunk Highway</u>	<u>1,350,000</u>	<u>1,350,000</u>

\$80,000 in each year is from the state airports fund for the Civil Air Patrol.

The base appropriation from the trunk highway fund in fiscal year 2018 is \$1,479,000 and in fiscal year 2019 is \$1,623,000.

(b) Transit20,543,00020,567,000Appropriations by Fund

	<u>2016</u>	<u>2017</u>
<u>General</u>	<u>19,745,000</u>	<u>19,745,000</u>
<u>Trunk Highway</u>	<u>798,000</u>	<u>822,000</u>

The base appropriation from the general fund in each of fiscal years 2018 and 2019 is \$17,245,000.

The base appropriation from the trunk highway fund in fiscal year 2018 is \$846,000 and in fiscal year 2019 is \$873,000.

(c) Safe Routes to School500,000500,000

This appropriation is from the general fund for the safe routes to school program under Minnesota Statutes, section 174.40.

(d) Passenger Rail500,000500,000

This appropriation is from the general fund for passenger rail system planning, alternatives analysis, environmental analysis, design, and preliminary engineering under Minnesota Statutes, sections 174.632 to 174.636.

(e) Freight13,445,0005,452,000Appropriations by Fund

	<u>2016</u>	<u>2017</u>
<u>General</u>	<u>8,401,000</u>	<u>256,000</u>
<u>Trunk Highway</u>	<u>5,044,000</u>	<u>5,196,000</u>

\$145,000 in the first year is from the general fund for a grant to the Minnesota Commercial Railway for emergency temporary repairs to approximately 6.5 miles of railroad track described as that portion of the Minnesota Commercial main running lead, between M&D Junction in White Bear Lake and the end of track in Hugo.

\$3,000,000 in the first year is from the general fund for port development assistance program grants under Minnesota Statutes, chapter 457A. Any improvements made with the proceeds of these grants must be publicly owned. This is a onetime appropriation and is available in the second year.

\$5,000,000 in the first year is from the general fund for rail grade crossing safety improvements. This is a onetime appropriation and is available in the second year.

The base appropriation from the trunk highway fund in fiscal year 2018 is \$5,350,000 and in fiscal year 2019 is \$5,522,000.

Subd. 3. State Roads

(a) Operations and Maintenance	<u>288,405,000</u>	<u>290,916,000</u>
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The base appropriation in fiscal year 2018 is \$292,140,000 and in fiscal year 2019 is \$301,545,000.

(b) Program Planning and Delivery	<u>237,529,000</u>	<u>231,252,000</u>
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\$130,000 in each year is available for administrative costs of the targeted group business program.

\$266,000 in each year is available for grants to metropolitan planning organizations outside the seven-county metropolitan area.

\$900,000 in each year is available for grants for transportation studies outside the metropolitan area to identify critical concerns, problems, and issues. These grants are available: (1) to regional development commissions; (2) in regions where no regional development commission is functioning, to joint powers boards established under agreement of two or more political subdivisions in the region to exercise the planning functions of a regional development commission; and (3) in regions where no regional development commission or joint powers board is functioning, to the department's district office for that region.

\$1,000,000 in each year is available for management of contaminated and regulated material on property owned by the Department of Transportation, including mitigation of property conveyances, facility acquisition or expansion, chemical release at maintenance facilities, and spills on the trunk highway system where there is no known responsible party. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

\$6,804,000 in the first year and \$1,000,000 in the second year are available for the purposes stated in Minnesota Statutes, section 12A.16, subdivision 2.

The base appropriation for program planning and delivery in fiscal year 2018 is \$227,004,000 and in fiscal year 2019 is \$234,331,000.

(c) State Road Construction

779,664,000

744,166,000

This appropriation is for the actual construction, reconstruction, and improvement of trunk highways, including design-build contracts, internal department costs associated with delivering the construction program, and consultant usage to support these activities. This includes the cost of actual payment to landowners for lands acquired for highway rights-of-way, payment to lessees, interest subsidies, and relocation expenses.

\$1,000,000 in the first year is to complete projects using funds made available to the commissioner of transportation under title XII of the American Recovery and Reinvestment Act of 2009, Public Law 111-5, and implemented under Minnesota Statutes, section 161.36, subdivision 7.

\$10,000,000 in each year is for the transportation economic development program under Minnesota Statutes, section 174.12.

The commissioner may expend up to one-half of one percent of the federal appropriations under this paragraph as grants to opportunity industrialization centers and other nonprofit job training centers for job training programs related to highway construction.

The commissioner may transfer up to \$15,000,000 each year to the transportation revolving loan fund.

The commissioner may receive money covering other shares of the cost of partnership projects. These receipts are appropriated to the commissioner for these projects.

The base appropriation for state road construction in each of fiscal years 2018 and 2019 is \$695,800,000.

(d) Highway Debt Service

197,381,000

231,199,000

\$187,881,000 the first year and \$221,699,000 the second year are for transfer to the state bond fund. If this appropriation is insufficient to make all transfers required in the year for which it is made, the commissioner of management and budget shall transfer the deficiency amount under the statutory open appropriation, and notify the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance and the chairs of the senate Committee on Finance and the house of representatives Committee on Ways and Means of the amount of the deficiency. Any excess appropriation cancels to the trunk highway fund.

(e) Statewide Radio Communications5,358,0005,486,000Appropriations by Fund

	<u>2016</u>	<u>2017</u>
<u>General</u>	<u>35,000</u>	<u>3,000</u>
<u>Trunk Highway</u>	<u>5,323,000</u>	<u>5,483,000</u>

\$3,000 in each year is from the general fund to equip and operate the Roosevelt signal tower for Lake of the Woods weather broadcasting.

\$32,000 in the first year is from the general fund for a weather transmitter in Lake of the Woods County.

The base appropriation from the trunk highway fund in fiscal year 2018 is \$5,645,000 and in fiscal year 2019 is \$5,826,000.

Subd. 4. Local Roads**(a) County State-Aid Roads**670,768,000698,495,000

This appropriation is from the county state-aid highway fund under Minnesota Statutes, section 161.081, and chapter 162, and is available until spent.

If the commissioner of transportation determines that a balance remains in the county state-aid highway fund following the appropriations and transfers made in this paragraph, and that the appropriations made are insufficient for advancing county state-aid highway projects, an amount necessary to advance the projects, not to exceed the balance in the county state-aid highway fund, is appropriated in each year to the commissioner. Within two weeks of a determination under this contingent appropriation, the commissioner of transportation shall notify the commissioner of management and budget and the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance concerning funds appropriated. The commissioner shall identify in the next budget submission to the legislature under Minnesota Statutes, section 16A.11, any amount that is appropriated under this paragraph.

(b) Municipal State-Aid Roads170,743,000178,141,000

This appropriation is from the municipal state-aid street fund under Minnesota Statutes, chapter 162, and is available until spent.

If the commissioner of transportation determines that a balance remains in the municipal state-aid street fund following the appropriations and transfers made in this paragraph, and that the

appropriations made are insufficient for advancing municipal state-aid street projects, an amount necessary to advance the projects, not to exceed the balance in the municipal state-aid street fund, is appropriated in each year to the commissioner. Within two weeks of a determination under this contingent appropriation, the commissioner of transportation shall notify the commissioner of management and budget and the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance concerning funds appropriated. The commissioner shall identify in the next budget submission to the legislature under Minnesota Statutes, section 16A.11, any amount that is appropriated under this paragraph.

(c) **Small Cities Assistance** 12,500,000 0

This appropriation is from the general fund for small cities assistance under Minnesota Statutes, section 162.145.

Subd. 5. **Agency Management**

(a) **Agency Services** 42,722,000 43,519,000

The base appropriation in fiscal year 2018 is \$44,316,000 and in fiscal year 2019 is \$45,206,000.

(b) **Buildings** 18,772,000 19,321,000

Appropriations by Fund

	<u>2016</u>	<u>2017</u>
<u>General</u>	<u>54,000</u>	<u>54,000</u>
<u>Trunk Highway</u>	<u>18,718,000</u>	<u>19,267,000</u>

Any money appropriated to the commissioner of transportation for building construction for any fiscal year before the first year is available to the commissioner of transportation during the biennium to the extent that the commissioner spends the money on the building construction projects for which the money was originally encumbered during the fiscal year for which it was appropriated.

If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

The base appropriation from the trunk highway fund in fiscal year 2018 is \$20,031,000 and in fiscal year 2019 is \$20,885,000.

(c) Tort Claims600,000600,000

If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Subd. 6. Transfers

With the approval of the commissioner of management and budget, the commissioner of transportation may transfer unencumbered balances among the appropriations from the trunk highway fund and the state airports fund made in this section. No transfer may be made from the appropriations for state road construction or for debt service. Transfers under this rider may not be made between funds. Transfers under this rider must be reported immediately to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance.

The commissioner of transportation shall transfer from the flexible highway account in the county state-aid highway fund the entire amount in each year to the county turnback account in the county state-aid highway fund. The funds transferred are for highway turnback purposes under Minnesota Statutes, section 161.081, subdivision 3.

Subd. 7. Previous State Road Construction Appropriations

Any money appropriated to the commissioner of transportation for state road construction for any fiscal year before the first year is available to the commissioner during the biennium to the extent that the commissioner spends the money on the state road construction project for which the money was originally encumbered during the fiscal year for which it was appropriated.

Subd. 8. Contingent Appropriation

The commissioner of transportation, with the approval of the governor and the written approval of at least five members of a group consisting of the members of the Legislative Advisory Commission under Minnesota Statutes, section 3.30, and the ranking minority members of the legislative committees with jurisdiction over transportation finance, may transfer all or part of the unappropriated balance in the trunk highway fund to an appropriation: (1) for trunk highway design, construction, or inspection in order to take advantage of an unanticipated receipt of income to the trunk highway fund or to take advantage of federal advanced construction funding; (2) for trunk highway maintenance in order to meet an emergency; or (3) to pay tort or environmental claims. Nothing in this subdivision authorizes the commissioner to increase the use of federal advanced construction funding beyond amounts specifically authorized. Any transfer as a result of the use of federal advanced construction funding must include an analysis

of the effects on the long-term trunk highway fund balance. The amount transferred is appropriated for the purpose of the account to which it is transferred.

Sec. 4. **METROPOLITAN COUNCIL**

\$81,626,000

\$101,126,000

This appropriation is from the general fund for transit system operations under Minnesota Statutes, sections 473.371 to 473.449.

Of this amount, \$27,300,000 is available through fiscal year 2018.

Of this appropriation, \$1,000,000 in each year is for financial assistance to replacement service providers under Minnesota Statutes, section 473.388, to implement a demonstration project that provides regular route transit or express bus service between municipalities in the metropolitan area, as defined in Minnesota Statutes, section 473.121, subdivision 2, excluding cities of the first class. The council may not retain any portion of funds specified in this rider. The replacement service providers shall collectively identify one or more demonstration projects for financial assistance and submit a notification of the allocation to the council. The council shall allocate the appropriated funds as directed by the replacement service providers. Criteria for evaluating and identifying demonstration projects must include but are not limited to: (1) scope of service offering improvements; (2) integration with transit facilities and major business, retail, or suburban centers; (3) extent to which a proposed route complements existing transit service; and (4) density of employment along a proposed route. This is a onetime appropriation.

Of this appropriation, \$200,000 in the first year is for grants payable by July 31, 2016, to transportation management organizations that provide services exclusively or primarily in (1) each city of the first class, as provided under section 410.01; and (2) the city having the highest population as of the effective date of this section located along the marked Interstate Highway 494 corridor. Permissible uses include administrative expenses and programming and service expansion, including but not limited to staffing, communications, outreach and education program development, and operations management. The council may not retain any portion of funds under this appropriation.

The base appropriation in each of fiscal years 2018 and 2019 is \$89,820,000.

Sec. 5. **DEPARTMENT OF PUBLIC SAFETY****Subdivision 1. Total Appropriation****\$173,447,000****\$176,267,000**Appropriations by Fund

	<u>2016</u>	<u>2017</u>
<u>General</u>	<u>13,606,000</u>	<u>13,608,000</u>
<u>Special Revenue</u>	<u>61,475,000</u>	<u>62,210,000</u>
<u>H.U.T.D.</u>	<u>2,192,000</u>	<u>2,213,000</u>
<u>Trunk Highway</u>	<u>96,174,000</u>	<u>98,236,000</u>

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

Subd. 2. Administration and Related Services**(a) Office of Communications**517,000530,000Appropriations by Fund

	<u>2016</u>	<u>2017</u>
<u>General</u>	<u>113,000</u>	<u>115,000</u>
<u>Trunk Highway</u>	<u>404,000</u>	<u>415,000</u>

(b) Public Safety Support9,035,0009,124,000Appropriations by Fund

	<u>2016</u>	<u>2017</u>
<u>General</u>	<u>3,982,000</u>	<u>3,987,000</u>
<u>H.U.T.D.</u>	<u>1,366,000</u>	<u>1,366,000</u>
<u>Trunk Highway</u>	<u>3,687,000</u>	<u>3,771,000</u>

The base appropriation from the general fund in each of fiscal years 2018 and 2019 is \$3,537,000.

\$380,000 in each year is from the general fund for payment of public safety officer survivor benefits under Minnesota Statutes, section 299A.44. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

\$1,367,000 in each year is from the general fund to be deposited in the public safety officer's benefit account. This money is available for reimbursements under Minnesota Statutes, section 299A.465.

\$600,000 in each year is from the general fund and \$100,000 in each year is from the trunk highway fund for soft body armor reimbursements under Minnesota Statutes, section 299A.38.

\$450,000 in each year is from the general fund for the creation of two emergency response teams. One emergency response team must be under the jurisdiction of the St. Cloud Fire Department, or a similarly located fire department if necessary, and one emergency response team must be under the jurisdiction of the Duluth Fire Department. The commissioner shall allocate the funds as needed to facilitate the creation and maintenance of the emergency response teams. This is a onetime appropriation.

(c) **Technology and Support Service** 3,685,000 3,685,000

Appropriations by Fund

	<u>2016</u>	<u>2017</u>
<u>General</u>	<u>1,322,000</u>	<u>1,322,000</u>
<u>H.U.T.D.</u>	<u>19,000</u>	<u>19,000</u>
<u>Trunk Highway</u>	<u>2,344,000</u>	<u>2,344,000</u>

Subd. 3. **State Patrol**

(a) **Patrolling Highways** 81,516,000 83,121,000

Appropriations by Fund

	<u>2016</u>	<u>2017</u>
<u>General</u>	<u>154,000</u>	<u>37,000</u>
<u>H.U.T.D.</u>	<u>92,000</u>	<u>92,000</u>
<u>Trunk Highway</u>	<u>81,270,000</u>	<u>82,992,000</u>

\$858,000 from the trunk highway fund in the first year and \$117,000 from the general fund in the first year is to purchase a single-engine aircraft for the State Patrol.

(b) **Commercial Vehicle Enforcement** 8,023,000 8,257,000

(c) **Capitol Security** 8,035,000 8,147,000

This appropriation is from the general fund.

The commissioner may not: (1) spend any money from the trunk highway fund for capitol security; or (2) permanently transfer any state trooper from the patrolling highways activity to capitol security.

The commissioner may not transfer any money appropriated to the commissioner under this section: (1) to capitol security; or (2) from capitol security.

(d) <u>Vehicle Crimes Unit</u>	<u>715,000</u>	<u>736,000</u>
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This appropriation is from the highway user tax distribution fund.

This appropriation is to investigate: (1) registration tax and motor vehicle sales tax liabilities from individuals and businesses that currently do not pay all taxes owed; and (2) illegal or improper activity related to sale, transfer, titling, and registration of motor vehicles.

Subd. 4. Driver and Vehicle Services

(a) <u>Vehicle Services</u>	<u>29,818,000</u>	<u>30,082,000</u>
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This appropriation is from the vehicle services operating account in the special revenue fund.

\$59,000 in each year is for the creation of a Data Services Unit within the Division of Driver and Vehicle Services.

The base appropriation from the special revenue fund in each of fiscal years 2018 and 2019 is \$21,846,000.

The base appropriation from the highway user tax distribution fund in each of fiscal years 2018 and 2019 is \$8,236,000.

(b) <u>Driver Services</u>	<u>30,286,000</u>	<u>30,740,000</u>
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This appropriation is from the driver services operating account in the special revenue fund.

\$31,000 in each year is for the creation of a Data Services Unit within the Division of Driver and Vehicle Services.

Subd. 5. <u>Traffic Safety</u>	<u>446,000</u>	<u>457,000</u>
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Subd. 6. <u>Pipeline Safety</u>	<u>1,371,000</u>	<u>1,388,000</u>
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This appropriation is from the pipeline safety account in the special revenue fund.

Sec. 6. APPROPRIATION CANCELLATION.

\$29,700,000 of the appropriation under Laws 2013, chapter 117, article 1, section 4, is canceled to the general fund on the effective date of this section.

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

Sec. 7. **APPROPRIATION CANCELLATIONS.**

All unspent funds, estimated to be \$2,380,000, to provide the 20 percent local match funding required to obtain Federal Highway Administration emergency relief funds to repair local roads and bridges damaged by June 2014 flooding, under Laws 2015, chapter 2, section 3, are canceled to the general fund on June 30, 2015.

Sec. 8. **DEPARTMENT OF TRANSPORTATION; APPROPRIATION.**

\$2,380,000 is appropriated from the general fund to the commissioner of transportation in fiscal year 2016 to provide the 20 percent local match funding required to obtain Federal Highway Administration emergency relief funds to repair local roads and bridges damaged by flooding in June 2014. This is a onetime appropriation.

ARTICLE 2
TRANSPORTATION POLICY

Section 1. Minnesota Statutes 2014, section 13.69, subdivision 1, is amended to read:

Subdivision 1. **Classifications.** (a) The following government data of the Department of Public Safety are private data:

(1) medical data on driving instructors, licensed drivers, and applicants for parking certificates and special license plates issued to physically disabled persons;

(2) other data on holders of a disability certificate under section 169.345, except that (i) data that are not medical data may be released to law enforcement agencies, and (ii) data necessary for enforcement of sections 169.345 and 169.346 may be released to parking enforcement employees or parking enforcement agents of statutory or home rule charter cities and towns;

(3) Social Security numbers in driver's license and motor vehicle registration records, except that Social Security numbers must be provided to the Department of Revenue for purposes of tax administration, the Department of Labor and Industry for purposes of workers' compensation administration and enforcement, and the Department of Natural Resources for purposes of license application administration; and

(4) data on persons listed as standby or temporary custodians under section 171.07, subdivision 11, except that the data must be released to:

(i) law enforcement agencies for the purpose of verifying that an individual is a designated caregiver; or

(ii) law enforcement agencies who state that the license holder is unable to communicate at that time and that the information is necessary for notifying the designated caregiver of the need to care for a child of the license holder.

The department may release the Social Security number only as provided in clause (3) and must not sell or otherwise provide individual Social Security numbers or lists of Social Security numbers for any other purpose.

(b) The following government data of the Department of Public Safety are confidential data: data concerning an individual's driving ability when that data is received from a member of the individual's family.

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

Sec. 2. Minnesota Statutes 2014, section 16E.15, subdivision 2, is amended to read:

Subd. 2. **Software sale fund.** (a) Except as provided in ~~paragraph~~ paragraphs (b) and (c), proceeds ~~of from~~ the sale or licensing of software products or services by the chief information officer must be credited to the MN.IT services revolving fund. If a state agency other than the Office of MN.IT Services has contributed to the development of software sold or licensed under this section, the chief information officer may reimburse the agency by discounting computer services provided to that agency.

(b) Proceeds ~~of from~~ the sale or licensing of software products or services developed by the Pollution Control Agency, or custom developed by a vendor for the agency, must be credited to the environmental fund.

(c) If the Department of Transportation develops software products or services using trunk highway funds, proceeds from the subsequent sale or licensing of the software products or services must be credited to the trunk highway fund. This paragraph also applies to software products or services custom developed by a vendor for the department using trunk highway funds.

Sec. 3. Minnesota Statutes 2014, section 117.036, subdivision 2, is amended to read:

Subd. 2. **Appraisal.** (a) Before commencing an eminent domain proceeding under this chapter for an acquisition greater than \$25,000, the acquiring authority must obtain at least one appraisal for the property proposed to be acquired. In making the appraisal, the appraiser must confer with one or more of the owners of the property, if reasonably possible. For acquisitions less than \$25,000, the acquiring authority may obtain a minimum damage acquisition report in lieu of an appraisal. In making the minimum damage acquisition report, the qualified person with appraisal knowledge must confer with one or more of the owners of the property, if reasonably possible. Notwithstanding section 13.44, the acquiring authority must provide the owner with a copy of (1) each appraisal for property acquisitions over \$25,000, or (2) the minimum damage acquisition report for properties under \$25,000, the acquiring authority has obtained for the property at the time an offer is made, but no later than 60 days before presenting a petition under section 117.055, ~~and~~. The acquiring authority must also inform the owner of the right to obtain an appraisal under this section. Upon request, the acquiring authority must make available to the owner all appraisals of the property for properties over \$25,000, or the minimum damage acquisition report for properties under \$25,000. If the acquiring authority is considering both a full and partial taking of the property, the acquiring authority shall obtain and provide the owner with appraisals ~~for both types of takings~~ for properties over \$25,000 for both types of takings, or minimum damage acquisition reports for properties under \$25,000.

(b) The owner may obtain an appraisal by a qualified appraiser of the property proposed to be acquired. The owner is entitled to reimbursement for the reasonable costs of the appraisal from the acquiring authority up to a maximum of \$1,500 for single family and two-family residential property and minimum damage acquisitions and \$5,000 for other types of property, provided that the owner submits to the acquiring authority the information necessary for reimbursement, including a copy of the owner's appraisal, at least five days before a condemnation commissioners' hearing. For purposes of this ~~paragraph~~ subdivision, a "minimum damage acquisition" means an interest in property that a qualified person ~~with appraisal knowledge~~ having an understanding of the local real estate market indicates can be acquired for ~~a cost of \$10,000~~ \$25,000 or less.

(c) The acquiring authority must pay the reimbursement to the owner within 30 days after receiving a copy of the appraisal and the reimbursement information. Upon agreement between the acquiring authority and the owner, the acquiring authority may pay the reimbursement directly to the appraiser.

Sec. 4. Minnesota Statutes 2014, section 117.036, subdivision 4, is amended to read:

Subd. 4. **Use of appraisal at commissioners' hearing.** An appraisal or minimum damage acquisition report must not be used or considered in a condemnation commissioners' hearing, nor may the appraiser who prepared the appraisal or the person who prepared the minimum damage acquisition report testify, unless a copy of the appraiser's written report or the minimum damage acquisition report is provided to the opposing party at least five days before the hearing.

Sec. 5. Minnesota Statutes 2014, section 160.20, subdivision 4, is amended to read:

Subd. 4. **Conditions.** (a) A road authority may accept applications for permits for installation of drain tile along or across the right-of-way under its jurisdiction. The road authority may adopt reasonable rules for the installations and may require a bond before granting a permit. Permits for installation along a highway right-of-way must ensure that the length of the installation is restricted to the minimum necessary to achieve the desired agricultural benefits. A permit must not allow open trenches to be left on the right-of-way after installation of the drain tile is completed. A road authority that grants a permit for tile drain installation is not responsible for damage to that installation resulting from the action of the authority or any other permittee utilizing the right-of-way.

(b) A person who installs drain tile along or across a highway right-of-way without obtaining a permit as provided in this section is guilty of a misdemeanor.

(c) The commissioner shall take no action under this section which will result in the loss of federal aid for highway construction in the state.

(d) For the purpose of ~~this section~~ subdivisions 2 to 4, "highway" means any highway as defined in section 160.02 which is located outside the corporate limits of a home rule charter or statutory city.

Sec. 6. **[160.235] TRAFFIC SIGNAL TIMING OPTIMIZATION.**

(a) A road authority that has ownership of a traffic signal on a principal arterial roadway or roadway with an average daily traffic greater than 20,000 vehicles per day must complete an inventory of all traffic signals under its ownership and submit it to the Department of Transportation district engineer. The inventory must include age of all signals, control equipment, communications, detection type, timing plans in operation, and date of last timing optimization.

(b) Based on the information from the inventory, a road authority subject to paragraph (a) must develop and implement a traffic signal system optimization plan, which must include re-evaluation of traffic signal timing at least once every five years. Each road authority with a traffic signal optimization plan must annually certify compliance with its plan and submit the certification as part of its annual maintenance expenditure report.

(c) Upon request of a local road authority, the commissioner shall provide reasonable technical assistance to meet the requirements under this section.

EFFECTIVE DATE. This section is effective the day following final enactment. The initial inventory under paragraph (a) must be submitted on or before December 30, 2015.

Sec. 7. Minnesota Statutes 2014, section 160.27, is amended by adding a subdivision to read:

Subd. 10. Temporary permit for field application. (a) In connection with the use of the road right-of-way of a road authority, excluding on controlled-access highways under section 160.08, a property owner or occupant of property abutting the road right-of-way may apply for a permit for temporary placement, for up to 14 days, of a pressurized flexible force main for the transport of manure for field application.

(b) The property owner or occupant must:

(1) identify the entire length of the right-of-way for use under the permit;

(2) place the force main within the backslope of the road authority's right-of-way where possible;

(3) place pumping equipment outside the road authority's right-of-way; and

(4) meet all of the permit requirements identified by the road authority.

(c) Once the road authority has issued a permit, the property owner or occupant may install the force main over the length of the right-of-way from the permittee's property to where the manure will be applied, irrespective of whether the permittee is the owner or occupant of all property abutting the portion of the right-of-way where the force main is to be installed.

Sec. 8. Minnesota Statutes 2014, section 161.231, is amended to read:

161.231 APPROPRIATION; PROCEEDS FROM ~~LEASED~~ STATE PROPERTY.

There is appropriated annually from the fund or account in the state treasury to which the ~~rental~~ money from the sale, lease, conveyance, or disposal of state ~~leased~~ property is credited a sufficient amount of money to carry out the state's obligations under the provisions of sections 15.16, 117.135, 117.226, 161.16, 161.202, 161.23, subdivision 3, 161.24, 161.241, 161.43, 161.433, 161.44, 161.442, and 272.68, subdivision 3, including the inventorying, marketing, and property management activities required to sell, lease, rent, permit, convey, or otherwise dispose of the land or the interest in the land. At the discretion of the commissioner of transportation, money in the account at the end of each biennium may cancel to the trunk highway fund.

Sec. 9. Minnesota Statutes 2014, section 161.321, subdivision 2a, is amended to read:

Subd. 2a. **Small targeted group business; subcontracting goals.** (a) The commissioner, ~~as a condition of awarding a construction contract,~~ may set goals that require the ~~for targeted group business participation in contracts. As a condition of award, the prime contractor is required to subcontract portions of the contract to small targeted group businesses. Prime contractors must demonstrate good faith efforts to meet the project goals. The commissioner shall establish a procedure for granting waivers from the subcontracting requirement when qualified small targeted group businesses are not reasonably available either meet the goal or demonstrate good faith efforts to meet the goal. The commissioner must establish a procedure for evaluating the good faith efforts of contractors that do not meet the goal.~~ for targeted group business participation in contracts. ~~As a condition of award, the prime contractor is required to subcontract portions of the contract to small targeted group businesses. Prime contractors must demonstrate good faith efforts to meet the project goals. The commissioner shall establish a procedure for granting waivers from the subcontracting requirement when qualified small targeted group businesses are not reasonably available either meet the goal or demonstrate good faith efforts to meet the goal. The commissioner must establish a procedure for evaluating the good faith efforts of contractors that do not meet the goal.~~ The commissioner may establish (1) financial incentives for prime contractors who exceed the goals set for the use of subcontractors under this subdivision; and (2) sanctions for prime contractors who fail to make good faith efforts to meet the goals set under this subdivision.

(b) The small targeted group business subcontracting requirements of this subdivision do not apply to prime contractors who are small targeted group businesses.

Sec. 10. Minnesota Statutes 2014, section 161.321, subdivision 2c, is amended to read:

Subd. 2c. **Veteran-owned small business; subcontracting goals.** (a) The commissioner, ~~as a condition of awarding a construction contract,~~ may set goals that require the ~~prime contractor to subcontract portions of the contract to veteran-owned small businesses for veteran-owned small business participation in contracts,~~ except when prohibited by federal law or rule as a condition of receiving federal funds. As a condition of award, the prime contractor ~~contractor~~ must either meet the goal or demonstrate good faith efforts to meet the project goals. ~~The commissioner shall must establish a procedure for granting waivers from the subcontracting requirement when qualified veteran-owned small businesses are not reasonably available evaluating the good faith efforts of contractors that do not meet the goal.~~ The commissioner may establish (1) financial incentives for prime contractors who exceed the goals set for the use of subcontractors under this subdivision; and (2) sanctions for prime contractors who ~~have not been granted a waiver and~~ fail to make good faith efforts to meet goals set under this subdivision.

(b) The subcontracting requirements of this subdivision do not apply to prime contractors who are veteran-owned small businesses.

Sec. 11. Minnesota Statutes 2014, section 161.321, subdivision 4, is amended to read:

Subd. 4. **Contract awards, limitations.** ~~Contracts awarded pursuant to this section are subject to all limitations contained in rules adopted by~~ The commissioner may elect to subject contracts awarded under this section to limitations contained in rules adopted by the commissioner of administration.

Sec. 12. Minnesota Statutes 2014, section 162.07, subdivision 1a, is amended to read:

Subd. 1a. **Apportionment sum and excess sum.** (a) For purposes of this subdivision, "distribution amount" means the amount identified in section 162.06, subdivision 1, after the deductions provided for in section 162.06 for administrative costs, disaster account, research account, and state park road account.

(b) The apportionment sum is calculated ~~by subtracting the excess sum, as calculated in paragraph (c), from~~ as 68 percent of the distribution amount.

(c) The excess sum is calculated as ~~the sum of revenue within~~ 32 percent of the distribution amount:

~~(1) attributed to that portion of the gasoline excise tax rate under section 296A.07, subdivision 3, in excess of 20 cents per gallon, and to that portion of the excise tax rates in excess of the energy equivalent of a gasoline excise tax rate of 20 cents per gallon for E85 and M85 under section 296A.07, subdivision 3, and special fuel under section 296A.08, subdivision 2;~~

~~(2) attributed to a change in the passenger vehicle registration tax under section 168.013, imposed on or after July 1, 2008, that exceeds (i) the amount collected in fiscal year 2008, multiplied by (ii) the annual average United States Consumer Price Index for the calendar year previous to the current calendar year, divided by the annual average United States Consumer Price Index for calendar year 2007; and~~

~~(3) attributed to that portion of the motor vehicle sales tax revenue in excess of the percentage allocated to the county state aid highway fund in fiscal year 2007.~~

~~(d) For purposes of this subdivision, the United States Consumer Price Index identified in paragraph (c) is for all urban consumers, United States city average, as determined by the United States Department of Labor.~~

EFFECTIVE DATE. This section is effective July 1, 2015, for distribution calculations on or after that date.

Sec. 13. **[162.145] SMALL CITIES ASSISTANCE.**

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

(b) "Eligible city" means a statutory or home rule charter city that does not receive municipal state aid under sections 162.09 to 162.14 in the calendar year in which funds are distributed under this section.

(c) "Maximum aid" means 3.5 multiplied by the unweighted average amount of assistance to a city in a fiscal year.

(d) "Population" means the most recent population estimated or established as of 30 days before the date of an allocation under subdivision 4, of (i) the most recent federal census, (ii) a special census conducted under contract with the United States Bureau of the Census, (iii) a population estimate made by the Metropolitan Council pursuant to section 473.24, or (iv) a population estimate of the state demographer made pursuant to section 4A.02.

(e) "State-aid adjustment factor" means the greater of zero, or:

(1) 0.005; minus

(2) the number of lane miles of county state-aid highway in a city, divided by the total number of lane miles of county state-aid highway in all eligible cities.

(f) "Total population" means the sum of populations of all eligible cities.

Subd. 2. **Small cities assistance account.** A small cities assistance account is created in the special revenue fund. The account consists of funds as provided by law, and any other money donated, allotted, transferred, or otherwise provided to the account. Money in the account may only be expended as provided under this section.

Subd. 3. **Administration.** (a) Subject to funds made available by law, the commissioner shall allocate all funds as provided in subdivision 4 and shall notify the commissioner of revenue.

(b) Following notification from the commissioner of transportation, the commissioner of revenue shall distribute the specified funds to cities in the same manner as local government aid under chapter 477A. An appropriation to the commissioner of transportation under this section is available to the commissioner of revenue for the purposes specified in this paragraph.

(c) Notwithstanding other law to the contrary, in order to receive distributions under this section, a city must conform to the standards in section 477A.017, subdivision 2. A city that receives funds under this section must make and preserve records necessary to show that the funds are spent in compliance with subdivision 4.

Subd. 4. **Distribution formula.** (a) In each fiscal year in which funds are available under this section, the commissioner shall allocate funds to eligible cities.

(b) The preliminary aid to each city is calculated as follows:

(1) 5 percent of funds allocated equally among all eligible cities;

(2) 35 percent of funds allocated proportionally based on each city's share of lane miles of municipal streets compared to total lane miles of municipal streets of all eligible cities;

(3) 35 percent of funds allocated proportionally based on each city's share of population compared to total population of all eligible cities; and

(4) 25 percent of funds allocated proportionally based on each city's share of state-aid adjustment factor compared to the sum of state-aid adjustment factors of all eligible cities.

(c) The final aid to each city is calculated as the lesser of:

(1) the preliminary aid to the city multiplied by an aid factor; or

(2) the maximum aid.

(d) The commissioner shall set the aid factor under paragraph (c), which must be the same for all eligible cities, so that the total funds allocated under this subdivision equals the total amount available for the fiscal year.

Subd. 5. Use of funds. (a) Funds distributed under this section are available only for construction and maintenance of roads located within the city, including:

(1) land acquisition, environmental analysis, design, engineering, construction, reconstruction, and maintenance;

(2) road projects partially located within the city;

(3) projects on county state-aid highways located within the city; and

(4) cost participation on road projects under the jurisdiction of another unit of government.

(b) Except for projects under paragraph (a), clause (3), funds distributed under this section are not subject to state-aid requirements under this chapter, including but not limited to engineering standards adopted by the commissioner in rules.

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

Sec. 14. Minnesota Statutes 2014, section 168.013, subdivision 1d, is amended to read:

Subd. 1d. **Trailer.** (a) On trailers registered at a gross vehicle weight of greater than 3,000 pounds, the annual tax is based on total gross weight and is 30 percent of the Minnesota base rate prescribed in subdivision 1e, when the gross weight is 15,000 pounds or less, and when the gross weight of a trailer is more than 15,000 pounds, the tax for the first eight years of vehicle life is 100 percent of the tax imposed in the Minnesota base rate schedule, and during the ninth and succeeding years of vehicle life the tax is 75 percent of the Minnesota base rate prescribed by subdivision 1e. A trailer registered at a gross vehicle weight greater than 3,000 pounds but no greater than 7,200 pounds may be taxed either: (1) annually as provided in this paragraph; or (2) once every three years on the basis of total gross weight and is 90 percent of the Minnesota base rate prescribed in subdivision 1e, provided that the filing fee under section 168.33, subdivision 7, paragraph (a), is multiplied by three, with funds collected by the commissioner allocated proportionally in the same manner as provided in section 168.33, subdivision 7, paragraph (e).

(b) Farm trailers with a gross weight in excess of 10,000 pounds and as described in section 168.002, subdivision 8, are taxed as farm trucks as prescribed in subdivision 1c.

(c) Effective on and after July 1, 2001, trailers registered at a gross vehicle weight of 3,000 pounds or less must display a distinctive plate. The registration on the license plate is valid for the life of the trailer only if it remains registered at the same gross vehicle weight. The onetime registration tax for trailers registered for the first time in Minnesota is \$55. For trailers registered in Minnesota before July 1, 2001, and for which:

(1) registration is desired for the remaining life of the trailer, the registration tax is \$25; or

(2) permanent registration is not desired, the biennial registration tax is \$10 for the first renewal if registration is renewed between and including July 1, 2001, and June 30, 2003. These trailers must be issued permanent registration at the first renewal on or after July 1, 2003, and the registration tax is \$20.

For trailers registered at a gross weight of 3,000 pounds or less before July 1, 2001, but not renewed until on or after July 1, 2003, the registration tax is \$20 and permanent registration must be issued.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to taxes payable for a registration period starting on or after January 1, 2016.

Sec. 15. Minnesota Statutes 2014, section 168.013, subdivision 1g, is amended to read:

Subd. 1g. **Recreational vehicle.** (a) Self-propelled recreational vehicles ~~shall~~ must be separately licensed and taxed annually on the basis of total gross weight ~~and~~. The tax ~~shall~~ must be graduated according to the Minnesota base rate schedule prescribed in subdivision 1e, but in no event less than \$20, except as otherwise provided in this subdivision.

(b) For all self-propelled recreational vehicles, the tax for the ninth and succeeding years of vehicle life ~~shall be~~ is 75 percent of the tax imposed in the Minnesota base rate schedule.

(c) Towed recreational vehicles ~~shall~~ must be separately licensed and taxed under either one of the following, as determined by the vehicle owner: (1) annually on the basis of total gross weight at 30 percent of the Minnesota base rate prescribed in subdivision 1e but; or (2) once every three years on the basis of total gross weight at 90 percent of the Minnesota base rate prescribed in subdivision 1e, provided that the filing fee under section 168.33, subdivision 7, paragraph (a), is multiplied by three, with funds collected by the commissioner allocated proportionally in the same manner as provided in section 168.33, subdivision 7, paragraph (e). In no event is the tax under this paragraph less than \$5.

(d) Notwithstanding any law to the contrary, all trailers and semitrailers taxed pursuant to this section ~~shall be~~ are exempt from any wheelage tax now or hereafter imposed by any political subdivision or political subdivisions.

EFFECTIVE DATE. This section is effective the day following final enactment, and applies to taxes payable for a registration period starting on or after January 1, 2016.

Sec. 16. Minnesota Statutes 2014, section 168.053, subdivision 1, is amended to read:

Subdivision 1. **Application; fee; penalty.** Any person, firm, or corporation with a business located in Minnesota engaged in the business of transporting motor vehicles owned by another, by delivering, by drive-away or towing methods, either singly or by means of the full mount method, the saddle mount method, the tow bar method, or any other combination thereof, and under their own power, vehicles over the highways of the state from the manufacturer or any other point of origin, to any point of destination, within or without the state, shall make application to the registrar for a drive-away in-transit license. This application for annual license shall be accompanied by a registration fee of \$250 and contain information the registrar may require. Upon the filing of the application and the payment of the fee, the registrar shall issue to each drive-away operator a drive-away in-transit license plate, which must be carried and displayed on the power unit consistent with section 169.79 and the plate shall remain on the vehicle while being ~~operated within Minnesota~~ transported. The license plate issued under this subdivision is not valid for the purpose of permanent vehicle registration ~~and is not valid outside Minnesota~~. Additional drive-away in-transit license plates desired by any drive-away operator may be secured from the registrar of motor vehicles upon the payment of a fee of \$5 for each set of additional license plates. Any person, firm, or corporation engaging in the business as a drive-away operator, of transporting and delivering by means of full mount method, the saddle mount method, the tow bar method, or any combination thereof, and under their own power, motor vehicles, who fails or refuses to file or cause to be filed an application, as is required by law, and to pay the fees therefor as the law requires, shall be found guilty of violating the provisions of sections 168.053 to 168.057; and, upon conviction, fined not less than \$50, and not more than \$100, and all costs of court. Each day so operating without securing the license and plates as required shall constitute a separate offense.

Sec. 17. Minnesota Statutes 2014, section 168.1299, subdivision 1, is amended to read:

Subdivision 1. **Issuance.** Notwithstanding section 168.1293, the commissioner shall issue special Minnesota golf plates or a single motorcycle plate to an applicant who:

- (1) is a registered owner of a passenger automobile, one-ton pickup truck, motorcycle, or recreational vehicle;
- (2) pays a fee of \$10 and any other fees required by this chapter;
- (3) contributes a minimum of \$30 annually ~~after January 1, 2017,~~ to the Minnesota Section PGA Foundation account; and
- (4) complies with this chapter and rules governing registration of motor vehicles and licensing of drivers.

EFFECTIVE DATE. This section is effective July 1, 2015, and applies to plates issued on or after that date.

Sec. 18. Minnesota Statutes 2014, section 168.33, subdivision 7, is amended to read:

Subd. 7. **Filing fees; allocations.** (a) In addition to all other statutory fees and taxes, a filing fee of:

- (1) \$6 is imposed on every vehicle registration renewal, excluding pro rate transactions; and
- (2) \$10 is imposed on every other type of vehicle transaction, including motor carrier fuel licenses under sections 168D.05 and 168D.06, and pro rate transactions.

(b) Notwithstanding paragraph (a):

(1) a filing fee may not be charged for a document returned for a refund or for a correction of an error made by the Department of Public Safety, a dealer, or a deputy registrar; and

(2) no filing fee or other fee may be charged for the permanent surrender of a title for a vehicle.

(c) The filing fee must be shown as a separate item on all registration renewal notices sent out by the commissioner.

(d) The statutory fees and taxes, and the filing fees imposed under paragraph (a) may be paid by credit card or debit card. The deputy registrar may collect a surcharge on the statutory fees, taxes, and filing fee not greater than the cost of processing a credit card or debit card transaction, in accordance with emergency rules established by the commissioner of public safety. The surcharge must be used to pay the cost of processing credit and debit card transactions.

(e) The fees collected under this subdivision by the department must be allocated as follows:

(1) of the fees collected under paragraph (a), clause (1):

(i) \$4.50 must be deposited in the vehicle services operating account; and

(ii) \$1.50 must be deposited:

(A) in the driver and vehicle services technology account until sufficient funds have been deposited in that account to cover all costs of administration, development, and initial full deployment of the driver and vehicle services information system; and

(B) after completion of the deposit of funds under subitem (A) in the vehicle services operating account; and

(2) of the fees collected under paragraph (a), clause (2):

- (i) \$3.50 must be deposited in the general fund;
- (ii) \$5.00 must be deposited in the vehicle services operating account; and
- (iii) \$1.50 must be deposited:

(A) in the driver and vehicle services technology account until sufficient funds have been deposited in that account to cover all costs of administration, development, and initial full deployment of the driver and vehicle services information system; and

(B) after completion of the deposit of funds under subitem (A) in the vehicle services operating account.

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

Sec. 19. Minnesota Statutes 2014, section 168A.07, is amended by adding a subdivision to read:

Subd. 3. **Fees.** The filing fee to create a conditional registration shall conform with the fee provided in section 168.33, subdivision 7, paragraph (a), clause (3). A subsequent removal and clearing of a conditional registration is considered a separate transaction and requires payment of an additional filing fee of the same amount, provided the removal and clearing was initiated by a motor vehicle dealer licensed under section 168.27.

Sec. 20. Minnesota Statutes 2014, section 168D.06, is amended to read:

168D.06 FUEL LICENSE FEES.

License fees paid to the commissioner under the International Fuel Tax Agreement must be deposited in the vehicle services operating account in the special revenue fund under section 299A.705. The commissioner shall charge an annual fuel license fee of \$15, ~~and~~ an annual application filing fee of \$13 for quarterly reporting of fuel tax, and a reinstatement fee of \$100 to reinstate a revoked International Fuel Tax Agreement license.

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

Sec. 21. Minnesota Statutes 2014, section 169.18, subdivision 12, is amended to read:

Subd. 12. **Passing certain parked vehicles.** (a) When approaching and before passing a freeway service patrol vehicle, road maintenance vehicle, utility company vehicle, or construction vehicle with its warning lights activated that is parked or otherwise stopped on or next to a street or highway having two lanes in the same direction, the driver of a vehicle shall safely move the vehicle to the lane farthest away from the parked or stopped vehicle, if it is possible to do so.

(b) When approaching and before passing a freeway service patrol vehicle, road maintenance vehicle, utility company vehicle, or construction vehicle with its warning lights activated that is parked or otherwise stopped on or next to a street or highway having more than two lanes in the same direction, the driver of a vehicle shall safely move the vehicle so as to leave a full lane vacant between the driver and any lane in which the vehicle is completely or partially parked or otherwise stopped, if it is possible to do so.

Sec. 22. Minnesota Statutes 2014, section 169.475, subdivision 2, is amended to read:

Subd. 2. **Prohibition on use; penalty.** (a) No person may operate a motor vehicle while using a wireless communications device to compose, read, or send an electronic message, when the vehicle is in motion or a part of traffic.

(b) A person who violates paragraph (a) a second or subsequent time must pay a fine of \$225, plus the amount specified in the uniform fine schedule established by the Judicial Council.

EFFECTIVE DATE. This section is effective August 1, 2015, and applies to violations committed on or after that date.

Sec. 23. Minnesota Statutes 2014, section 169.49, is amended to read:

169.49 HEADLAMPS.

(a) Every motor vehicle, other than a motorcycle, ~~shall~~ **must** be equipped with at least two headlamps, ~~with~~ **including** at least one on each side of the front of the motor vehicle, ~~which~~. Headlamps ~~shall~~ **must** comply with the requirements and limitations set forth in sections 169.47 to ~~169.79~~ **169.66**.

(b) Every motorcycle ~~shall~~ **must** be equipped with at least one and not more than ~~two~~ **four** headlamps, which ~~shall~~ **must** comply with the requirements and limitations of sections 169.47 to ~~169.79~~ **169.66**.

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

Sec. 24. Minnesota Statutes 2014, section 169.782, subdivision 1, is amended to read:

Subdivision 1. **Driver; daily inspection, report.** (a) The driver of a commercial motor vehicle shall ~~report in writing at the completion of each day's work on~~ **inspect daily** each commercial motor vehicle the driver has operated. A person who owns one or more commercial motor vehicles and who employs drivers for those commercial motor vehicles must require each driver to submit a written report at the completion of each day's work as required by this section. The driver of a commercial motor vehicle subject to this section is not required to prepare and submit a written report if no defect or deficiency is discovered by or reported to the driver, except that the driver of a passenger-carrying commercial motor vehicle shall prepare and submit a written report regardless of whether any defect or deficiency is discovered by or reported to the driver.

(b) The inspection and report must cover the following parts and accessories: service brakes, including trailer and semitrailer brake connections; parking (hand) brake; steering mechanism; lighting devices and reflectors; tires; horn; windshield wiper or wipers; rear vision mirror or mirrors; coupling devices; wheels and rims; and emergency equipment.

~~(b)~~ (c) The report must identify the vehicle and list any defect or deficiency discovered by or reported to the driver that would affect the safe operation of the vehicle or result in its mechanical breakdown. If no defect or deficiency is discovered by or reported to the driver, the report must so indicate. The driver must sign the report after completing it. In the case of a commercial motor vehicle operated by two drivers, the signature of one of the drivers satisfies the requirements of this subdivision if both drivers agree concerning the defects or deficiencies. If a driver operates more than one commercial motor vehicle during a day's work, a report must be prepared for each vehicle operated.

~~(c)~~ (d) Before operating or allowing the operation of a commercial motor vehicle on which a report has been prepared under this subdivision, the owner of the vehicle or the owner's agent must repair defects or deficiencies listed on the report that would likely affect the safe operation of the vehicle. Before allowing the commercial motor vehicle to be operated again, the owner or the owner's agent must certify, on the report listing the defect or deficiency, that the defect or deficiency has been corrected or that correction is unnecessary. A motor carrier must keep the original vehicle inspection report for at least three months after the date of inspection. The report must be available for inspection by an authorized federal, state, or local official at any time during this period.

~~(d)~~ (e) A copy of the vehicle inspection report, including a certification of corrections resulting from the report, must be carried in the commercial motor vehicle, or in the power unit of a commercial motor vehicle combination, at all times when the vehicle or power unit is operated until the next inspection report is completed under this subdivision. The copy must be made available on demand to (1) a peace officer, (2) a person authorized under section 221.221, and (3) a person described in section 299D.06.

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

Sec. 25. Minnesota Statutes 2014, section 169.782, subdivision 2, is amended to read:

Subd. 2. **Driver; pretrip inspection.** (a) ~~Before driving~~ Prior to the first operation of a commercial motor vehicle following completion of a daily inspection report under subdivision 1, a driver must:

- (1) review the most recent vehicle inspection report on the vehicle;
- (2) determine that the vehicle is in safe operating condition; and
- (3) sign the inspection report in the vehicle.

(b) The driver shall sign the report only if all defects and deficiencies listed in the report have been certified as having been corrected or as not requiring correction.

~~(b) If the commercial motor vehicle does not contain the previous day's inspection report, the driver must make the inspection and complete the report required under subdivision 1.~~

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

Sec. 26. Minnesota Statutes 2014, section 169.782, subdivision 4, is amended to read:

Subd. 4. **Exceptions.** (a) ~~With the exception of subdivision 2, paragraph (a), clause (2),~~ This section does not apply to a commercial motor vehicle that is a farm truck that may be operated by a person not holding a commercial driver's license, provided that before driving the vehicle, a driver must determine that the vehicle is in safe operating condition.

(b) This section does not apply to a commercial motor vehicle held for resale by a motor vehicle dealer licensed under section 168.27.

(c) This section does not apply to a covered farm vehicle as defined in Code of Federal Regulations, title 49, section 390.5, that is not carrying hazardous materials of a type or quantity that requires the vehicle to be placarded in accordance with Code of Federal Regulations, title 49, section 172.504.

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

Sec. 27. Minnesota Statutes 2014, section 169.798, subdivision 4, is amended to read:

Subd. 4. ~~Attestation of Insurance information required.~~ Every owner, when applying for motor vehicle or motorcycle registration, reregistration, or transfer of ownership, must ~~attest~~ provide information showing that the motor vehicle or motorcycle is covered by an insurance policy. Information required under this subdivision consists of the insurance company's name, the policy number, and the policy expiration date for the subject motor vehicle or motorcycle.

EFFECTIVE DATE. This section is effective January 1, 2016, and applies to registrations, reregistrations, and transfers of ownership occurring on or after that date.

Sec. 28. Minnesota Statutes 2014, section 169.81, is amended by adding a subdivision to read:

Subd. 3f. **Length limits exclusion; aerodynamic device.** An aerodynamic device that meets the requirements under Code of Federal Regulations, title 23, section 658.16 (b)(4), is excluded from each calculation of length under subdivision 2, 3, or 3c, including (1) total vehicle length; and (2) length of a semitrailer or trailer, whether in a vehicle combination or not.

Sec. 29. Minnesota Statutes 2014, section 169.87, subdivision 6, is amended to read:

Subd. 6. **Recycling and garbage vehicles.** (a) Except as provided in paragraph (b), weight restrictions imposed under subdivisions 1 and 2 do not apply to a vehicle that does not exceed 20,000 pounds per single axle and is designed and used exclusively for recycling, while engaged in recycling in a political subdivision that mandates curbside recycling pickup.

(b) Weight restrictions imposed under subdivisions 1 and 2 do not apply to: (1) a vehicle that does not exceed 14,000 pounds per single axle and is used exclusively for recycling as described in paragraph (a); ~~or~~; (2) a vehicle that does not exceed 14,000 pounds per single axle and is designed and used exclusively for collecting mixed municipal solid waste, as defined in section 115A.03, subdivision 21, while engaged in such collection; or (3) a portable toilet service vehicle that does not exceed 14,000 pounds per single axle or 26,000 pounds gross vehicle weight, and is designed and used exclusively for collecting liquid waste from portable toilets, while engaged in such collection.

(c) Notwithstanding section 169.80, subdivision 1, a violation of weight restrictions imposed under subdivisions 1 and 2 by a vehicle designed and used exclusively for recycling while engaged in recycling in a political subdivision that mandates curbside recycling pickup while engaged in such collection, ~~or~~ by a vehicle that is designed and used exclusively for collecting mixed municipal solid waste as defined in section 115A.03, subdivision 21, while engaged in such collection, or by a portable toilet service vehicle that is designed and used exclusively for collecting liquid waste from portable toilets, while engaged in such collection, is not subject to criminal penalties but is subject to a civil penalty for excess weight under section 169.871.

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

Sec. 30. Minnesota Statutes 2014, section 173.02, is amended by adding a subdivision to read:

Subd. 18a. **Electronic advertising device.** (a) "Electronic advertising device" means an advertising device capable of displaying digital content that can be changed through messaging or electronic communications technology.

(b) Digital content consists of static text and images only, and does not include animation, flashing or moving lights, video, or other content having the appearance of movement.

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

Sec. 31. Minnesota Statutes 2014, section 173.15, is amended to read:

173.15 PROHIBITED ADVERTISING DEVICES.

(a) After June 8, 1971 no advertising device shall be erected or maintained:

(1) which purports to be or resembles an official traffic-control device, sign, or signal, or railroad sign or signal; or which hides from view or interferes in any material degree with the effectiveness of any traffic-control device, sign, or signal, or railroad sign or signal, or which obstructs or interferes with the driver's view of approaching, merging, or intersecting traffic for a distance not to exceed 500 feet;

- (2) which prominently displays the word "stop" or "danger";
- (3) which contains statements, words, or pictures of an obscene, indecent, or immoral character, or such as would offend public morals or decency;
- (4) on any right-of-way of the interstate system of highways, except as otherwise provided by law or allowed by the commissioner;
- (5) on private land without the consent of the owner or occupant thereof;
- (6) on trees, shrubs, or which are painted or drawn upon rocks or natural features, or on public utility poles;
- (7) which has distracting flashing or moving lights so designed or lighted as to be a traffic hazard;
- (8) to which access can be obtained only from an interstate main-traveled way but excluding frontage roads adjacent thereto;
- (9) which are structurally unsafe, are in disrepair, or are abandoned.

(b) The prohibition under paragraph (a), clause (7), does not include an electronic advertising device that changes displayed digital content no more frequently than once every six seconds.

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

Sec. 32. Minnesota Statutes 2014, section 174.40, is amended by adding a subdivision to read:

Subd. 4a. **Eligibility.** A statutory or home rule charter city, county, or town is eligible to receive funding under this section only if it has adopted subdivision regulations that require safe routes to school infrastructure in developments authorized on or after June 1, 2016.

Sec. 33. Minnesota Statutes 2014, section 219.76, is amended to read:

219.76 FIRE DAMAGE CAUSED BY ENGINE TRAIN OR CONTENTS; INSURABLE INTEREST.

A railroad ~~corporation owning or operating a railroad~~ in this state is responsible in damages to every person who is injured and corporation public or private entity or person whose property is injured, damaged, or destroyed by fire communicated spread directly or indirectly by the locomotive engines or rolling stock in use upon its railroad line, or contents of the rolling stock, or caused directly or indirectly by spill, tear, discharge, or combustion of train contents. Each railroad ~~corporation~~ shall have an insurable interest in the property upon the route of its railroad line and may procure insurance in its own behalf for its protection against the damages.

Sec. 34. Minnesota Statutes 2014, section 219.761, is amended to read:

219.761 EXTINGUISHING LOCOMOTIVE RESPONSE TO TRAIN-RELATED FIRE OR OTHER EMERGENCY; REIMBURSEMENT.

Subdivision 1. **Reimbursement.** (a) A railroad operating in Minnesota is liable for all reasonable expenses of extinguishment when a fire or fire hazard other emergency that is proximately caused by a railroad locomotive, rolling stock or its contents, or employees on a railroad right-of-way or, operating property, or other property. If the fire department of a local government or nonprofit firefighting corporation extinguishes an emergency responder, local government entity, or nonprofit firefighting corporation responds to a fire arising from one occurrence or

responds to another emergency and deems that it is entitled to reimbursement for its expenses, it shall, within 60 days after the first full day after ~~extinguishment~~ the emergency response, give the railroad, ~~by mail~~, written notice stating the circumstances of the fire or other emergency as then known. The notice may be given to the railroad at any address at which the owner has an office, agent, or other place of business in this state. The date of the mailing is the date of service of the notice. For purposes of this paragraph, reasonable response expenses include all expenses incurred by a fire department or other emergency responder in supplying mutual aid assistance, regardless of whether the fire department or emergency responder is entitled to reimbursement from the entity requesting assistance.

(b) If after notice and claim for reimbursement, the railroad ~~working the right-of-way~~ refuses to reimburse the local government, or nonprofit firefighting corporation, or other emergency responders for expenses incurred, the claimant may recover by civil action reasonable expenses, costs, disbursements, and attorney's fees.

Subd. 2. **Information in claim.** All claims must set forth the basis of the claim including the time, date, place, and circumstances of the claim. A claim must also include an itemization of costs incurred to extinguish the fire or respond to the emergency. The state Fire Marshal, in consultation with fire department chiefs ~~and~~, representatives of the interested railroads, representatives of local government entities, nonprofit firefighting corporations, and other emergency responders, may recommend that additional information be included in a claim.

Subd. 3. **Other costs, remedies.** (a) If the railroads are required to pay property taxes pursuant to chapter 272 or any other law, they shall also pay the fees and assessments required of property owners situated within the same political subdivision for firefighting and protection expenses.

(b) Neither the enactment of this section nor its subsequent repeal or termination alters the statutory or common law rights, duties, or obligations of railroad companies with regard to fires and other emergencies caused directly or indirectly by a railroad locomotive, rolling stock, contents, or railroad employees on a railroad right-of-way ~~or~~, operating property, or other property, or caused directly or indirectly by spill, tear, discharge, or combustion of train contents.

Sec. 35. Minnesota Statutes 2014, section 221.031, is amended by adding a subdivision to read:

Subd. 9a. **Federal out-of-service order; operation prohibited.** No intrastate carrier, private carrier engaged in intrastate commerce, or person providing intrastate transportation service described in section 221.025 shall operate a commercial motor vehicle in Minnesota while a motor carrier out-of-service order issued by the Federal Motor Carrier Safety Administration under Code of Federal Regulations, title 49, part 385 or 386, is in effect.

Sec. 36. Minnesota Statutes 2014, section 221.605, is amended by adding a subdivision to read:

Subd. 4. **Federal out-of-service order; operation prohibited.** No interstate carrier or private carrier engaged in interstate commerce shall operate a commercial motor vehicle in Minnesota while a motor carrier out-of-service order issued by the Federal Motor Carrier Safety Administration under Code of Federal Regulations, title 49, part 385 or 386, is in effect.

Sec. 37. Minnesota Statutes 2014, section 222.50, subdivision 7, is amended to read:

Subd. 7. **Expenditures.** (a) The commissioner may expend money from the rail service improvement account for the following purposes:

(1) to make transfers as provided under section 222.57 or to pay interest adjustments on loans guaranteed under the state rail user and rail carrier loan guarantee program;

(2) to pay a portion of the costs of capital improvement projects designed to improve rail service of a rail user or a rail carrier;

(3) to pay a portion of the costs of rehabilitation projects designed to improve rail service of a rail user or a rail carrier;

(4) to acquire, maintain, manage, and dispose of railroad right-of-way pursuant to the state rail bank program;

(5) to provide for aerial photography survey of proposed and abandoned railroad tracks for the purpose of recording and reestablishing by analytical triangulation the existing alignment of the in-place track;

(6) to pay a portion of the costs of acquiring a rail line by a regional railroad authority established pursuant to chapter 398A;

(7) to pay the state matching portion of federal grants for rail-highway grade crossing improvement projects;

(8) for expenditures made before July 1, 2017, to pay the state matching portion of grants under the federal Transportation Investment Generating Economic Recovery (TIGER) program of the United States Department of Transportation; ~~and~~

(9) to fund rail planning studies; ~~and~~

(10) to pay a portion of the costs of capital improvement projects designed to improve capacity or safety at rail yards.

(b) All money derived by the commissioner from the disposition of railroad right-of-way or of any other property acquired pursuant to sections 222.46 to 222.62 shall be deposited in the rail service improvement account.

Sec. 38. Minnesota Statutes 2014, section 299A.465, subdivision 2, is amended to read:

Subd. 2. **Officer or firefighter killed in line of duty.** (a) This subdivision applies when a peace officer ~~or~~ firefighter, or volunteer firefighter is killed while on duty and discharging the officer's ~~or~~ firefighter's, or volunteer firefighter's duties as a peace officer ~~or~~ firefighter, or volunteer firefighter.

(b) The officer's or firefighter's employer shall continue to cover the deceased officer's or firefighter's dependents, including the officer's or firefighter's spouse:

(1) if the officer ~~or~~ firefighter, or volunteer firefighter was receiving dependent coverage at the time of the officer's ~~or~~ firefighter's, or volunteer firefighter's death under the employer's group health plan; or

(2) if the officer's ~~or~~ firefighter's, or volunteer firefighter's spouse was not covered as a dependent at the time of the officer's ~~or~~ firefighter's, or volunteer firefighter's death, but at that time was eligible, or afterward becomes eligible, to be a dependent on the employer's group health plan.

(c) The employer is responsible for the employer's contribution for the coverage of the officer's ~~or~~ firefighter's, or volunteer firefighter's dependents. Subject to subdivision 5, paragraph (b), clause (2), coverage must continue for a dependent of the officer ~~or~~ firefighter for the period of time that the person is a dependent up to the age of 65, or volunteer firefighter as follows: (1) for a surviving spouse, until the surviving spouse reaches the age of 65; and (2) for each other dependent, until the dependent reaches the age of 26, except as otherwise provided in section 62L.02, subdivision 11.

EFFECTIVE DATE. This section is effective January 1, 2016, and applies to officer, firefighter, and volunteer firefighter deaths that occur on and after the effective date.

Sec. 39. Minnesota Statutes 2014, section 299A.465, is amended by adding a subdivision to read:

Subd. 2a. **Volunteer firefighter killed in line of duty.** (a) This subdivision applies when a volunteer firefighter is killed while on duty and discharging the volunteer firefighter's duties as a volunteer firefighter and the municipality or municipalities that operate the fire department did not offer a group health insurance policy to which a volunteer firefighter was eligible to subscribe.

(b) The municipality or municipalities that operate the fire department that the volunteer firefighter served with shall, until coverage terminates as provided under subdivision 2, paragraph (c), either: (1) provide health insurance coverage for the volunteer firefighter's dependents that is equivalent to the average benefit provided by the municipality or municipalities to dependents of its employees who are covered by the plan; or (2) reimburse the dependents, if the municipality or municipalities do not offer a group health insurance plan for any employees, for a minimum of 50 percent of the cost of health insurance premiums for coverage selected by the dependents.

EFFECTIVE DATE. This section is effective January 1, 2016, and applies to volunteer firefighter deaths that occur on and after the effective date.

Sec. 40. Minnesota Statutes 2014, section 299A.465, subdivision 5, is amended to read:

Subd. 5. **Definition.** For purposes of this section:

(a) "Peace officer" or "officer" has the meaning given in section 626.84, subdivision 1, paragraph (c).

(b) "Dependent" means a person who: (1) meets the definition of dependent in section 62L.02, subdivision 11, at the time of the officer's or firefighter's injury or death—~~a person, or at the time of the volunteer firefighter's death;~~ and (2) is not a dependent for purposes of this section during the period of time the person is covered under another group health plan. For purposes of this section, the term "eligible employee" as defined under section 62L.02, subdivision 13, includes a volunteer firefighter.

(c) "Firefighter" has the meaning given in Minnesota Statutes 2000, section 424.03, but does not include volunteer firefighters.

(d) "Volunteer firefighter" has the meaning given in section 299N.03, subdivision 7, and includes paid per call.

(e) "Fire department" has the meaning given in section 299N.03, subdivision 4.

(f) For purposes of subdivisions 2 to 5a, "employer" includes a municipality or municipalities that operate the fire department in which a volunteer firefighter serves.

EFFECTIVE DATE. This section is effective January 1, 2016, and applies to officer and firefighter deaths that occur on and after the effective date.

Sec. 41. Minnesota Statutes 2014, section 299A.465, is amended by adding a subdivision to read:

Subd. 5a. **Minimum benefit.** Nothing in this section prohibits an employer from providing benefits to survivors of deceased volunteer firefighters that are greater than the benefits required under this section.

Sec. 42. Minnesota Statutes 2014, section 299D.085, subdivision 2, is amended to read:

Subd. 2. **Certificate.** No person may operate as an overdimensional load escort driver in this state without a certificate issued by the commissioner, or by a state with which the commissioner has entered into a reciprocal agreement. The commissioner shall assess a fee for each certificate applicant, calculated to cover the commissioner's cost of establishing and administering the program. No other certification is required to escort an overdimensional load.

Sec. 43. Minnesota Statutes 2014, section 299D.09, is amended to read:

299D.09 ESCORT SERVICE; APPROPRIATION; RECEIPTS.

(a) Fees charged for escort services provided by the State Patrol are annually appropriated to the commissioner of public safety to administer and provide these services.

(b) ~~The fee charged for services provided by the State Patrol with a vehicle is \$79.28 an hour. The fee charged for services provided without a vehicle is \$59.28 an hour~~ shall be set to recover actual costs as determined by the commissioner of public safety by July 1 each year.

(c) The fees charged for State Patrol flight services are \$140 an hour for a fixed wing aircraft, \$490 an hour for a helicopter, and \$600 an hour for the Queen Air in fiscal year 2012; and \$139.64 an hour for a fixed wing aircraft, \$560.83 an hour for a helicopter, and \$454.84 an hour for the Queen Air in fiscal year 2013 and thereafter.

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

Sec. 44. **[299F.037] REPORTING FIREFIGHTER DEATHS.**

Whenever an active firefighter dies, whether or not the death is presumed to be in the line of duty, the fire chief of the deceased firefighter must report, without undue delay, the death to the state fire marshal. The notification shall identify the cause of death and contain information concerning the circumstances of the death.

Sec. 45. Minnesota Statutes 2014, section 360.305, subdivision 4, is amended to read:

Subd. 4. **Costs allocated; local contribution; hangar construction account.** ~~(a) Except as otherwise provided in this subdivision~~ Annually by June 1, the commissioner of transportation shall require as a condition of assistance by the state that the establish local contribution rates which will apply to a political subdivision, municipality, or public corporation make a substantial contribution to the cost of the construction, improvement, maintenance, or operation of the airport, in connection with which the assistance of the state is sought. These costs are referred to as project costs when applying for state or federal funding assistance to construct, improve, maintain, or operate an airport, or to acquire land for airport facilities or clear zones. If the commissioner does not establish local contribution rates by June 1, the previous rates apply.

(b) ~~For any airport, whether key, intermediate, or landing strip, where only state and local funds are to be used, the contribution shall be not less than one fifth of the sum of:~~

~~(1) the project costs;~~

~~(2) acquisition costs of the land and clear zones, which are referred to as acquisition costs. The commissioner may pay all costs beyond the local contribution. Local contribution rates shall not be less than five percent of the total cost of the activity or acquisition, except that the commissioner may require less than five percent for research projects, radio or navigational aids, activities, or acquisitions for which federal funds are available to cover more than 90 percent of the total cost, or as otherwise necessary to respond to an emergency.~~

~~(c) For any airport where federal, state, and local funds are to be used, the contribution shall not be less than five percent of the sum of the project costs and acquisition costs. The commissioner's establishment of local contribution rates is not subject to the rulemaking requirements of chapter 14.~~

~~(d) The commissioner may pay the total cost of radio and navigational aids.~~

~~(e) Notwithstanding paragraph (b) or (c), the commissioner may pay all of the project costs of a new landing strip, but not an intermediate airport or key airport, or may pay an amount equal to the federal funds granted and used for a new landing strip plus all of the remaining project costs; but the total amount paid by the commissioner for the project costs of a new landing strip, unless specifically authorized by an act appropriating funds for the new landing strip, shall not exceed \$200,000.~~

~~(f) Notwithstanding paragraph (b) or (c), the commissioner may pay all the project costs for research and development projects, including, but not limited to noise abatement; provided that in no event shall the sums expended under this paragraph exceed five percent of the amount appropriated for construction grants.~~

~~(g) (d)~~ To receive aid under this section for project costs or for acquisition costs, the municipality must enter into an agreement with the commissioner giving assurance that the airport will be operated and maintained in a safe, serviceable manner for aeronautical purposes only for the use and benefit of the public:

(1) for 20 years after the date that the municipality receives any state funds for project construction or improvement costs ~~are received by the municipality~~; and

(2) for 99 years after the date that the municipality receives any state funds for land acquisition costs ~~are received by the municipality~~. If any land acquired with state funds ceases to be used for aviation purposes, the municipality shall repay the state airports fund the same percentage of the appraised value of the property as that percentage of the costs of acquisition and participation provided by the state to acquire the land.

The agreement may contain other conditions as the commissioner deems reasonable.

~~(h) (e)~~ The commissioner shall establish a hangar construction revolving account, which shall be used for the purpose of financing the construction of hangar buildings to be constructed by municipalities owning airports. All municipalities owning airports are authorized to enter into contracts for the construction of hangars, and contracts with the commissioner for the financing of hangar construction for an amount and period of time as may be determined by the commissioner and municipality. All receipts from the financing contracts shall be deposited in the hangar construction revolving account and are reappropriated for the purpose of financing construction of hangar buildings. ~~The commissioner may pay from the hangar construction revolving account 80 percent of the cost of financing construction of hangar buildings. For purposes of this paragraph, the construction of hangars shall include their design.~~ The commissioner shall transfer up to \$4,400,000 from the state airports fund to the hangar construction revolving account.

~~(i) (f)~~ The commissioner may ~~pay a portion of the purchase price of any~~ contribute to costs incurred by any municipality for airport maintenance and operations, safety equipment, and ~~of the actual~~ airport snow removal ~~costs incurred by any municipality. The portion to be paid by the state shall not exceed two thirds of the cost of the purchase price or snow removal. To receive aid a municipality must enter into an agreement of the type referred to in paragraph (g).~~

~~(j) (g)~~ This subdivision applies only to project costs or acquisition costs of municipally owned airports incurred after June 1, 1971.

Sec. 46. Minnesota Statutes 2014, section 473.146, subdivision 4, is amended to read:

Subd. 4. **Transportation planning.** (a) The Metropolitan Council is the designated planning agency for any long-range comprehensive transportation planning required by section 134 of the Federal Highway Act of 1962, Section 4 of Urban Mass Transportation Act of 1964 and Section 112 of Federal Aid Highway Act of 1973 and other federal transportation laws. The council shall assure administration and coordination of transportation planning with appropriate state, regional and other agencies, counties, and municipalities.

(b) The council shall establish an advisory body consisting of citizens and representatives of municipalities, counties, and state agencies in fulfillment of the planning responsibilities of the council. The membership of the advisory body must consist of:

- (1) the commissioner of transportation or the commissioner's designee;
- (2) the commissioner of the Pollution Control Agency or the commissioner's designee;
- (3) one member of the Metropolitan Airports Commission appointed by the commission;
- (4) one person appointed by the council to represent nonmotorized transportation;
- (5) one person appointed by the commissioner of transportation to represent the freight transportation industry;
- (6) two persons appointed by the council to represent public transit;
- (7) ten elected officials of cities within the metropolitan area, including one representative from each first-class city, appointed by the Association of Metropolitan Municipalities;
- (8) one member of the county board of each county in the seven-county metropolitan area, appointed by the respective county boards;
- (9) eight citizens appointed by the council, one from each council precinct; ~~and~~
- (10) one elected official from a city participating in the replacement service program under section 473.388, appointed by the Suburban Transit Association; and
- (11) one member of the council, appointed by the council.

(c) The council shall appoint a chair from among the members of the advisory body.

EFFECTIVE DATE. This section is effective the day following final enactment, and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 47. Laws 2009, chapter 158, section 10, as amended by Laws 2012, chapter 287, article 3, section 56, and Laws 2014, chapter 255, section 20, is amended to read:

Sec. 10. **EFFECTIVE DATE.**

Sections 2 and 3 are effective August 1, 2009, ~~and the amendments made in sections 2 and 3 to Minnesota Statutes, sections 169.011 and 169.045, expire July 31, 2015.~~

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

Sec. 48. Laws 2014, chapter 312, article 10, section 11, subdivision 2, is amended to read:

Subd. 2. **Evaluation of response preparedness and funding.** By January 15, 2017, the commissioner of public safety shall submit an evaluation of safety preparedness and funding related to incidents involving transportation of oil and other hazardous materials to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation and public safety policy and finance. At a minimum, the evaluation must:

(1) provide an update to the report under subdivision 1 that identifies notable changes and provides updated information as appropriate;

(2) analyze preparedness and impacts to public safety from ethanol transportation by rail, which must provide the same information with respect to ethanol as is required for oil under subdivision 1, clauses (1) to (3) and (6);

(3) evaluate the effectiveness of training and response preparedness activities under Minnesota Statutes, section 299A.55, using the criteria established under subdivision 1, clause (5);

~~(3)~~ (4) identify current sources of funds, funding levels, and any unfunded needs for preparedness activities;

(4) (5) analyze equity in the distribution of funding sources for preparedness activities, which must include but is not limited to (i) examination of the public-private partnership financing model, and (ii) review of balance across industries involved in storage and distribution of oil; and

~~(5)~~ (6) make recommendations for any programmatic or legislative changes.

Sec. 49. Laws 2014, chapter 312, article 11, section 3, the effective date, is amended to read:

EFFECTIVE DATE. Subdivisions 1 to 4 are effective January 1, 2015, for special Minnesota golf plates issued on or after that date. Subdivision 5 is effective ~~January 1, 2017~~ July 1, 2015.

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

Sec. 50. **LEGISLATIVE ROUTE NO. 228 REMOVED.**

(a) Minnesota Statutes, section 161.115, subdivision 159, is repealed effective the day after the commissioner of transportation receives a copy of the agreement between the commissioner and the governing body of Otter Tail County to transfer jurisdiction of Legislative Route No. 228 and after the commissioner notifies the revisor of statutes under paragraph (b).

(b) The revisor of statutes shall delete the route identified in paragraph (a) from Minnesota Statutes when the commissioner of transportation sends notice to the revisor electronically or in writing that the conditions required to transfer the route have been satisfied.

Sec. 51. **LEGISLATIVE ROUTE NO. 275 REMOVED.**

(a) Minnesota Statutes, section 161.115, subdivision 206, is repealed effective the day after the commissioner of transportation receives a copy of the agreement between the commissioner and the governing body of Lac qui Parle County to transfer jurisdiction of Legislative Route No. 275 and after the commissioner notifies the revisor of statutes under paragraph (b).

(b) The revisor of statutes shall delete the route identified in paragraph (a) from Minnesota Statutes when the commissioner of transportation sends notice to the revisor electronically or in writing that the conditions required to transfer the route have been satisfied.

Sec. 52. **COST PARTICIPATION POLICY.**

The commissioner of transportation, in consultation with representatives of local units of government, shall create and adopt a policy concerning cost participation for cooperative construction projects and maintenance responsibilities between the Department of Transportation and local units of government. The policy must minimize

the share of cooperative project costs to be funded by the local units of government, while complying in all respects with the state constitutional requirements concerning allowable uses of the trunk highway fund. The policy should provide and include sufficient flexibility for unique projects and locations if doing so results in a lower total project cost. The policy must be completed and adopted by the commissioner no later than March 1, 2016.

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

Sec. 53. **ENGINE BRAKES; REGULATION BY ST. PAUL.**

Notwithstanding any other law or charter provision, the governing body of the city of St. Paul may by ordinance restrict or prohibit the use of an engine brake on motor vehicles along Legislative Route No. 392, also known as marked Interstate Highway 94, between Johnson Parkway and marked Trunk Highway 52. Upon notification by the city of St. Paul to the commissioner of transportation of the city's adoption of the ordinance, the commissioner of transportation shall erect the appropriate signs, with the cost of the signs to be paid by the city. For purposes of this section, "engine brake" means any device that uses the engine and transmission to impede the forward motion of the motor vehicle by compression of the engine.

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

Sec. 54. **CONCRETE DIAMOND GRINDING SLURRY.**

The commissioner of transportation shall not engage in a study, including under any agreement with a consultant, related to the deposit of slurry generated from highway diamond grinding on the side of roadways, unless the commissioner consults with interested representatives of the road construction and maintenance industry regarding the methodology and specifications for the study. The commissioner or a consultant operating under an agreement with the commissioner shall consult with interested representatives of the road construction and maintenance industry to evaluate methods of determining best management practices.

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

Sec. 55. **LEGISLATIVE REPORT ON VEHICLE TITLE TRANSFER FEE FUNDS.**

By November 1, 2015, the commissioner of the Pollution Control Agency shall submit a report on motor vehicle title transfer fee funds to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation and environment policy and finance. At a minimum, the report must (1) identify the annual amount of revenue from the motor vehicle title transfer fee under Minnesota Statutes, section 115A.908, over fiscal years 2012 to 2015; (2) evaluate the policy rationale for allocation of revenue from the title transfer fee; and (3) specify uses of funds from the title transfer fee, including identification of any motor vehicle, road, or bridge purposes for which funds are used.

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

Sec. 56. **REPORT ON DEDICATED FUND EXPENDITURES.**

By January 15, 2016, the commissioners of transportation and public safety, in consultation with the commissioner of management and budget, shall jointly submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance. The report must list detailed expenditures and transfers from the trunk highway fund and highway user tax distribution fund for fiscal years 2010 through 2015, and shall include information on the purpose of each expenditure.

Sec. 57. **ROAD DESIGN STANDARDS.**

By August 15, 2016, the commissioner of transportation shall, in collaboration with city and county engineers, establish and adopt design standards and guidelines to be applied consistently to trunk highways, county state-aid highways, and municipal state-aid streets with similar characteristics. The standards and guidelines must align the state-aid standards with the Department of Transportation trunk highway standards and technical memoranda as appropriate. The commissioner shall report the adopted standards and guidelines to the chairs and ranking minority members of the senate and house of representatives committees with jurisdiction over transportation policy by August 15, 2016, and present an interim report by March 15, 2016.

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

Sec. 58. **REPEALER.**

Minnesota Statutes 2014, section 299E.02, is repealed."

Delete the title and insert:

"A bill for an act relating to transportation; establishing a budget for transportation; appropriating money for transportation, including Department of Transportation, Metropolitan Council, and Department of Public Safety activities; amending various provisions governing transportation policy and finance; establishing an account; requiring reports; amending Minnesota Statutes 2014, sections 13.69, subdivision 1; 16E.15, subdivision 2; 117.036, subdivisions 2, 4; 160.20, subdivision 4; 160.27, by adding a subdivision; 161.231; 161.321, subdivisions 2a, 2c, 4; 162.07, subdivision 1a; 168.013, subdivisions 1d, 1g; 168.053, subdivision 1; 168.1299, subdivision 1; 168.33, subdivision 7; 168A.07, by adding a subdivision; 168D.06; 169.18, subdivision 12; 169.475, subdivision 2; 169.49; 169.782, subdivisions 1, 2, 4; 169.798, subdivision 4; 169.81, by adding a subdivision; 169.87, subdivision 6; 173.02, by adding a subdivision; 173.15; 174.40, by adding a subdivision; 219.76; 219.761; 221.031, by adding a subdivision; 221.605, by adding a subdivision; 222.50, subdivision 7; 299A.465, subdivisions 2, 5, by adding subdivisions; 299D.085, subdivision 2; 299D.09; 360.305, subdivision 4; 473.146, subdivision 4; Laws 2009, chapter 158, section 10, as amended; Laws 2014, chapter 312, article 10, section 11, subdivision 2; article 11, section 3; proposing coding for new law in Minnesota Statutes, chapters 160; 162; 299F; repealing Minnesota Statutes 2014, section 299E.02."

We request the adoption of this report and repassage of the bill.

Senate Conferees: D. SCOTT DIBBLE, SUSAN KENT, VICKI JENSEN, DAVID H. SENJEM and FOUNG HAWJ.

House Conferees: TIM KELLY, JOHN PETERSBURG, TIM SANDERS, JEFF HOWE and KIM NORTON.

Kelly moved that the report of the Conference Committee on S. F. No. 1647 be adopted and that the bill be repassed as amended by the Conference Committee.

Hortman moved that the House refuse to adopt the report of the Conference Committee on S. F. No. 1647 and that the bill be returned to the Conference Committee.

A roll call was requested and properly seconded.

The question was taken on the Hortman motion and the roll was called. There were 61 yeas and 72 nays as follows:

Those who voted in the affirmative were:

Allen	Erhardt	Johnson, S.	Marquart	Pelowski	Thissen
Anzelc	Fischer	Kahn	Masin	Persell	Wagenius
Applebaum	Freiberg	Laine	Melin	Pinto	Ward
Bernardy	Halverson	Lenczewski	Metsa	Poppe	Winkler
Bly	Hansen	Lesch	Moran	Rosenthal	Yarusso
Carlson	Hausman	Liebling	Mullery	Schoen	Youakim
Clark	Hilstrom	Lien	Murphy, E.	Schultz	
Considine	Hornstein	Lillie	Murphy, M.	Selcer	
Davnie	Hortman	Loeffler	Nelson	Simonson	
Dehn, R.	Isaacson	Mahoney	Newton	Slocum	
Dill	Johnson, C.	Mariani	Norton	Sundin	

Those who voted in the negative were:

Albright	Dean, M.	Hamilton	Lohmer	O'Driscoll	Scott
Anderson, M.	Dettmer	Hancock	Loon	O'Neill	Smith
Anderson, P.	Drazkowski	Heintzeman	Loonan	Peppin	Swedzinski
Anderson, S.	Erickson	Hertaus	Lucero	Petersburg	Theis
Backer	Fabian	Hoppe	Lueck	Peterson	Torkelson
Baker	Fenton	Howe	Mack	Pierson	Uglem
Barrett	Franson	Johnson, B.	McDonald	Pugh	Urdahl
Bennett	Garofalo	Kelly	McNamara	Quam	Vogel
Christensen	Green	Kiel	Miller	Rarick	Whelan
Cornish	Gruenhagen	Knoblach	Nash	Runbeck	Wills
Daniels	Gunther	Koznick	Newberger	Sanders	Zerwas
Davids	Hackbarth	Kresha	Nornes	Schomacker	Spk. Daudt

The motion did not prevail.

The question recurred on the Kelly motion that the report of the Conference Committee on S. F. No. 1647 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 1647, A bill for an act relating to transportation; amending various provisions related to transportation and public safety policies, including data practices and storage; motor carriers; traffic regulation modifications; parking signs; advertising devices; permits and licenses; vehicle equipment; mini truck operation; railroad liability, powers, and crossing by utilities; rail event response preparedness; minimum train crew size; drive away in-transit licenses; road design; engine compression regulation by city of St. Paul; turnbacks; bikeways; subcontracting goals; reporting requirements and alternative damages appraisal for transportation projects; amending Minnesota Statutes 2014, sections 13.69, subdivision 1; 13.72, by adding a subdivision; 160.18, by adding a subdivision; 160.20, subdivision 4; 160.232; 160.266, subdivisions 2, 3, by adding subdivisions; 161.088, subdivisions 3, 4, 5; 161.321, subdivisions 2a, 2c, 4; 161.368; 168.33, subdivision 2; 169.06, subdivision 4a; 169.18, subdivision 12; 169.475, subdivision 1; 169.49; 169.782, subdivisions 1, 2, 4; 169.791, subdivisions 1, 2; 169.81, by adding a subdivision; 171.02, by adding a subdivision; 171.06, subdivision 3; 171.061, subdivision 3; 171.07, subdivision 1b; 173.02, by adding a subdivision; 173.15; 174.03, subdivisions 10, 11; 174.12, subdivision 5; 174.40, by adding a subdivision;

174.52, subdivisions 4a, 5; 219.76; 219.761; 221.031, by adding a subdivision; 221.605, by adding a subdivision; 299D.085, subdivision 2; 473.146, subdivision 4; Laws 2009, chapter 158, section 10, as amended; Laws 2014, chapter 312, article 10, section 11, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 161; 219; 237; 383B; 473.

The bill was read for the third time, as amended by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 76 yeas and 58 nays as follows:

Those who voted in the affirmative were:

Albright	Dean, M.	Hancock	Loon	O'Neill	Smith
Anderson, M.	Dettmer	Heintzeman	Loonan	Pelowski	Swedzinski
Anderson, P.	Drazkowski	Hertaus	Lucero	Peppin	Theis
Anderson, S.	Erickson	Hoppe	Lueck	Petersburg	Torkelson
Backer	Fabian	Howe	Mack	Peterson	Uglem
Baker	Fenton	Johnson, B.	McDonald	Pierson	Urdahl
Barrett	Franson	Johnson, C.	McNamara	Pugh	Vogel
Bennett	Garofalo	Kelly	Miller	Quam	Whelan
Christensen	Green	Kiel	Nash	Rarick	Wills
Considine	Gruenhagen	Knoblach	Newberger	Runbeck	Zerwas
Cornish	Gunther	Koznick	Nornes	Sanders	Spk. Daudt
Daniels	Hackbarth	Kresha	Norton	Schomacker	
Davids	Hamilton	Lohmer	O'Driscoll	Scott	

Those who voted in the negative were:

Allen	Dill	Isaacson	Mahoney	Nelson	Slocum
Anzelc	Erhardt	Johnson, S.	Mariani	Newton	Sundin
Applebaum	Fischer	Kahn	Marquart	Persell	Thissen
Atkins	Freiberg	Laine	Masin	Pinto	Wagenius
Bernardy	Halverson	Lenczewski	Melin	Poppe	Ward
Bly	Hansen	Lesch	Metsa	Rosenthal	Winkler
Carlson	Hausman	Liebling	Moran	Schoen	Yarusso
Clark	Hilstrom	Lien	Mullery	Schultz	Youakim
Davnie	Hornstein	Lillie	Murphy, E.	Selcer	
Dehn, R.	Hortman	Loeffler	Murphy, M.	Simonson	

The bill was repassed, as amended by Conference, and its title agreed to.

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

S. F. No. 205.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said Senate File is herewith transmitted to the House.

JOANNE M. ZOFF, Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. No. 205

A bill for an act relating to campaign finance; modifying provisions related to the campaign finance and public disclosure board; making changes to provisions related to enforcement, registration, fees, data, contributions, statements of economic interest, and various other provisions administered by the board; providing penalties; making technical changes; amending Minnesota Statutes 2014, sections 10A.02, subdivision 11; 10A.03, subdivision 3; 10A.08, subdivision 1; 10A.09, subdivisions 6, 10; 10A.14, subdivisions 1, 1a, 4; 10A.17, subdivision 4; 10A.20, subdivisions 1, 2, 3; 10A.25, subdivision 10; 10A.27, subdivisions 1, 11, by adding a subdivision; 10A.322, subdivision 4; 10A.34, by adding a subdivision; 13.607, subdivision 5, by adding a subdivision; 211B.04; 211B.12; 211B.15, subdivision 2; repealing Minnesota Statutes 2014, section 10A.20, subdivision 1c; Minnesota Rules, part 4503.1500, subpart 2.

May 17, 2015

The Honorable Sandra L. Pappas
President of the Senate

The Honorable Kurt L. Daudt
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 205 report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 205 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2014, section 10A.02, subdivision 11, is amended to read:

Subd. 11. **Violations; enforcement.** (a) The board may investigate any alleged violation of this chapter. The board may also investigate an alleged violation of section 211B.04, 211B.12, or 211B.15 by or related to a candidate, treasurer, principal campaign committee, political committee, political fund, or party unit, as those terms are defined in this chapter.

~~(1) Upon receipt of a written complaint filed with the board, the board shall promptly provide a copy of the complaint to the subject of the complaint and notify the subject that a determination as to whether the complaint states a prima facie violation will be made and that the subject may, within 15 days of the date the board provided notice to the subject, submit a written statement addressing the prima facie determination. The notice must include the definition of a prima facie determination.~~

~~Within 30 days after the filing of the complaint,~~ the board chair or another board member designated by the chair shall promptly make a determination as to whether the complaint alleges a prima facie violation. If a determination is made that the complaint does not allege a prima facie violation, the complaint shall be dismissed without prejudice and the complainant and the subject of the complaint must be promptly notified of the reasons the complaint did not allege a prima facie violation. The notice to the subject of the complaint must include a copy of the complaint. If the complainant files a revised complaint regarding the same facts and the same subject, the prima facie determination must be completed by a board member other than the member who made the initial determination and who does not support the same political party as the member who made the initial determination. The chair may order that the prima facie determination for any complaint be made by the full board and must order that the prima facie determination for a complaint being submitted for the third time be made by the full board.

(2) If a determination is made that the complaint alleges a prima facie violation, the board shall, within 45 days of the prima facie determination, make findings and conclusions as to whether probable cause exists to believe the alleged violation that warrants a formal investigation has occurred. Any party filing a complaint and any party against whom a complaint is filed must be given an opportunity to be heard by the board prior to the board's determination as to whether probable cause exists to believe a violation that warrants a formal investigation has occurred.

(3) Upon a determination by the board that probable cause exists to believe a violation that warrants a formal investigation has occurred, the board must undertake an investigation under subdivision 10 and must issue an order at the conclusion of the investigation, except that if the complaint alleges a violation of section 10A.25 or 10A.27, the board must either enter a conciliation agreement or make public findings and conclusions as to whether a violation has occurred and must issue an order within 60 days after the ~~filing of the complaint~~ probable cause determination has been made. Prior to making findings and conclusions in an investigation, the board must offer the subject of the complaint an opportunity to answer the allegations of the complaint in writing and to appear before the board to address the matter. The deadline for action on a written complaint may be extended by majority vote of the board.

(b) The board may bring legal actions or negotiate settlements in its own name to recover money raised from contributions subject to the conditions in this paragraph.

(1) No action may be commenced unless the board has made a formal determination, after an investigation, that the money was raised for political purposes as defined in section 211B.01, subdivision 6, and that the money was used for purposes not permitted under this chapter or under section 211B.12.

(2) Prior to commencing an action, the board must give the association whose money was misused written notice by certified mail of its intent to take action under this subdivision and must give the association a reasonable opportunity, for a period of not less than 90 days, to recover the money without board intervention. This period must be extended for at least an additional 90 days for good cause if the association is actively pursuing recovery of the money. The board may not commence a legal action under this subdivision if the association has commenced a legal action for the recovery of the same money.

(3) Any funds recovered under this subdivision must be deposited in a campaign finance recovery account in the special revenue fund and are appropriated as follows:

(i) an amount equal to the board's actual costs and disbursements in the action, including court reporter fees for depositions taken in the course of an investigation, is appropriated to the board for its operations;

(ii) an amount equal to the reasonable value of legal services provided by the Office of the Attorney General in the recovery matter, calculated on the same basis as is used for charging legal fees to state agencies, is appropriated to the attorney general for the attorney general's operations; and

(iii) any remaining balance is appropriated to the board for distribution to the association to which the money was originally contributed.

(4) Notwithstanding clause (3), item (iii), if the candidate of a principal campaign committee is the person who used the association's money for illegal purposes, or if the association or political fund whose money was misused is no longer registered with the board, any money remaining after the payments specified in clause (3), items (i) and (ii), must be transferred to the general account of the state elections campaign account.

(5) Any action by the board under this paragraph must be commenced not later than four years after the improper use of money is shown on a report filed with the board or the board has actual knowledge of improper use. No action may be commenced under this paragraph for improper uses disclosed on reports for calendar years prior to 2011.

(6) If the board prevails in an action brought under this subdivision and the court makes a finding that the misuse of funds was willful, the court may enter judgment in favor of the board and against the person misusing the funds in the amount of the misused funds.

(c) Within a reasonable time after beginning an investigation of an individual or association, the board must notify the individual or association of the fact of the investigation. The board must not make a finding that a violation has occurred without notifying the individual or association of the nature of the allegations and affording an opportunity to answer those allegations. After the board has sent notice of the investigation to the individual or association, the individual or association must preserve evidence related to the investigation.

(d) A hearing before the board or action of the board concerning a complaint or investigation other than findings, conclusions, and orders or a conciliation agreement is confidential. Until the board makes a public finding or enters a conciliation agreement:

(1) a member, employee, or agent of the board must not disclose to an individual information obtained by that member, employee, or agent concerning a complaint or investigation except as required to carry out the investigation or take action in the matter as authorized by this chapter; and

(2) an individual who discloses information contrary to this subdivision is subject to a civil penalty imposed by the board of up to \$1,000.

(e) A matter that is under the board's jurisdiction pursuant to this section and that may result in a criminal offense must be finally disposed of by the board before the alleged violation may be prosecuted by a city or county attorney.

Sec. 2. Minnesota Statutes 2014, section 10A.03, subdivision 3, is amended to read:

Subd. 3. **Failure to file.** ~~The board must send a notice by certified mail to any lobbyist who fails to file a registration form within five days after becoming a lobbyist.~~ If a lobbyist fails to file a registration form ~~within ten business days after the notice was sent~~ by the date that the form was due, the board may impose a late filing fee of \$5 ~~\$25~~ per day, not to exceed ~~\$100~~ \$1,000, starting on the ~~11th~~ day after the ~~notice was sent~~ form was due. The board must send ~~an additional~~ notice by certified mail to a lobbyist who fails to file a form within ~~14~~ ten business days after the ~~first notice was sent by the board~~ form was due that the lobbyist may be subject to a civil penalty for failure to file the form. A lobbyist who fails to file a form within seven days after the ~~second~~ certified mail notice was sent by the board is subject to a civil penalty imposed by the board of up to \$1,000.

Sec. 3. Minnesota Statutes 2014, section 10A.08, subdivision 1, is amended to read:

Subdivision 1. **Disclosure required.** A public official who represents a client for a fee before an individual, board, commission, or agency that has rulemaking authority in a hearing conducted under chapter 14, must disclose the official's participation in the action to the board within 14 days after the appearance. If the public official fails to disclose the participation ~~within ten business days after~~ by the date that the disclosure ~~required by this section~~ was due, the board may impose a late filing fee of \$5 ~~\$25~~ per day, not to exceed ~~\$100~~ \$1,000, starting on the ~~11th~~ day after the disclosure was due. The board must send notice by certified mail to a public official who fails to disclose the participation within ten business days after the disclosure was due that the public official may be subject to a civil penalty for failure to disclose the participation. A public official who fails to disclose the participation within seven days after the certified mail notice was sent by the board is subject to a civil penalty imposed by the board of up to \$1,000.

Sec. 4. Minnesota Statutes 2014, section 10A.09, subdivision 6, is amended to read:

Subd. 6. **Supplementary Annual statement.** Each individual who is required to file a statement of economic interest must also file a supplementary annual statement on by April 15 the last Monday in January of each year that the individual remains in office if information on the most recently filed statement has changed. The annual statement must cover the period through December 31 of the year prior to the year when the statement is due. The ~~supplementary annual statement, if required,~~ must include the amount of each honorarium in excess of \$50 received since the previous statement and the name and address of the source of the honorarium. The board must maintain a each annual statement of economic interest submitted by an officeholder in the same file with the statement submitted as a candidate.

Sec. 5. Minnesota Statutes 2014, section 10A.09, subdivision 10, is amended to read:

Subd. 10. **Board audits; data classification.** All data related to an audit, including the existence of the audit, are ~~classified as confidential data, as defined in section 13.02, subdivision 3.~~ A member, employee, or agent of the board must not disclose information obtained by the member, employee, or agent concerning the audit except as required to carry out the audit or take action in the matter. Upon completion of the audit, the board's final audit report is public. The final audit report must contain the name of the individual subject to the audit, a description of any audit findings, a description of any responses provided by the individual who was subject to the audit, and a description of the manner in which any findings were resolved.

Sec. 6. Minnesota Statutes 2014, section 10A.14, subdivision 1, is amended to read:

Subdivision 1. **First registration.** (a) The treasurer of a political committee, political fund, principal campaign committee, or party unit must register with the board by filing a registration statement. The registration statement must be filed by the earliest of the following dates:

(1) no later than 14 days after the committee, fund, or party unit has made a contribution, received contributions, or made expenditures in excess of \$750;

(2) no later than the next report of receipts and expenditures filing date applicable to the committee, fund, or party unit if the committee, fund, or party unit reached the threshold in clause (1) before the end of the reporting period covered by that report; or

(3) by the end of the next business day after it has received a loan or contribution that must be reported under section 10A.20, subdivision 5, whichever is earlier.

(b) This subdivision does not apply to ballot question or independent expenditure political committees or funds, which are subject to subdivision 1a.

Sec. 7. Minnesota Statutes 2014, section 10A.14, subdivision 1a, is amended to read:

Subd. 1a. **Independent expenditure or ballot question political committees and funds; first registration; reporting.** The treasurer of an independent expenditure or ballot question political committee or fund must register with the board by filing a registration statement. The registration must be filed by the earliest of the following dates:

(1) no later than 14 calendar days after the committee or the association registering the political fund has:

(i) received aggregate contributions for independent expenditures of more than \$1,500 in a calendar year;

(ii) received aggregate contributions for expenditures to promote or defeat a ballot question of more than \$5,000 in a calendar year;

(iii) made aggregate independent expenditures of more than \$1,500 in a calendar year; or

(iv) made aggregate expenditures to promote or defeat a ballot question of more than \$5,000 in a calendar year; ~~or~~

(2) no later than the next report of receipts and expenditures filing date applicable to the independent expenditure or ballot question committee or fund if the committee or fund reached the threshold in clause (1) before the end of the reporting period covered by that report; or

(3) by the end of the next business day after it has received a loan or contribution that must be reported under section 10A.20, subdivision 5, and it has met one of the requirements of clause (1).

Sec. 8. Minnesota Statutes 2014, section 10A.14, subdivision 4, is amended to read:

Subd. 4. **Failure to file; penalty.** If an individual fails to file a statement required by this section ~~within ten business days after~~ by the date that the statement was due, the board may impose a late filing fee of ~~\$5~~ \$25 per day, not to exceed ~~\$100~~ \$1,000, ~~commencing with the 11th~~ starting on the day after the statement was due.

The board must send notice by certified mail to any individual who fails to file a statement within ten business days after the statement was due that the individual may be subject to a civil penalty for failure to file the statement. An individual who fails to file the statement within seven days after the certified mail notice was sent by the board is subject to a civil penalty imposed by the board of up to \$1,000.

Sec. 9. Minnesota Statutes 2014, section 10A.17, subdivision 4, is amended to read:

Subd. 4. **Independent expenditures.** (a) Except as provided in paragraphs (b) and (c), an individual, political committee, political fund, principal campaign committee, or party unit that independently solicits or accepts contributions or makes independent expenditures on behalf of a candidate must publicly disclose that the expenditure is an independent expenditure. All written communications with those from whom contributions are independently solicited or accepted or to whom independent expenditures are made on behalf of a candidate must contain a statement in conspicuous type that the activity is an independent expenditure and is not approved by the candidate nor is the candidate responsible for it. Similar language must be included in all oral communications, in conspicuous type on the front page of all literature and advertisements published or posted, and at the end of all broadcast advertisements made by that individual, political committee, political fund, principal campaign committee, or party unit on the candidate's behalf.

(b) Paragraph (a) does not apply to individuals or associations that are not required to register or report under this chapter.

(c) Paragraph (a) does not apply to the following:

(1) bumper stickers, pins, buttons, pens, or similar small items on which the independent expenditure statement cannot be conveniently printed;

(2) skywriting, wearing apparel, or other means of displaying an advertisement of such a nature that the inclusion of the independent expenditure statement would be impracticable; and

(3) online banner ads and similar electronic communications that link directly to an online page that includes the independent expenditure statement.

Sec. 10. Minnesota Statutes 2014, section 10A.20, subdivision 1, is amended to read:

Subdivision 1. **First filing; duration.** (a) The treasurer of a political committee, political fund, principal campaign committee, or party unit must begin to file the reports required by this section for the first year it receives contributions or makes expenditures that require it to register under section 10A.14 and must continue to file until the committee, fund, or party unit is terminated.

(b) If, on or before the last date included in a reporting period, a political committee, political fund, principal campaign committee, or party unit received contributions or made expenditures that would require it to register under section 10A.14, the political committee, political fund, principal campaign committee, or party unit must both register with the board under section 10A.14 and report under this section by the date that the report for that reporting period is due.

(c) The reports must be filed electronically in a standards-based open format specified by the board. For good cause shown, the board must grant exemptions to the requirement that reports be filed electronically.

Sec. 11. Minnesota Statutes 2014, section 10A.20, subdivision 2, is amended to read:

Subd. 2. **Time for filing.** (a) The reports must be filed with the board on or before January 31 of each year and additional reports must be filed as required and in accordance with paragraphs (b) to (f).

(b) In each year in which the name of a candidate for legislative or district court judicial office is on the ballot, the report of the principal campaign committee must be filed 15 days before a primary election and ten days before a general election, seven days before a special primary election and seven days before a special general election, and ten days after a special election cycle.

(c) In each general election year, a political committee, a political fund, a state party committee, and a party unit established by all or a part of the party organization within a house of the legislature must file reports on the following schedule:

- (1) a first-quarter report covering the calendar year through March 31, which is due April 14;
- (2) a report covering the calendar year through May 31, which is due June 14;
- (3) a pre-primary-election report due 15 days before a primary election;
- (4) a pre-general-election report due 42 days before the general election; and
- (5) a pre-general-election report due ten days before a general election.

(d) In each general election year, a party unit not included in paragraph (c) must file reports 15 days before a primary election and ten days before a general election.

(e) In each year in which a constitutional office or appellate court judicial seat is on the ballot, the principal campaign committee of a candidate for that office or seat must file reports on the following schedule:

- (1) a first-quarter report covering the calendar year through March 31, which is due April 14;
- (2) a report covering the calendar year through May 31, which is due June 14;
- (3) a pre-primary-election report due 15 days before a primary election;

(4) a pre-general-election report due 42 days before the general election;

(5) a pre-general-election report due ten days before a general election; and

(6) for a special election, a constitutional office candidate whose name is on the ballot must file reports seven days before a special primary election, seven days before a special general election, and ten days after a special election cycle.

(f) Notwithstanding paragraphs (a) to (e):

(1) the principal campaign committee of a candidate who did not file for office is not required to file the report due June 14, the report due 15 days before the primary election, or the report due seven days before a special primary election; and

(2) the principal campaign committee of a candidate whose name will not be on the general election ballot is not required to file the report due 42 days before the general election, the report due ten days before a general election, or the report due seven days before a special general election.

Sec. 12. Minnesota Statutes 2014, section 10A.20, subdivision 3, is amended to read:

Subd. 3. **Contents of report.** (a) The report required by this section must include each of the items listed in paragraphs (b) to (o) that are applicable to the filer. The board shall prescribe forms based on filer type indicating which of those items must be included on the filer's report.

(b) The report must disclose the amount of liquid assets on hand at the beginning of the reporting period.

(c) The report must disclose the name, address, ~~and~~ employer, or occupation if self-employed, and registration number if registered with the board, of each individual or association that has made one or more contributions to the reporting entity, including the purchase of tickets for a fund-raising effort, that in aggregate within the year exceed \$200 for legislative or statewide candidates or more than \$500 for ballot questions, together with the amount and date of each contribution, and the aggregate amount of contributions within the year from each source so disclosed. A donation in kind must be disclosed at its fair market value. An approved expenditure must be listed as a donation in kind. A donation in kind is considered consumed in the reporting period in which it is received. The names of contributors must be listed in alphabetical order. Contributions from the same contributor must be listed under the same name. When a contribution received from a contributor in a reporting period is added to previously reported unitemized contributions from the same contributor and the aggregate exceeds the disclosure threshold of this paragraph, the name, address, and employer, or occupation if self-employed, of the contributor must then be listed on the report.

(d) The report must disclose the sum of contributions to the reporting entity during the reporting period.

(e) The report must disclose each loan made or received by the reporting entity within the year in aggregate in excess of \$200, continuously reported until repaid or forgiven, together with the name, address, occupation, ~~and~~ principal place of business, if any, and registration number if registered with the board of the lender and any endorser and the date and amount of the loan. If a loan made to the principal campaign committee of a candidate is forgiven or is repaid by an entity other than that principal campaign committee, it must be reported as a contribution for the year in which the loan was made.

(f) The report must disclose each receipt over \$200 during the reporting period not otherwise listed under paragraphs (c) to (e).

(g) The report must disclose the sum of all receipts of the reporting entity during the reporting period.

(h) The report must disclose the name ~~and~~, address, and registration number if registered with the board of each individual or association to whom aggregate expenditures, approved expenditures, independent expenditures, and ballot question expenditures have been made by or on behalf of the reporting entity within the year in excess of \$200, together with the amount, date, and purpose of each expenditure and the name and address of, and office sought by, each candidate on whose behalf the expenditure was made, identification of the ballot question that the expenditure was intended to promote or defeat and an indication of whether the expenditure was to promote or to defeat the ballot question, and in the case of independent expenditures made in opposition to a candidate, the candidate's name, address, and office sought. A reporting entity making an expenditure on behalf of more than one candidate for state or legislative office must allocate the expenditure among the candidates on a reasonable cost basis and report the allocation for each candidate.

(i) The report must disclose the sum of all expenditures made by or on behalf of the reporting entity during the reporting period.

(j) The report must disclose the amount and nature of an advance of credit incurred by the reporting entity, continuously reported until paid or forgiven. If an advance of credit incurred by the principal campaign committee of a candidate is forgiven by the creditor or paid by an entity other than that principal campaign committee, it must be reported as a donation in kind for the year in which the advance of credit was made.

(k) The report must disclose the name ~~and~~, address, and registration number if registered with the board of each political committee, political fund, principal campaign committee, or party unit to which contributions have been made that aggregate in excess of \$200 within the year and the amount and date of each contribution.

(l) The report must disclose the sum of all contributions made by the reporting entity during the reporting period.

(m) The report must disclose the name ~~and~~, address, and registration number if registered with the board of each individual or association to whom noncampaign disbursements have been made that aggregate in excess of \$200 within the year by or on behalf of the reporting entity and the amount, date, and purpose of each noncampaign disbursement.

(n) The report must disclose the sum of all noncampaign disbursements made within the year by or on behalf of the reporting entity.

(o) The report must disclose the name and address of a nonprofit corporation that provides administrative assistance to a political committee or political fund as authorized by section 211B.15, subdivision 17, the type of administrative assistance provided, and the aggregate fair market value of each type of assistance provided to the political committee or political fund during the reporting period.

Sec. 13. Minnesota Statutes 2014, section 10A.25, subdivision 10, is amended to read:

Subd. 10. **Effect of opponent's conduct.** (a) After the deadline for filing a spending limit agreement under section 10A.322, a candidate who has agreed to be bound by the expenditure limits imposed by this section as a condition of receiving a public subsidy for the candidate's campaign may choose to be released from the expenditure limits but remain eligible to receive a public subsidy if the candidate has an opponent who has not agreed to be bound by the limits and has received contributions or made or become obligated to make expenditures during that election cycle in excess of the following limits:

(1) up to the close of the reporting period before the primary election, receipts or expenditures equal to 20 percent of the election segment expenditure limit for that office as set forth in subdivision 2; or

(2) after the close of the reporting period before the primary election, cumulative receipts or expenditures during that election cycle equal to 50 percent of the election cycle expenditure limit for that office as set forth in subdivision 2.

Before the primary election, a candidate's "opponents" are only those who will appear on the ballot of the same party in the primary election.

(b) A candidate who has not agreed to be bound by expenditure limits, or the candidate's principal campaign committee, must file written notice with the board and provide written notice to any opponent of the candidate for the same office within 24 hours of exceeding the limits in paragraph (a). The notice must state only that the candidate or candidate's principal campaign committee has received contributions or made or become obligated to make campaign expenditures in excess of the limits in paragraph (a).

(c) Upon receipt of the notice, a candidate who had agreed to be bound by the limits may file with the board a notice that the candidate chooses to be no longer bound by the expenditure limits. A notice of a candidate's choice not to be bound by the expenditure limits that is based on the conduct of an opponent in the state primary election may not be filed more than one day after the State Canvassing Board has declared the results of the state primary.

(d) A candidate who has agreed to be bound by the expenditure limits imposed by this section and whose opponent in the general election has chosen, as provided in paragraph (c), not to be bound by the expenditure limits because of the conduct of an opponent in the primary election is no longer bound by the limits but remains eligible to receive a public subsidy.

Sec. 14. Minnesota Statutes 2014, section 10A.27, subdivision 1, is amended to read:

Subdivision 1. **Contribution limits.** (a) Except as provided in subdivision 2, a candidate must not permit the candidate's principal campaign committee to accept aggregate contributions made or delivered by any individual, political committee, political fund, or association not registered with the board in excess of the following:

(1) to candidates for governor and lieutenant governor running together, \$4,000 in the election segment of an election cycle for the office sought and \$2,000 in the nonelection segment of the election cycle;

(2) to a candidate for attorney general, \$2,500 in the election segment of an election cycle for the office sought and \$1,500 in the nonelection segment of the election cycle;

(3) to a candidate for secretary of state or state auditor, \$2,000 in the election segment of an election cycle and \$1,000 in the nonelection segment of the election cycle;

(4) to a candidate for state senator, \$1,000 in the election segment of an election cycle for the office sought and \$1,000 in a nonelection segment of the election cycle;

(5) to a candidate for state representative, \$1,000 in the election segment of an election cycle for the office sought; and

(6) to a candidate for judicial office, \$2,500 in the election segment of an election cycle for the office sought and ~~\$1,000~~ \$2,500 in a nonelection segment of the election cycle.

(b) The following deliveries are not subject to the bundling limitation in this subdivision:

(1) delivery of contributions collected by a member of the candidate's principal campaign committee, such as a block worker or a volunteer who hosts a fund-raising event, to the committee's treasurer; and

(2) a delivery made by an individual on behalf of the individual's spouse.

(c) A lobbyist, political committee, political party unit, an association that has a political fund, or an association not registered with the board must not make a contribution a candidate is prohibited from accepting.

Sec. 15. Minnesota Statutes 2014, section 10A.27, subdivision 11, is amended to read:

Subd. 11. **Contributions from certain types of contributors.** A candidate must not permit the candidate's principal campaign committee to accept a contribution from a political committee, political fund, lobbyist, ~~large contributor,~~ or association not registered with the board if the contribution will cause the aggregate contributions from those types of contributors during an election cycle segment to exceed an amount equal to 20 percent of the election cycle segment expenditure limits for the office sought by the candidate, provided that the 20 percent limit must be rounded to the nearest \$100. ~~For purposes of this subdivision, "large contributor" means an individual, other than the candidate, who contributes an amount that is more than one half the amount an individual may contribute during the election cycle segment.~~

Sec. 16. Minnesota Statutes 2014, section 10A.273, subdivision 1, is amended to read:

Subdivision 1. **Contributions during legislative session.** (a) A candidate for the legislature or for constitutional office, the candidate's principal campaign committee, or a political committee or party unit established by all or a part of the party organization within a house of the legislature, must not solicit or accept a contribution from a registered lobbyist, political committee, political fund, or an association not registered with the board, ~~or a party unit established by the party organization within a house of the legislature,~~ during a regular session of the legislature.

(b) A registered lobbyist, political committee, political fund, or an association not registered with the board, ~~or a party unit established by the party organization within a house of the legislature,~~ must not make a contribution to a candidate for the legislature or for constitutional office, the candidate's principal campaign committee, or a political committee or party unit established by all or a part of the party organization within a house of the legislature during a regular session of the legislature.

Sec. 17. Minnesota Statutes 2014, section 10A.273, subdivision 3, is amended to read:

Subd. 3. **Definition.** For purposes of this section, a "regular session" includes the entire first day and the entire last day of each annual session. For purposes of this section, "regular session" does not include a special session or the interim between the two annual sessions of a biennium.

Sec. 18. Minnesota Statutes 2014, section 10A.322, subdivision 4, is amended to read:

Subd. 4. **Refund receipt forms; penalty.** (a) The board must make available to a political party on request and to any candidate for whom an agreement under this section is effective, a supply of official refund receipt forms that state in boldface type that:

(1) a contributor who is given a receipt form is eligible to claim a refund as provided in section 290.06, subdivision 23; and

(2) if the contribution is to a candidate, that the candidate has signed an agreement to limit campaign expenditures as provided in this section.

The forms must provide duplicate copies of the receipt to be attached to the contributor's claim.

(b) The willful issuance of an official refund receipt form or a facsimile of one to any of the candidate's contributors by a candidate or treasurer of a candidate who did not sign an agreement under this section is subject to a civil penalty of up to \$3,000 imposed by the board.

(c) The willful issuance of an official refund receipt form or a facsimile to an individual not eligible to claim a refund under section 290.06, subdivision 23, is subject to a civil penalty of up to \$3,000 imposed by the board.

(d) A violation of paragraph (b) or (c) is a misdemeanor.

Sec. 19. Minnesota Statutes 2014, section 10A.34, is amended by adding a subdivision to read:

Subd. 4. **Penalty for violations of chapter 211B under board's jurisdiction.** If a civil penalty is not specified in a section of chapter 211B brought under the board's jurisdiction by section 10A.02, subdivision 11, paragraph (a), the board may impose a civil penalty of up to \$3,000.

Sec. 20. Minnesota Statutes 2014, section 13.607, is amended by adding a subdivision to read:

Subd. 3a. **Campaign Finance and Public Disclosure Board audit data.** The record of certain audits conducted under chapter 10A is classified, and disposition of certain information is governed, by section 10A.09, subdivision 10.

Sec. 21. Minnesota Statutes 2014, section 13.607, subdivision 5, is amended to read:

Subd. 5. **Statements of economic interest.** (a) Disclosure of statements of economic interest filed by local officials is governed by section 10A.09, subdivision 6a.

(b) Data related to audits of statements of economic interest are governed by section 10A.09, subdivision 10.

Sec. 22. Minnesota Statutes 2014, section 211B.04, is amended to read:

211B.04 CAMPAIGN LITERATURE MUST INCLUDE DISCLAIMER.

(a) A person who participates in the preparation or dissemination of campaign material other than as provided in section 211B.05, subdivision 1, that does not prominently include the name and address of the person or committee causing the material to be prepared or disseminated in a disclaimer substantially in the form provided in paragraph (b) or (c) is guilty of a misdemeanor.

(b) Except in cases covered by paragraph (c), the required form of disclaimer is: "Prepared and paid for by the committee, (address)" for material prepared and paid for by a principal campaign committee, or "Prepared and paid for by the committee,(address), in support of(insert name of candidate or ballot question)" for material prepared and paid for by a person or committee other than a principal campaign committee. If the material is produced and disseminated without cost, the words "paid for" may be omitted from the disclaimer.

(c) In the case of broadcast media, the required form of disclaimer is: "Paid for by the committee." If the material is produced and broadcast without cost, the required form of the disclaimer is: "The committee is responsible for the content of this message."

(d) ~~Campaign material that is not circulated on behalf of a particular candidate or ballot question must also include in the disclaimer either that it is "in opposition to.....(insert name of candidate or ballot question.....)"; or that "this publication is not circulated on behalf of any candidate or ballot question."~~

(e) This section does not apply to ~~objects stating only the candidate's name and the office sought, fund-raising tickets, or business cards, personal letters, or similar items~~ that are clearly being ~~sent~~ distributed by the candidate.

~~(f) (e) This section does not apply to an individual or association who acts independently of any candidate, candidate's committee, political committee, or political fund and spends only from the individual's or association's own resources a sum that is less than \$2,000 in the aggregate to produce or distribute campaign material that is distributed at least seven days before the election to which the campaign material relates that is not required to register or report under chapter 10A or 211A.~~

(f) This section does not apply to the following:

(1) bumper stickers, pins, buttons, pens, or similar small items on which the disclaimer cannot be conveniently printed;

(2) skywriting, wearing apparel, or other means of displaying an advertisement of such a nature that the inclusion of a disclaimer would be impracticable; and

(3) online banner ads and similar electronic communications that link directly to an online page that includes the disclaimer.

(g) This section does not modify or repeal section 211B.06.

Sec. 23. Minnesota Statutes 2014, section 211B.12, is amended to read:

211B.12 LEGAL EXPENDITURES.

Use of money collected for political purposes is prohibited unless the use is reasonably related to the conduct of election campaigns, or is a noncampaign disbursement as defined in section 10A.01, subdivision 26. The following are permitted expenditures when made for political purposes:

(1) salaries, wages, and fees;

(2) communications, mailing, transportation, and travel;

(3) campaign advertising;

(4) printing;

(5) office and other space and necessary equipment, furnishings, and incidental supplies;

(6) charitable contributions of not more than \$100 to any charity organized under section 501(c)(3) of the Internal Revenue Code annually, except that the amount contributed ~~by a~~ is not limited by this clause if the political committee, political fund, party unit, principal campaign committee, or from the campaign fund of a candidate for political subdivision office that made the contribution dissolves within one year after the contribution is made ~~is not limited by this clause~~; and

(7) other expenses, not included in clauses (1) to (6), that are reasonably related to the conduct of election campaigns. In addition, expenditures made for the purpose of providing information to constituents, whether or not related to the conduct of an election, are permitted expenses. Money collected for political purposes and assets of a political committee or political fund may not be converted to personal use.

Sec. 24. Minnesota Statutes 2014, section 211B.15, subdivision 2, is amended to read:

Subd. 2. **Prohibited contributions.** (a) A corporation may not make a contribution or offer or agree to make a contribution directly or indirectly, of any money, property, free service of its officers, employees, or members, or thing of monetary value to a ~~major~~ political party, organization, committee, or individual to promote or defeat the candidacy of an individual for nomination, election, or appointment to a political office.

(b) A political party, organization, committee, or individual may not accept a contribution or an offer or agreement to make a contribution that a corporation is prohibited from making under paragraph (a).

(c) For the purpose of this subdivision, "contribution" includes an expenditure to promote or defeat the election or nomination of a candidate to a political office that is made with the authorization or expressed or implied consent of, or in cooperation or in concert with, or at the request or suggestion of, a candidate or committee established to support or oppose a candidate but does not include an independent expenditure authorized by subdivision 3.

Sec. 25. Minnesota Statutes 2014, section 211B.37, is amended to read:

211B.37 COSTS ASSESSED.

Except as otherwise provided in section 211B.36, subdivision 3, the chief administrative law judge shall assess the cost of considering complaints filed under section 211B.32 as provided in this section. Costs of complaints relating to a statewide ballot question or an election for a statewide or legislative office must be ~~assessed against the appropriation from the general fund to the general account of the state elections campaign account in section 10A.31, subdivision 4~~ paid from appropriations to the office for this purpose. Costs of complaints relating to any other ballot question or elective office must be paid from appropriations to the office for this purpose.

Sec. 26. **REVISOR'S INSTRUCTION.**

The revisor of statutes shall renumber the provisions of Minnesota Statutes listed in column A to the references listed in column B. The revisor shall also make necessary cross-reference changes in Minnesota Statutes and Minnesota Rules consistent with the renumbering.

Column A

10A.02, subd. 9
10A.02, subd. 10, paragraphs (a) and (b)
10A.02, subd. 10, paragraph (c)
10A.02, subd. 11, paragraph (a)
10A.02, subd. 11, paragraph (b)
10A.02, subd. 11, paragraph (c)
10A.02, subd. 11, paragraph (d)
10A.02, subd. 11, paragraph (e)
10A.02, subd. 11a
10A.02, subd. 13
10A.09, subd. 10

Column B

10A.022, subd. 1
10A.022, subd. 2
10A.02, subd. 13, paragraph (b)
10A.022, subd. 3
10A.022, subd. 8
10A.022, subd. 4
10A.022, subd. 5, paragraph (a)
10A.022, subd. 7
10A.022, subd. 5, paragraph (b)
10A.02, subd. 13, paragraph (a)
10A.022, subd. 6

Sec. 27. **REPEALER.**

Minnesota Statutes 2014, section 10A.20, subdivision 1c, and Minnesota Rules, part 4503.1500, subpart 2, are repealed.

Sec. 28. **EFFECTIVE DATE.**

This act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to campaign finance; modifying provisions related to the Campaign Finance and Public Disclosure Board; making changes to provisions related to enforcement, registration, fees, data, contributions, statements of economic interest, and various other provisions administered by the board; providing penalties; making technical changes; amending Minnesota Statutes 2014, sections 10A.02, subdivision 11; 10A.03, subdivision 3; 10A.08, subdivision 1; 10A.09, subdivisions 6, 10; 10A.14, subdivisions 1, 1a, 4; 10A.17, subdivision 4; 10A.20, subdivisions 1, 2, 3; 10A.25, subdivision 10; 10A.27, subdivisions 1, 11; 10A.273, subdivisions 1, 3; 10A.322, subdivision 4; 10A.34, by adding a subdivision; 13.607, subdivision 5, by adding a subdivision; 211B.04; 211B.12; 211B.15, subdivision 2; 211B.37; repealing Minnesota Statutes 2014, section 10A.20, subdivision 1c; Minnesota Rules, part 4503.1500, subpart 2."

We request the adoption of this report and repassage of the bill.

Senate Conferees: JIM CARLSON, KATIE SIEBEN and ANN H. REST.

House Conferees: TIM SANDERS, JIM NASH and MICHAEL V. NELSON.

Sanders moved that the report of the Conference Committee on S. F. No. 205 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 205, A bill for an act relating to campaign finance; modifying provisions related to the campaign finance and public disclosure board; making changes to provisions related to enforcement, registration, fees, data, contributions, statements of economic interest, and various other provisions administered by the board; providing penalties; making technical changes; amending Minnesota Statutes 2014, sections 10A.02, subdivision 11; 10A.03, subdivision 3; 10A.08, subdivision 1; 10A.09, subdivisions 6, 10; 10A.14, subdivisions 1, 1a, 4; 10A.17, subdivision 4; 10A.20, subdivisions 1, 2, 3; 10A.25, subdivision 10; 10A.27, subdivisions 1, 11, by adding a subdivision; 10A.322, subdivision 4; 10A.34, by adding a subdivision; 13.607, subdivision 5, by adding a subdivision; 211B.04; 211B.12; 211B.15, subdivision 2; repealing Minnesota Statutes 2014, section 10A.20, subdivision 1c; Minnesota Rules, part 4503.1500, subpart 2.

The bill was read for the third time, as amended by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 134 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Albright	Bennett	Dean, M.	Freiberg	Heintzeman	Kahn
Allen	Bernardy	Dehn, R.	Garofalo	Hertaus	Kelly
Anderson, M.	Bly	Dettmer	Green	Hilstrom	Kiel
Anderson, P.	Carlson	Dill	Gruenhagen	Hoppe	Knoblach
Anderson, S.	Christensen	Drazkowski	Gunther	Hornstein	Koznick
Anzelc	Clark	Erhardt	Hackbarth	Hortman	Kresha
Applebaum	Considine	Erickson	Halverson	Howe	Laine
Atkins	Cornish	Fabian	Hamilton	Isaacson	Lenczewski
Backer	Daniels	Fenton	Hancock	Johnson, B.	Lesch
Baker	Davids	Fischer	Hansen	Johnson, C.	Liebling
Barrett	Davnie	Franson	Hausman	Johnson, S.	Lien

Lillie	McDonald	Newton	Poppe	Simonson	Ward
Loeffler	McNamara	Nornes	Pugh	Slocum	Whelan
Lohmer	Melin	Norton	Quam	Smith	Wills
Loon	Metsa	O'Driscoll	Rarick	Sundin	Winkler
Loonan	Miller	O'Neill	Rosenthal	Swedzinski	Yarusso
Lucero	Moran	Pelowski	Runbeck	Theis	Youakim
Lueck	Mullery	Peppin	Sanders	Thissen	Zerwas
Mack	Murphy, E.	Persell	Schoen	Torkelson	Spk. Daudt
Mahoney	Murphy, M.	Petersburg	Schomacker	Uglen	
Mariani	Nash	Peterson	Schultz	Urdahl	
Marquart	Nelson	Pierson	Scott	Vogel	
Masin	Newberger	Pinto	Selcer	Wagenius	

The bill was repassed, as amended by Conference, and its title agreed to.

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendments the concurrence of the House is respectfully requested:

H. F. No. 1792, A bill for an act relating to health; making changes to provisions governing receivership of nursing homes or certified boarding care homes; amending Minnesota Statutes 2014, sections 144A.15; 256B.0641, subdivision 3; 256B.495, subdivisions 1, 5; repealing Minnesota Statutes 2014, sections 144A.14; 256B.495, subdivisions 1a, 2, 4.

JOANNE M. ZOFF, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Baker moved that the House concur in the Senate amendments to H. F. No. 1792 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1792, A bill for an act relating to health; making changes to provisions governing receivership of nursing homes or certified boarding care homes; changing medical cannabis provisions; amending Minnesota Statutes 2014, sections 144A.15; 152.22, subdivision 6; 152.25, subdivision 1; 152.27, subdivision 6; 152.29, subdivision 1; 152.34; 256B.0641, subdivision 3; 256B.495, subdivisions 1, 5; Laws 2014, chapter 311, sections 17, subdivision 2; 20; repealing Minnesota Statutes 2014, sections 144A.14; 256B.495, subdivisions 1a, 2, 4.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 107 yeas and 26 nays as follows:

Those who voted in the affirmative were:

Albright	Anzelc	Baker	Bly	Clark	Daniels
Allen	Applebaum	Bennett	Carlson	Considine	Davids
Anderson, M.	Atkins	Bernardy	Christensen	Cornish	Davnie

Dehn, R.	Hansen	Knoblach	McNamara	Petersburg	Sundin
Dettmer	Hausman	Laine	Melin	Peterson	Theis
Dill	Heintzeman	Lenczewski	Metsa	Pierson	Thissen
Erhardt	Hilstrom	Lesch	Moran	Pinto	Uglem
Fenton	Hoppe	Liebling	Mullery	Poppe	Urdahl
Fischer	Hornstein	Lien	Murphy, E.	Rarick	Vogel
Franson	Hortman	Lillie	Murphy, M.	Rosenthal	Wagenius
Freiberg	Howe	Loeffler	Nelson	Runbeck	Ward
Garofalo	Isaacson	Loon	Newberger	Sanders	Wills
Green	Johnson, B.	Loonan	Newton	Schoen	Winkler
Gunther	Johnson, C.	Mack	Nornes	Schomacker	Yarusso
Hackbarth	Johnson, S.	Mahoney	Norton	Schultz	Youakim
Halverson	Kahn	Mariani	O'Driscoll	Scott	Zerwas
Hamilton	Kelly	Marquart	Pelowski	Selcer	Spk. Daudt
Hancock	Kiel	Masin	Persell	Slocum	

Those who voted in the negative were:

Anderson, P.	Erickson	Kresha	Miller	Quam	Whelan
Anderson, S.	Fabian	Lohmer	Nash	Simonson	
Barrett	Gruenhagen	Lucero	O'Neill	Smith	
Dean, M.	Hertaus	Lueck	Peppin	Swedzinski	
Drazkowski	Koznick	McDonald	Pugh	Torkelson	

The bill was repassed, as amended by the Senate, and its title agreed to.

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

S. F. No. 698.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said Senate File is herewith transmitted to the House.

JOANNE M. ZOFF, Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. No. 698

A bill for an act relating to natural resources; appropriating money from environment and natural resources trust fund; modifying provisions for Legislative-Citizen Commission on Minnesota Resources; amending Minnesota Statutes 2014, sections 116P.05, subdivision 2; 116P.08, subdivisions 5, 6, 7; 116P.09, subdivisions 6, 8.

May 17, 2015

The Honorable Sandra L. Pappas
President of the Senate

The Honorable Kurt L. Daudt
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 698 report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 698 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. **APPROPRIATIONS.**

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

	<u>APPROPRIATIONS</u>	
	<u>Available for the Year</u>	
	<u>Ending June 30</u>	
	<u>2016</u>	<u>2017</u>
Sec. 2. <u>MINNESOTA RESOURCES.</u>		
Subdivision 1. <u>Total Appropriation</u>	<u>\$46,383,000</u>	<u>\$-0-</u>
<u>Appropriations by Fund</u>		
	<u>2016</u>	<u>2017</u>
<u>Environment and natural resources trust fund</u>	46,324,000	-0-
<u>Great Lakes protection account</u>	59,000	-0-

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

Appropriations are available for two years beginning July 1, 2015, unless otherwise stated in the appropriation. Any unencumbered balance remaining in the first year does not cancel and is available for the second year or until the end of the appropriation.

Subd. 2. **Definition**

"Trust fund" means the Minnesota environment and natural resources trust fund referred to in Minnesota Statutes, section 116P.02, subdivision 6.

Subd. 3. **Foundational Natural Resource Data and Information**

12,932,000 -0-

(a) **County Geologic Atlases - Part A**

\$2,040,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota for the Minnesota Geological Survey to continue acceleration of the production of

county geologic atlases for the purpose of sustainable management of surface water and groundwater resources. This appropriation is to complete Part A of county geologic atlases, which focuses on the properties and distribution of earth materials in order to define aquifer boundaries and the connection of aquifers to the land surface and surface water resources. This appropriation is available until June 30, 2018, by which time the project must be completed and final products delivered.

(b) County Geologic Atlases - Part B

\$2,000,000 the first year is from the trust fund to the commissioner of natural resources to continue acceleration of the production of county geologic atlases for the purpose of sustainable management of surface water and groundwater resources. This appropriation is to complete Part B of county geologic atlases, which focuses on the properties and distribution of subsurface water found within geologic formations mapped in Part A in order to characterize the potential yield of aquifers and their sensitivity to contamination. This appropriation is available until June 30, 2018, by which time the project must be completed and final products delivered.

(c) Minnesota Biological Survey

\$2,450,000 the first year is from the trust fund to the commissioner of natural resources for continuation of the Minnesota biological survey to provide a foundation for conserving biological diversity by systematically collecting, interpreting, monitoring, and delivering data on plant and animal distribution and ecology, native plant communities, and functional landscapes.

(d) Minnesota Biodiversity Atlas for Enhanced Natural Resource Management

\$340,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota for the Bell Museum of Natural History to create a publicly accessible, online tool and repository that will electronically integrate over 600,000 existing biodiversity records, 300,000 existing images, and future data and associated imagery pertaining to Minnesota wildlife, plant, and fungi species in order to enhance research, guide field surveys, and inform conservation planning. This appropriation is available until June 30, 2018, by which time the project must be completed and final products delivered.

(e) Updating the National Wetland Inventory for Minnesota - Phase V

\$1,500,000 the first year is from the trust fund to the commissioner of natural resources to continue to update and enhance wetland inventory maps for Minnesota. This appropriation is available until June 30, 2018, by which time the project must be completed and final products delivered.

(f) Creating a Statewide Wetland Bird Monitoring Program

\$146,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Audubon Minnesota to develop a statewide wetland bird monitoring program to enable long-term monitoring of the status of wetland birds and the health of their wetland habitats. This appropriation is available until June 30, 2018, by which time the project must be completed and final products delivered.

(g) Minnesota Native Bee Atlas

\$790,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to supplement and enhance existing bee survey efforts by engaging citizens in helping to document the distribution and phenology of wild Minnesota bees and integrating data from all related bee survey efforts into a single publicly accessible, online tool and repository. This appropriation is available until June 30, 2019, by which time the project must be completed and final products delivered.

(h) Reintroduction and Interpretation of Bison in Minnesota State Parks

\$600,000 the first year is from the trust fund to the commissioner of natural resources to preserve American bison by reintroducing bison to Minneopa State Park and provide interpretive learning opportunities at Blue Mounds and Minneopa State Parks. This appropriation is available until June 30, 2018, by which time the project must be completed and final products delivered.

(i) Endangered Bats, White-Nose Syndrome, and Forest Habitat

\$1,250,000 the first year is from the trust fund to the commissioner of natural resources in cooperation with the University of Minnesota and the United States Forest Service to survey and radio-track endangered bats to define and understand summer forest habitat use in order to minimize forestry impacts and mitigate white-nose syndrome disease impacts. This appropriation is available until June 30, 2018, by which time the project must be completed and final products delivered.

(j) Assessing Contaminants in Minnesota Loons and Pelicans - Phase III

\$141,000 the first year is from the trust fund to the commissioner of natural resources to continue to assess the potential impact of petroleum, dispersants, and heavy metal contaminants from the Deepwater Horizon oil spill in the Gulf of Mexico on the wintering habitat of Minnesota's common loons and white pelicans using radiotelemetry, geolocators, and contaminant analysis.

(k) Movement and Seasonal Habitat Use of Minnesota Elk

\$200,000 the first year is from the trust fund to the commissioner of natural resources to collect biological information about Minnesota elk, including movements and habitat use to enable long-term, sustainable management. This appropriation is contingent on a \$50,000 match from state or nonstate sources. This appropriation is available until June 30, 2018, by which time the project must be completed and final products delivered.

(l) Genetic and Camera Techniques to Estimate Carnivore Populations

\$200,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota – Duluth for the Natural Resources Research Institute to use genetic sampling and remote cameras to improve monitoring of distributions and estimate population sizes of carnivore species.

(m) Aquatic and Terrestrial Reptile Habitat

\$250,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the University of St. Thomas in cooperation with the Three Rivers Park District to analyze the aquatic and terrestrial habitat for certain reptile species in urban lakes and to make specific recommendations to protect and enhance the habitat. This appropriation is available until June 30, 2019, by which time the project must be completed and final products delivered.

(n) Digitization of Historic Gullion Ruffed Grouse Research

\$75,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Central Lakes College to preserve the Gordon Gullion ruffed grouse data sets as permanent digital data files in order to improve accessibility to the information and inform forest wildlife conservation policies and practices.

(o) Effects of Grazing Versus Fire for Prairie Management

\$414,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to compare the effects of conservation grazing and prescribed fire on tallgrass prairie plants and pollinators in Minnesota in order to inform and improve land management practices. This appropriation is available until June 30, 2018, by which time the project must be completed and final products delivered.

(p) Assessing Ecological Impact of St. Anthony Falls Lock Closure

\$125,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the Minneapolis Riverfront Partnership to study the impact of altered river flow due to closure of the Upper Lock on the Mississippi River at St. Anthony Falls on the physical and biological characteristics of the river between the Coon Rapids Dam and Lock and Dam No. 1 in order to inform future river restoration efforts.

(q) Foundational Dataset Characterizing Historic Forest Disturbance Impacts

\$200,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to quantify forest disturbance impacts over the past forty years on water quality, wildlife demographics, and wood fiber supply in order to identify management strategies that better respond to disturbance impacts and improve and sustain forest resources. This appropriation is available until June 30, 2018, by which time the project must be completed and final products delivered.

(r) Hydrologic Effects of Contemporary Forest Practices in Minnesota

\$150,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to install hydrologic monitoring stations to collect water quantity and quality data from lands managed for timber production to better understand the relationship between harvest practices and water resources and related responses to changing climate and other disturbance factors in order to inform forest management practices. This appropriation is available until June 30, 2018, by which time the project must be completed and final products delivered.

(s) Habitat Mitigation for Goblin Fern Conservation

\$61,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the Leech Lake Band of Ojibwe to examine goblin fern populations, a threatened species in Minnesota, in relation to habitat degradation and to develop long-term habitat mitigation and species conservation strategies. This appropriation is available until June 30, 2018, by which time the project must be completed and final products delivered.

Subd. 4. Water Resources3,065,000-0-**(a) Understanding Water Scarcity, Threats, and Values to Improve Management**

\$234,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to model and map statewide water scarcity and abundance; assess water-related risks

to industry, municipalities, and ecosystems; and quantify the economic values of changes in water quality and quantity in order to inform long-term water sustainability strategies. This appropriation is available until June 30, 2018, by which time the project must be completed and final products delivered.

(b) Biofilm Technology for Water Nutrient Removal

\$281,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to develop a simulated lichen biofilm system that can be used to remove pollutants and recycle nutrients from storm water runoff and polluted lakes, ponds, and lagoons. This appropriation is subject to Minnesota Statutes, section 116P.10. This appropriation is available until June 30, 2018, by which time the project must be completed and final products delivered.

(c) Biological Consequences of Septic Pollution in Minnesota Lakes

\$364,000 the first year is from the trust fund to the Board of Trustees of the Minnesota State Colleges and Universities system for St. Cloud State University to assess the presence of possible sources of contaminants of emerging concern in Minnesota lakes in order to determine their effects on fish health, understand the potential contribution from septic systems, and inform options for remediation and prevention to protect Minnesota lakes from these contaminants in the future. This appropriation is available until June 30, 2018, by which time the project must be completed and final products delivered.

(d) Preventing Phosphorous from Entering Water Resources through Drain Tiles

\$505,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to develop a new nanocomposite material made from biomass that is designed to adsorb phosphorus, nitrogen, and pesticides from storm water and drain tile runoff discharge for recycling back to agricultural lands. This appropriation is subject to Minnesota Statutes, section 116P.10.

(e) Southeast Minnesota Cover Crop and Soil Health Initiatives

\$253,000 the first year is from the trust fund to the Board of Water and Soil Resources to promote cover crops as a means of protecting soil and water quality in southeastern Minnesota through training and education for local practitioners, economic analysis of implementation, and on-farm demonstration sites. This effort must be coordinated with the University of Minnesota Forever Green Initiative. This appropriation is available until June 30, 2018, by which time the project must be completed and final products delivered.

(f) Southeast Minnesota Subsurface Drainage Impacts on Groundwater Recharge

\$488,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the United States Geological Survey to assess the relationship between agricultural drainage and water flow within the unique karst geology of southeast Minnesota to characterize the potential impacts of drainage on groundwater recharge and groundwater sustainability in the region. This appropriation is not subject to Minnesota Statutes, section 116P.10. This appropriation is available until June 30, 2019, by which time the project must be completed and final products delivered.

(g) Using Hydroacoustics to Monitor Sediment in Minnesota Rivers

\$455,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the United States Geological Survey to install hydroacoustic equipment on the lower Minnesota and Mississippi Rivers to improve measurement and monitoring accuracy for suspended sediment and enhance ongoing sediment reduction efforts by state, federal, and local agencies. This appropriation is not subject to Minnesota Statutes, section 116P.10. This appropriation is available until June 30, 2019, by which time the project must be completed and final products delivered.

(h) Assessment of Irrigation Efficiencies in Benton County

\$431,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Benton Soil and Water Conservation District to develop and implement a decision support system to increase irrigation efficiencies and provide outreach on irrigation best management practices. Software developed with this appropriation must be available in the public domain. Project efforts should be coordinated with the Department of Natural Resources. This appropriation is available until June 30, 2019, by which time the project must be completed and final products delivered.

(i) Shoreview Water Consumption and Groundwater Awareness Project

\$54,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the city of Shoreview to provide biweekly water consumption data to at least 400 residential households for a two-year period to determine whether additional groundwater can be conserved with greater awareness of consumption data. This appropriation is available until June 30, 2018, by which time the project must be completed and final products delivered.

Subd. 5. Environmental Education1,004,000-0-**(a) Trap Shooting Sports Facility Grants**

\$132,000 the first year is from the trust fund to the commissioner of natural resources for trap shooting sports facility grants under Minnesota Statutes, section 87A.10.

(b) Connecting Students with Watersheds through Hands-On Learning

\$400,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Minnesota Trout Unlimited to provide hands-on learning focused on water quality, groundwater, aquatic life, and watershed health stewardship. This appropriation is available until June 30, 2018, by which time the project must be completed and final products delivered.

(c) Zumbro River Watershed Recreational Learning Stewardship Sites

\$300,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the Zumbro Watershed Partnership to develop at least six recreational and educational sites on the Zumbro River with water quality demonstration elements and interpretative signage designed to encourage adoption of water protection practices. No more than 15 percent of this appropriation may be spent on site and construction consultation, planning, and design. Any plantings or restoration activities conducted with this appropriation must use native plant species according to the Board of Water and Soil Resources' native vegetation establishment and enhancement guidelines. This appropriation is available until June 30, 2018, by which time the project must be completed and final products delivered.

(d) Students Engaging Local Watersheds Using Mobile Technologies

\$147,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Twin Cities Public Television to deliver an experiential, project-based educational program using mobile technologies to empower at least 200 middle school students in 4-H programs to engage in understanding and protecting local water resources.

(e) Mississippi River Water Journey Camps

\$25,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to design and pilot two week-long summer camps for youth ages 6 to 11 focused around clean water

and the Mississippi River and designed to get children outdoors exploring and engaged with the natural environment and creating educational materials to help their communities protect water quality.

Subd. 6. Aquatic and Terrestrial Invasive Species

6,071,000

-0-

(a) Minnesota Invasive Terrestrial Plants and Pests Center

\$5,000,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota for the Invasive Terrestrial Plants and Pests Center established in Laws 2014, chapter 312, article 13, section 44, to conduct research to prevent, minimize, and mitigate the threats and impacts posed by invasive plants, pathogens, and pests to the state's prairies, forests, wetlands, and agricultural resources. This appropriation is available until June 30, 2023, by which time the project must be completed and final products delivered.

(b) Emerald Ash Borer Ecological and Hydrological Impacts - Phase II

\$400,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to assess the potential impacts of emerald ash borer on Minnesota black ash forests and quantify potential impacts on native forest vegetation, invasive species spread, and hydrology. This appropriation is available until June 30, 2020, by which time the project must be completed and final products delivered.

(c) Biological Control of Canada Thistle

\$300,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to develop a biological control for Canada thistle, an invasive plant species in Minnesota. This appropriation is available until June 30, 2018, by which time the project must be completed and final products delivered.

(d) Preventing New Disease of Pines in Minnesota

\$371,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to establish early detection for heterobasidion, an invasive root rot fungus, and develop efforts to prevent its spread and reduce its impact. This appropriation is available until June 30, 2018, by which time the project must be completed and final products delivered.

Subd. 7. Air Quality, Climate Change, and Renewable Energy

2,268,000

-0-

(a) Renewable and Sustainable Fertilizers Produced Locally

\$1,000,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota for the Morris West Central Research and Outreach Center and Twin Cities Campus to

develop and demonstrate new technologies aimed at enabling renewable and sustainable production of ammonia for fertilizer in a localized manner. This appropriation is subject to Minnesota Statutes, section 116P.10. This appropriation is available until June 30, 2018, by which time the project must be completed and final products delivered.

(b) Reducing Emissions from Open Burning through Biomass Gasification

\$268,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota in cooperation with the Department of Natural Resources to characterize and promote distributed biomass gasification of wood waste as a means for producing renewable and sustainable energy in rural areas through a demonstration at the Department of Natural Resources regional office facility in New Ulm.

(c) Building Deconstruction to Reduce Greenhouse Gas Emissions and Solid Waste

\$845,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Better Futures Minnesota in cooperation with the Northwest Indian Opportunities Industrialization Center and \$155,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota – Duluth for the Natural Resources Research Institute to develop and test a model for implementing building deconstruction and material reuse as a competitive alternative to demolition for the purpose of reducing greenhouse gas emissions, reducing landfill waste, and providing job training. The project report must quantify and document greenhouse gas emissions reductions resulting from specific deconstruction techniques and materials reuses.

Subd. 8. Methods to Protect, Restore, and Enhance Land, Water, and Habitat

4,646,000

-0-

Appropriations by Fund

<u>Environment and natural resources trust fund</u>	<u>4,587,000</u>	<u>-0-</u>
<u>Great Lakes protection account</u>	<u>59,000</u>	<u>-0-</u>

(a) Prioritizing Future Management of North Shore Trout Streams

\$357,000 the first year is from the trust fund and \$59,000 the first year is from the Great Lakes protection account to the Board of Regents of the University of Minnesota – Duluth for the Natural

Resources Research Institute to identify key areas in North Shore streams that supply the cold groundwater essential to sustaining trout fisheries, in order to focus habitat restoration, protection, and management efforts on the areas that are most essential for long-term stream health and sustainability. This appropriation is available until June 30, 2018, by which time the project must be completed and final products delivered.

(b) Propagating Native Plants and Restoring Diverse Habitats

\$495,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the Martin County Soil and Water Conservation District for a cooperative 13-county effort by Blue Earth, Brown, Cottonwood, Crow Wing, Faribault, Freeborn, Jackson, Lake, Le Sueur, Martin, Nicollet, Waseca, and Watonwan Counties to protect and expand native forest and prairie habitat for species in greatest conservation need in four regions of the state through collection and propagation of local ecotype native plants, habitat restoration efforts, and educational outreach. This appropriation is available until June 30, 2020, by which time the project must be completed and final products delivered.

(c) Preserving and Protecting Minnesota Native Orchid Species

\$167,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota for the Minnesota Landscape Arboretum for propagation and cultivation research to enable long-term conservation of at least 15 selected species of the 48 native orchid species in Minnesota. This appropriation is available until June 30, 2018, by which time the project must be completed and final products delivered.

(d) Acceleration of Minnesota Conservation Assistance – Final Phase

\$1,000,000 the first year is from the trust fund to the Board of Water and Soil Resources for the final phase of a pilot program to provide grants to soil and water conservation districts and other units of local and state government for employment of staff to provide technical assistance to secure enrollment and retention of private lands in federal and state conservation programs. This appropriation is available until June 30, 2018, by which time the project must be completed and final products delivered.

(e) Metro Conservation Corridors - Phase VIII Prairie, Forest, and Savanna Restoration

\$276,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the Friends of the Mississippi River for Phase VIII of the Metro Conservation Corridors partnership to conduct restoration activities on at least

195 acres of forest and savanna and at least 60 acres of prairie to preserve and increase wildlife habitat in the metropolitan area, as defined under Minnesota Statutes, section 473.121, subdivision 2, and portions of the surrounding counties. Expenditures are limited to the identified project corridor areas as defined in the work plan. A list of proposed restorations must be provided as part of the required work plan. This appropriation is available until June 30, 2018, by which time the project must be completed and final products delivered.

(f) Metro Conservation Corridors - Phase VIII Enhancing Restoration Techniques for Improved Climate Resilience and Pollinator Conservation

\$400,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Great River Greening for Phase VIII of the Metro Conservation Corridors partnership to pilot and evaluate innovative restoration techniques aimed at improving the resilience of bur oak communities to changing climate conditions and enhancing prairie management to benefit pollinators with the help and engagement of citizen volunteers. Expenditures on restoration efforts are limited to the identified project corridor areas as defined in the work plan. A list of proposed restorations must be provided as part of the required work plan. This appropriation is available until June 30, 2018, by which point the project must be completed and final products delivered.

(g) Minnesota State University Moorhead Prairie and Riparian Restoration and Monitoring

\$527,000 the first year is from the trust fund to the Board of Trustees of the Minnesota State Colleges and Universities system for Minnesota State University Moorhead in cooperation with the Department of Natural Resources to restore and monitor 160 acres of prairie and riparian habitat and develop and disseminate monitoring protocols. This appropriation is contingent upon the donation of a 60-acre parcel to Minnesota State University Moorhead from the Minnesota State University Moorhead Alumni Foundation and is available until June 30, 2020, by which time the project must be completed and final products delivered.

(h) Improving Community Forests Through Citizen Engagement

\$800,000 the first year is from the trust fund to the commissioner of natural resources to design and pilot a program, including grants to communities, to mobilize citizen volunteers to protect, improve, and maintain local forests in communities around the state. Participation is open to any municipality in the state and participating municipalities will be selected through a competitive proposal process that will include representation from both

metropolitan and nonmetropolitan areas of the state. Trees planted using this appropriation must be species that are native to Minnesota. A participating municipality must provide a match of not less than 25 percent, up to half of which may be in the form of in-kind support. This appropriation is available until June 30, 2018, by which time the project must be completed and final products delivered.

(i) Flood Recovery on Sargent Creek in Duluth

\$300,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the city of Duluth to re-establish stable and natural streambanks with riparian and aquatic habitat restoration on at least 5,400 linear feet of Sargent Creek in Duluth destroyed during the flood of 2012.

(j) Shoreland Protection for Lower St. Croix River

\$190,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the St. Croix River Association to provide technical assistance to landowners, local governments, realtors, and developers on shoreland conservation and protection of the lower St. Croix River. This appropriation is available until June 30, 2018, by which time the project must be completed and final products delivered.

(k) Redwood and Renville Counties Outdoor Recreation and Conservation Master Plan

\$75,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Renville County in cooperation with Redwood County to develop a joint outdoor recreation and conservation master plan to guide future development and protect cultural, historical, and natural resources in the Minnesota River Valley.

Subd. 9. Land Acquisition for Habitat and Recreation

14,190,000

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(a) State Parks and Trails Land Acquisitions

\$1,500,000 the first year is from the trust fund to the commissioner of natural resources to acquire at least 335 acres for authorized state trails and critical parcels within the statutory boundaries of state parks. State park land acquired with this appropriation must be sufficiently improved to meet at least minimum management standards, as determined by the commissioner of natural resources. A list of proposed acquisitions must be provided as part of the required work plan. This appropriation is available until June 30, 2018, by which time the project must be completed and final products delivered.

(b) Metropolitan Regional Park System Land Acquisition - Phase IV

\$1,000,000 the first year is from the trust fund to the Metropolitan Council for grants to acquire at least 133 acres of lands within the approved park unit boundaries of the metropolitan regional park system. This appropriation may not be used to purchase habitable residential structures. A list of proposed fee title and easement acquisitions must be provided as part of the required work plan. This appropriation must be matched by at least 40 percent of nonstate money that must be committed by December 31, 2015, or the appropriation cancels. This appropriation is available until June 30, 2018, by which time the project must be completed and final products delivered.

(c) SNA Acquisition, Restoration, Enhancement, and Public Engagement

\$4,000,000 the first year is from the trust fund to the commissioner of natural resources to acquire at least 350 acres of lands with high-quality native plant communities and rare features to be established as scientific and natural areas as provided in Minnesota Statutes, section 86A.05, subdivision 5, restore and improve at least 550 acres of scientific and natural areas, and provide technical assistance and outreach. A list of proposed acquisitions must be provided as part of the required work plan. Land acquired with this appropriation must be sufficiently improved to meet at least minimum management standards, as determined by the commissioner of natural resources. This appropriation is available until June 30, 2018, by which time the project must be completed and final products delivered.

(d) Native Prairie Stewardship and Prairie Bank Easement Acquisition

\$3,325,000 the first year is from the trust fund to the commissioner of natural resources to acquire native prairie bank easements on at least 675 acres, prepare baseline property assessments, restore and enhance at least 1,000 acres of native prairie sites, and provide technical assistance to landowners. Of this amount, up to \$135,000 must be deposited in a conservation easement stewardship account. Deposits into the conservation easement stewardship account must be made upon closing on conservation easements or at a time otherwise approved in the work plan. A list of proposed easement acquisitions must be provided as part of the required work plan. This appropriation is available until June 30, 2018, by which time the project must be completed and final products delivered.

(e) Metro Conservation Corridors - Phase VIII Coordination, Mapping, and Conservation Easements

\$515,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the Minnesota Land Trust for Phase VIII of the Metro Conservation Corridors partnership to provide coordination and mapping for the partnership and to acquire permanent conservation easements on at least 120 acres of strategic ecological landscapes to protect priority natural areas in the metropolitan area, as defined under Minnesota Statutes, section 473.121, subdivision 2, and portions of the surrounding counties. A list of proposed easement acquisitions must be provided as part of the required work plan. Land acquired with this appropriation must be sufficiently improved to meet at least minimum management standards, as determined by the commissioner of natural resources. Expenditures are limited to the identified project corridor areas as defined in the work plan. Up to \$40,000 may be used for coordination and mapping for the Metro Conservation Corridors. All conservation easements must be perpetual and have a natural resource management plan. A list of proposed easement acquisitions must be provided as part of the required work plan. This appropriation is available June 30, 2018, by which time the project must be completed and final products delivered.

(f) Metro Conservation Corridors - Phase VIII Strategic Lands Protection

\$750,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with The Trust for Public Land for Phase VIII of the Metro Conservation Corridors partnership to acquire in fee at least 35 acres of high-quality priority state and local natural areas in the metropolitan area, as defined under Minnesota Statutes, section 473.121, subdivision 2, and portions of the surrounding counties. A list of proposed acquisitions must be provided as part of the required work plan. Land acquired with this appropriation must be sufficiently improved to meet at least minimum management standards, as determined by the commissioner of natural resources. Expenditures are limited to the identified project corridor areas as defined in the work plan. This appropriation may not be used to purchase habitable residential structures, unless expressly approved in the work plan. A list of fee title acquisitions must be provided as part of the required work plan. This appropriation is available until June 30, 2018, by which time the project must be completed and final products delivered.

(g) Metro Conservation Corridors - Phase VIII Priority Expansion of Minnesota Valley National Wildlife Refuge

\$500,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the Minnesota Valley National Wildlife Refuge Trust, Inc. for Phase VIII of the Metro Conservation Corridors partnership to acquire in fee at least 100 acres of priority habitat for the Minnesota Valley National Wildlife Refuge in the metropolitan area, as defined under Minnesota Statutes, section 473.121, subdivision 2, and portions of the surrounding counties. A list of proposed acquisitions must be provided as part of the required work plan. Land acquired with this appropriation must be sufficiently improved to meet at least minimum management standards. Expenditures are limited to the identified project corridor areas as defined in the work plan. This appropriation may not be used to purchase habitable residential structures, unless expressly approved in the work plan. This appropriation is available until June 30, 2018, by which time the project must be completed and final products delivered.

(h) Metro Conservation Corridors - Phase VIII Wildlife Management Area Acquisition

\$400,000 the first year is from the trust fund to the commissioner of natural resources for Phase VIII of the Metro Conservation Corridors partnership to acquire in fee at least 82 acres along the lower reaches of the Vermillion River in Dakota County within the Gores Pool Wildlife Management Area. Land acquired with this appropriation must be sufficiently improved to meet at least minimum management standards. This appropriation may not be used to purchase habitable residential structures, unless expressly approved in the work plan. This appropriation is available until June 30, 2018, by which time the project must be completed and final products delivered.

(i) Mesabi Trail Development Soudan to Ely – Phase II

\$1,000,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the St. Louis and Lake Counties Regional Railroad Authority for the right-of-way acquisition, design, and construction of segments of the Mesabi Trail, totaling approximately seven miles between Soudan and Ely. This appropriation is available until June 30, 2018, by which time the project must be completed and final products delivered.

(j) Multi-benefit Watershed Scale Conservation on North Central Lakes

\$950,000 the first year is from the trust fund to the Board of Water and Soil Resources to secure permanent conservation easements on at least 480 acres of high-quality habitat in Crow Wing and Cass

Counties. Of this amount, up to \$65,000 must be deposited in a conservation easement stewardship account; and \$54,000 is for an agreement with the Leech Lake Area Watershed Foundation in cooperation with Crow Wing County Soil and Water Conservation District and Cass County Soil and Water Conservation District. Deposits into the conservation easement stewardship account must be made upon closing on conservation easements or at a time otherwise approved in the work plan. A list of proposed easement acquisitions must be provided as part of the required work plan. This appropriation is available until June 30, 2018, by which time the project must be completed and final products delivered.

(k) Conservation Easement Assessment and Valuation System Development

\$250,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to assess the effectiveness of existing conservation easements acquired through state expenditures at achieving their intended outcomes of public value and ecological benefits and to develop a standardized, objective conservation easement valuation system for guiding future state investments in conservation easements to ensure the proposed environmental benefits are being achieved in a cost-effective manner. This appropriation is available until June 30, 2018, by which time the project must be completed and final products delivered.

Subd. 10. Emerging Issues Account

1,000,000

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\$1,000,000 the first year is from the trust fund to an emerging issues account authorized in Minnesota Statutes, section 116P.08, subdivision 4, paragraph (d).

Subd. 11. Administration and Contract Agreement Reimbursement

1,207,000

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(a) Legislative-Citizen Commission on Minnesota Resources

\$1,072,000 the first year is from the trust fund to the Legislative-Citizen Commission on Minnesota Resources for administration in fiscal years 2016 and 2017 as provided in Minnesota Statutes, section 116P.09, subdivision 5.

(b) Contract Agreement Reimbursement

\$135,000 the first year is from the trust fund to the commissioner of natural resources at the direction of the Legislative-Citizen Commission on Minnesota Resources for expenses incurred for contract agreement reimbursement for the agreements specified in this section. The commissioner shall provide documentation to the Legislative-Citizen Commission on Minnesota Resources on the expenditure of these funds.

Subd. 12. Availability of Appropriations

Money appropriated in this section may not be spent on activities unless they are directly related to and necessary for a specific appropriation and are specified in the work plan approved by the Legislative-Citizen Commission on Minnesota Resources. Money appropriated in this section must not be spent on indirect costs or other institutional overhead charges that are not directly related to and necessary for a specific appropriation. Costs that are directly related to and necessary for an appropriation, including financial services, human resources, information services, rent, and utilities, are eligible only if the costs can be clearly justified and individually documented specific to the appropriation's purpose and would not be generated by the recipient but for the receipt of the appropriation. No broad allocations for costs in either dollars or percentages are allowed. Unless otherwise provided, the amounts in this section are available until June 30, 2017, when projects must be completed and final products delivered. For acquisition of real property, the appropriations in this section are available for an additional fiscal year if a binding contract for acquisition of the real property is entered into before the original expiration date of the appropriation. If a project receives a federal grant, the time period of the appropriation is extended to equal the federal grant period.

Subd. 13. Data Availability Requirements

Data collected by the projects funded under this section must conform to guidelines and standards adopted by MN.IT Services. Spatial data also must conform to additional guidelines and standards designed to support data coordination and distribution that have been published by the Minnesota Geospatial Information Office. Descriptions of spatial data must be prepared as specified in the state's geographic metadata guideline and must be submitted to the Minnesota Geospatial Information Office. All data must be accessible and free to the public unless made private under the Data Practices Act, Minnesota Statutes, chapter 13. To the extent practicable, summary data and results of projects funded under this section should be readily accessible on the Internet and identified as having received funding from the environment and natural resources trust fund.

Subd. 14. Project Requirements

(a) As a condition of accepting an appropriation under this section, an agency or entity receiving an appropriation or a party to an agreement from an appropriation must comply with paragraphs (b) to (l) and Minnesota Statutes, chapter 116P, and must submit a work plan and semiannual progress reports in the form determined by the Legislative-Citizen Commission on Minnesota Resources for any project funded in whole or in part with funds from the

appropriation. Modifications to the approved work plan and budget expenditures must be made through the amendment process established by the Legislative-Citizen Commission on Minnesota Resources.

(b) A recipient of money appropriated in this section that conducts a restoration using funds appropriated in this section must use native plant species according to the Board of Water and Soil Resources' native vegetation establishment and enhancement guidelines and include an appropriate diversity of native species selected to provide habitat for pollinators throughout the growing season as required under Minnesota Statutes, section 84.973.

(c) For all restorations conducted with money appropriated under this section, a recipient must prepare an ecological restoration and management plan that, to the degree practicable, is consistent with the highest quality conservation and ecological goals for the restoration site. Consideration should be given to soil, geology, topography, and other relevant factors that would provide the best chance for long-term success and durability of the restoration projects. The plan must include the proposed timetable for implementing the restoration, including site preparation, establishment of diverse plant species, maintenance, and additional enhancement to establish the restoration; identify long-term maintenance and management needs of the restoration and how the maintenance, management, and enhancement will be financed; and take advantage of the best available science and include innovative techniques to achieve the best restoration.

(d) An entity receiving an appropriation in this section for restoration activities must provide an initial restoration evaluation at the completion of the appropriation and an evaluation three years beyond the completion of the expenditure. Restorations must be evaluated relative to the stated goals and standards in the restoration plan, current science, and, when applicable, the Board of Water and Soil Resources' native vegetation establishment and enhancement guidelines. The evaluation must determine whether the restorations are meeting planned goals, identify any problems with the implementation of the restorations, and, if necessary, give recommendations on improving restorations. The evaluation must be focused on improving future restorations.

(e) All restoration and enhancement projects funded with money appropriated in this section must be on land permanently protected by a conservation easement or public ownership.

(f) A recipient of money from an appropriation under this section must give consideration to contracting with Conservation Corps Minnesota for contract restoration and enhancement services.

(g) All conservation easements acquired with money appropriated under this section must:

(1) be permanent;

(2) specify the parties to an easement in the easement;

(3) specify all of the provisions of an agreement that are permanent;

(4) be sent to the Legislative-Citizen Commission on Minnesota Resources in an electronic format at least ten business days prior to closing;

(5) include a long-term monitoring and enforcement plan and funding for monitoring and enforcing the easement agreement; and

(6) include requirements in the easement document to address specific groundwater and surface water quality protection activities such as keeping water on the landscape, reducing nutrient and contaminant loading, protecting groundwater, and not permitting artificial hydrological modifications.

(h) For any acquisition of lands or interest in lands, a recipient of money appropriated under this section shall not agree to pay more than 100 percent of the appraised value for a parcel of land using this money to complete the purchase, in part or in whole, except that up to ten percent above the appraised value may be allowed to complete the purchase, in part or in whole, using this money if permission is received in advance of the purchase from the Legislative-Citizen Commission on Minnesota Resources.

(i) For any acquisition of land or interest in land, a recipient of money appropriated under this section must give priority to high-quality natural resources or conservation lands that provide natural buffers to water resources.

(j) For new lands acquired with money appropriated under this section, a recipient must prepare an ecological restoration and management plan in compliance with paragraph (c), including sufficient funding for implementation unless the work plan addresses why a portion of the money is not necessary to achieve a high-quality restoration.

(k) To ensure public accountability for the use of public funds, within 60 days of the transaction, a recipient of money appropriated under this section must provide to the Legislative-Citizen Commission on Minnesota Resources documentation of the selection process used to identify parcels acquired and provide documentation of all related transaction costs, including but not limited to appraisals, legal fees, recording

fees, commissions, other similar costs, and donations. This information must be provided for all parties involved in the transaction. The recipient must also report to the Legislative-Citizen Commission on Minnesota Resources any difference between the acquisition amount paid to the seller and the state-certified or state-reviewed appraisal, if a state-certified or state-reviewed appraisal was conducted.

(l) A recipient of an appropriation from the trust fund under this section must acknowledge financial support from the Minnesota environment and natural resources trust fund in project publications, signage, and other public communications and outreach related to work completed using the appropriation. Acknowledgment may occur, as appropriate, through use of the trust fund logo or inclusion of language attributing support from the trust fund. Each direct recipient of money appropriated in this section, as well as each recipient of a grant awarded pursuant to this section, must satisfy all reporting and other requirements incumbent upon constitutionally dedicated funding recipients as provided in Minnesota Statutes, section 3.303, subdivision 10, and chapter 116P.

Subd. 15. Payment Conditions and Capital Equipment Expenditures

(a) All agreements, grants, or contracts referred to in this section must be administered on a reimbursement basis unless otherwise provided in this section. Notwithstanding Minnesota Statutes, section 16A.41, expenditures made on or after July 1, 2015, or the date the work plan is approved, whichever is later, are eligible for reimbursement unless otherwise provided in this section. Periodic payment must be made upon receiving documentation that the deliverable items articulated in the approved work plan have been achieved, including partial achievements as evidenced by approved progress reports. Reasonable amounts may be advanced to projects to accommodate cash flow needs or match federal money. The advances must be approved as part of the work plan. No expenditures for capital equipment are allowed unless expressly authorized in the project work plan.

(b) Single source contracts as specified in the approved work plan are allowed.

Subd. 16. Purchase of Recycled and Recyclable Materials

A political subdivision, public or private corporation, or other entity that receives an appropriation under this section must use the appropriation in compliance with Minnesota Statutes, section 16C.0725, regarding purchase of recycled, repairable, and durable materials; and Minnesota Statutes, section 16C.073, regarding purchase and use of paper stock and printing.

Subd. 17. Energy Conservation and Sustainable Building Guidelines

A recipient to whom an appropriation is made under this section for a capital improvement project must ensure that the project complies with the applicable energy conservation and sustainable building guidelines and standards contained in law, including Minnesota Statutes, sections 16B.325, 216C.19, and 216C.20, and rules adopted under those sections. The recipient may use the energy planning, advocacy, and State Energy Office units of the Department of Commerce to obtain information and technical assistance on energy conservation and alternative energy development relating to the planning and construction of the capital improvement project.

Subd. 18. Accessibility

Structural and nonstructural facilities must meet the design standards in the Americans with Disabilities Act (ADA) accessibility guidelines.

Subd. 19. Carryforward; Extension

(a) The availability of the appropriations for the following projects are extended to June 30, 2016:

(1) Laws 2013, chapter 52, section 2, subdivision 4, paragraph (l), Restorations Evaluations;

(2) Laws 2013, chapter 52, section 2, subdivision 6, paragraph (b), detecting and monitoring certain carp populations; and

(3) Laws 2011, First Special Session chapter 2, article 3, section 2, subdivision 4, paragraph (g), Minnesota River Valley Green Corridor Scientific and Natural Area Acquisition.

(b) The availability of the appropriations for the following projects are extended to June 30, 2017:

(1) Laws 2013, chapter 52, section 2, subdivision 5, paragraph (e), Measuring Hydrologic Benefits from Glacial Ridge Habitat Restoration; and

(2) Laws 2014, chapter 226, section 2, subdivision 3, paragraph (m), Measuring Hydrologic Benefits from Glacial Ridge Habitat Restoration.

(c) The availability of the appropriation for the following project is extended to June 30, 2019: Laws 2014, chapter 226, section 2, subdivision 6, paragraph (a), Enhancing Pollinator Landscapes.

(d) The following project may be extended statewide, Laws 2014, chapter 226, section 2, subdivision 9, paragraph (c), Urban Environmental Education Engaging Students in Local Resources.

Sec. 3. Minnesota Statutes 2014, section 116P.05, subdivision 2, is amended to read:

Subd. 2. **Duties.** (a) The commission shall recommend an annual or biennial legislative bill for appropriations from the environment and natural resources trust fund and shall adopt a strategic plan as provided in section 116P.08. Approval of the recommended legislative bill requires an affirmative vote of at least 12 members of the commission.

(b) It is a condition of acceptance of the appropriations made from the Minnesota environment and natural resources trust fund, and oil overcharge money under section 4.071, subdivision 2, that the agency or entity receiving the appropriation must submit a work plan and semiannual progress reports in the form determined by the Legislative-Citizen Commission on Minnesota Resources, and comply with applicable reporting requirements under section 116P.16. None of the money provided may be spent unless the commission has approved the pertinent work plan. Modifications to the approved work plan and budget expenditures shall be made through the amendment process established by the commission. The commission shall ensure that the expenditures and outcomes described in the work plan for appropriations funded by the environment and natural resources trust fund are met.

(c) The peer review ~~panel procedures~~ created under section 116P.08 must also be used to review, comment, and report to the commission on research proposals applying for an appropriation from the oil overcharge money under section 4.071, subdivision 2.

(d) The commission may adopt operating procedures to fulfill its duties under this chapter.

(e) As part of the operating procedures, the commission shall:

(1) ensure that members' expectations are to participate in all meetings related to funding decision recommendations;

(2) recommend adequate funding for increased citizen outreach and communications for trust fund expenditure planning;

(3) allow administrative expenses as part of individual project expenditures based on need;

(4) provide for project outcome evaluation;

(5) keep the grant application, administration, and review process as simple as possible; and

(6) define and emphasize the leveraging of additional sources of money that project proposers should consider when making trust fund proposals.

Sec. 4. Minnesota Statutes 2014, section 116P.08, subdivision 5, is amended to read:

Subd. 5. **Public meetings.** (a) Meetings of the commission, committees or subcommittees of the commission, technical advisory committees, and peer ~~review panels~~ reviewers must be open to the public. The commission shall attempt to meet throughout various regions of the state during each biennium. For purposes of this subdivision, a meeting occurs when a quorum is present and action is taken regarding a matter within the jurisdiction of the commission, a committee or subcommittee of the commission, a technical advisory committee, or ~~a peer review panel~~ reviewers.

(b) For legislative members of the commission, enforcement of this subdivision is governed by section 3.055, subdivision 2. For nonlegislative members of the commission, enforcement of this subdivision is governed by section 13D.06, subdivisions 1 and 2.

Sec. 5. Minnesota Statutes 2014, section 116P.08, subdivision 6, is amended to read:

Subd. 6. **Peer review.** (a) Research proposals must include a stated purpose directly connected to the trust fund's constitutional mandate, this chapter, and the adopted strategic plan under subdivision 3, a timeline, potential outcomes, and an explanation of the need for the research. All research proposals must be peer reviewed ~~by a peer review panel~~ before receiving an appropriation.

(b) In conducting research proposal reviews, the peer ~~review panel~~ reviewers shall:

(1) comment on the methodology proposed and whether it can be expected to yield appropriate and useful information and data; and

(2) comment on the need for the research and about similar existing information available, if any; ~~and~~.

~~(3) report to the commission on clauses (1) and (2)~~ (c) Peer reviewers' comments under paragraph (b) must be reported to the commission.

~~(e)~~ (d) The peer ~~review panel~~ reviewers may review completed research proposals that have received an appropriation and comment and report upon whether the project reached the intended goals.

Sec. 6. Minnesota Statutes 2014, section 116P.08, subdivision 7, is amended to read:

Subd. 7. **Peer review panel membership reviewers.** (a) The peer ~~review panel~~ reviewers must ~~consist of at least five members who are~~ be knowledgeable in general research methods in the areas of environment and natural resources. ~~Not more than two members of the panel may be employees of state agencies in Minnesota.~~

(b) ~~The commission shall select a chair every two years who shall be responsible for convening meetings of the panel as often as is necessary to fulfill its duties as prescribed in this section.~~ Compensation of ~~panel members~~ peer reviewers is governed by section 15.059, subdivision 3.

Sec. 7. Minnesota Statutes 2014, section 116P.09, subdivision 6, is amended to read:

Subd. 6. **Conflict of interest.** A commission member, a technical advisory committee member, a peer ~~review panelist~~ reviewer, or an employee of the commission may not participate in or vote on a decision of the commission, advisory committee, or peer review ~~panel~~ relating to an organization in which the member, ~~panelist~~ peer reviewer, or employee has either a direct or indirect personal financial interest. While serving on the commission, technical advisory committee, ~~or as a peer review panel reviewer~~, or being an employee of the commission, a person shall avoid any potential conflict of interest.

Sec. 8. Minnesota Statutes 2014, section 116P.09, subdivision 8, is amended to read:

Subd. 8. **Technical advisory committees.** The commission shall make use of available public and private expertise on environment and natural resource issues ~~by appointing and may appoint~~ necessary technical advisory committees to review funding proposals and evaluate project outcomes. Compensation for technical advisory committee members is governed by section 15.059, subdivision 6."

We request the adoption of this report and repassage of the bill.

Senate Conferees: KARI DZIEDZIC, JOHN A. HOFFMAN and GARY H. DAHMS.

House Conferees: PAUL TORKELSON, DAN FABIAN and LEON LILLIE.

Torkelson moved that the report of the Conference Committee on S. F. No. 698 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 698, A bill for an act relating to natural resources; appropriating money from environment and natural resources trust fund; modifying provisions for Legislative-Citizen Commission on Minnesota Resources; amending Minnesota Statutes 2014, sections 116P.05, subdivision 2; 116P.08, subdivisions 5, 6, 7; 116P.09, subdivisions 6, 8.

The bill was read for the third time, as amended by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 106 yeas and 26 nays as follows:

Those who voted in the affirmative were:

Albright	Davnie	Hortman	Loonan	Norton	Swedzinski
Allen	Dettmer	Howe	Lueck	O'Driscoll	Theis
Anderson, P.	Dill	Isaacson	Mack	Pelowski	Thissen
Anderson, S.	Erhardt	Johnson, B.	Mahoney	Persell	Torkelson
Anzelc	Fabian	Johnson, C.	Mariani	Petersburg	Uglem
Applebaum	Fenton	Johnson, S.	Marquart	Peterson	Urdahl
Atkins	Fischer	Kahn	Masin	Pierson	Vogel
Backer	Franson	Kelly	McNamara	Poppe	Wagenius
Baker	Freiberg	Kiel	Melin	Rarick	Ward
Bennett	Gruenhagen	Knoblach	Metsa	Rosenthal	Whelan
Bernardy	Gunther	Kresha	Moran	Sanders	Wills
Bly	Halverson	Laine	Mullery	Schoen	Winkler
Carlson	Hamilton	Lenczewski	Murphy, E.	Schomacker	Yarusso
Clark	Hansen	Liebling	Murphy, M.	Schultz	Youakim
Considine	Heintzeman	Lien	Nash	Selcer	Zerwas
Cornish	Hilstrom	Lillie	Nelson	Simonson	Spk. Daudt
Daniels	Hoppe	Loeffler	Newton	Slocum	
Davids	Hornstein	Loon	Nornes	Sundin	

Those who voted in the negative were:

Anderson, M.	Erickson	Hertaus	McDonald	Pinto	Smith
Barrett	Garofalo	Koznick	Miller	Pugh	
Christensen	Green	Lesch	Newberger	Quam	
Dehn, R.	Hackbarth	Lohmer	O'Neill	Runbeck	
Drazkowski	Hancock	Lucero	Peppin	Scott	

The bill was repassed, as amended by Conference, and its title agreed to.

Peppin moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by the Speaker.

MESSAGES FROM THE SENATE, Continued

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 846, A bill for an act relating to state government; appropriating money for environment and natural resources; modifying public entity purchasing requirements; modifying solid waste provisions; modifying subsurface sewage treatment systems provisions; modifying compensable losses due to harmful substances; modifying invasive species provisions; modifying state parks and trails provisions; modifying requirements for fire training; modifying auxiliary forest provisions; modifying recreational vehicle provisions; providing for all-terrain vehicle safety training indication on drivers' licenses and identification cards; modifying and providing for certain fees; creating and modifying certain accounts; providing for and modifying certain grants; modifying disposition of certain revenue; modifying certain permit provisions; providing for condemnation of certain school trust lands; modifying Water Law; providing for certain enforcement delay; modifying personal flotation device provisions; regulating wake surfing; modifying game and fish laws; modifying Metropolitan Area Water Supply Advisory Committee and specifying duties; providing for Minnesota Pollution Control Agency Citizens' Board; prohibiting sale of certain personal care products containing synthetic plastic microbeads; requiring reports; requiring rulemaking; amending Minnesota Statutes 2014, sections 16A.531, subdivision 1a; 16C.073, subdivision 2; 84.415, subdivision 7; 84.788, subdivision 5, by adding a subdivision; 84.82, subdivision 6; 84.84; 84.92, subdivisions 8, 9, 10; 84.922, subdivision 4; 84.925, subdivision 5; 84.9256, subdivision 1; 84.928, subdivision 1; 84D.01, subdivisions 13, 15, 17, 18, by adding a subdivision; 84D.03, subdivision 3; 84D.06; 84D.10, subdivision 3; 84D.11, subdivision 1; 84D.12, subdivisions 1, 3; 84D.13, subdivision 5; 84D.15, subdivision 3; 85.015, subdivision 28, by adding a subdivision; 85.054, subdivision 12; 85.32, subdivision 1; 86B.313, subdivisions 1, 4; 86B.315; 86B.401, subdivision 3; 88.17, subdivision 3; 88.49, subdivisions 3, 4, 5, 6, 7, 8, 9, 11; 88.491, subdivision 2; 88.50; 88.51, subdivisions 1, 3; 88.52, subdivisions 2, 3, 4, 5, 6; 88.523; 88.53, subdivisions 1, 2; 88.6435, subdivision 4; 90.14; 90.193; 94.10, subdivision 2; 94.16, subdivisions 2, 3; 97A.045, subdivision 11; 97A.057, subdivision 1; 97A.435, subdivision 4; 97A.465, by adding a subdivision; 97B.063; 97B.081, subdivision 3; 97B.085, subdivision 2; 97B.301, by adding a subdivision; 97B.668; 97C.005, subdivision 1, by adding a subdivision; 97C.301, by adding a subdivision; 97C.345, by adding a subdivision; 97C.501, subdivision 2; 103B.101, by adding a subdivision; 103B.3355; 103F.612, subdivision 2; 103G.005, by adding a subdivision; 103G.222, subdivisions 1, 3; 103G.2242, subdivisions 1, 2, 3, 4, 12, 14; 103G.2251; 103G.245, subdivision 2; 103G.271, subdivisions 3, 5, 6a; 103G.287, subdivisions 1, 2; 103G.291, subdivision 3; 103G.301, subdivision 5a; 115.03, by adding a subdivision; 115.073; 115.55, subdivisions 1, 3; 115.56, subdivision 2; 115A.03, subdivision 25a; 115A.551, subdivision 2a; 115A.557, subdivision 2; 115A.93, subdivision 1; 115B.34, subdivision 2; 115C.05; 116.02; 116.03, subdivision 1; 116.07, subdivisions 4d, 4j, 7, by adding a subdivision; 116D.04, by adding a subdivision; 144.12, by adding a subdivision; 171.07, by adding a subdivision; 282.011, subdivision 3; 446A.073, subdivisions 1, 3, 4; 473.1565; Laws 2010, chapter 215, article 3, section 3, subdivision 6, as amended; Laws 2014, chapter 312, article 12, section 6, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 84; 84D; 85; 92; 97A; 97B; 103B; 103G; 114C; 115; 115A; 325E; repealing Minnesota Statutes 2014, sections 84.68; 86B.13, subdivisions 2, 4; 88.47; 88.48; 88.49, subdivisions 1, 2, 10; 88.491, subdivision 1; 88.51, subdivision 2; 97A.475, subdivision 25; 97B.905, subdivision 3; 116.02, subdivisions 7, 8, 10; 282.013; 477A.19; Minnesota Rules, part 6264.0400, subparts 27, 28.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

JOANNE M. ZOFF, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

S. F. No. 888.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said Senate File is herewith transmitted to the House.

JOANNE M. ZOFF, Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. No. 888

A bill for an act relating to the operation of state government; appropriating money for the legislature, governor's office, state auditor, attorney general, secretary of state, certain agencies, boards, councils, retirement funds, military affairs and veterans affairs, and senate building; cancellation of certain appropriations; transferring money to the budget reserve; allowing prepay for certain software and information technology hosting services; limiting a fee or fine increase to ten percent in a biennium; providing reimbursement for reasonable accommodation; modifying grant agreement provisions; making changes to guaranteed energy-savings program, small business requirements, and targeted group businesses; changing certain requirements for the practice of cosmetology; assessing certain costs for Office of Administrative Hearings; changing a rehabilitation or renovation grant from the Minnesota Amateur Sports Commission; changing or establishing certain fees; limiting fire sprinkler requirement in certain dwellings; modifying certain filing requirements for corporations; modifying provisions for accountants; requiring a licensee of the residential trades to give an option to install fire sprinklers; modifying debt service provision for the legislative parking garage; requiring the same room numbers on signage in the Capitol to identify legacy rooms; providing in-lieu of rent evaluation; prohibiting state funds, tax expenditures, or state indebtedness to fund a major league soccer stadium; making changes to provisions for military and veterans affairs; changing provisions covering pari-mutuel horse racing; modifying provisions for cigarette and tobacco license; providing civil penalties; requiring reports; amending Minnesota Statutes 2014, sections 3.8843, subdivision 5; 16A.065; 16A.1283; 16B.97, subdivision 1; 16B.98, subdivisions 1, 11; 16C.144; 16C.16, subdivision 2, by adding a subdivision; 16C.19; 155A.21; 155A.23, subdivision 8, by adding subdivisions; 155A.24, subdivision 2; 155A.25, subdivisions 1a, 5, by adding subdivisions; 155A.27, subdivisions 1, 2, 5a; 155A.271; 155A.29, subdivisions 1, 2, by adding a subdivision; 155A.30, subdivisions 5, 10; 161.1419, subdivision 8; 190.16, by adding a subdivision; 190.19, subdivisions 2a, 3; 192.26, by adding a subdivision; 192.38, subdivision 1; 192.501, by adding a subdivision; 197.133; 198.03, subdivisions 2, 3; 211B.37; 240.01, subdivision 22, by adding subdivisions; 240.011; 240.03; 240.08, subdivisions 2, 4, 5; 240.10; 240.13, subdivisions 5, 6; 240.135; 240.15, subdivisions 1, 6; 240.16, subdivision 1; 240.22; 240.23; 240A.09; 270C.722, subdivision 1; 270C.728, by adding a subdivision; 272.484; 297F.01, subdivision 14; 297F.03, subdivisions 5, 6; 297F.04, subdivision 1; 297F.13, subdivision 4; 297F.19, by adding a subdivision; 297F.20, by adding subdivisions; 297F.21, subdivision 1; 299F.011, by adding a subdivision; 303.19; 304A.301, subdivisions 1, 5, 6, by adding a subdivision; 326A.01, subdivisions 2, 12, 13a, 15, 16; 326A.02, subdivisions 3, 5; 326A.05, subdivisions 1, 3; 326A.08, subdivision 7; 326A.10; 326B.809; 336A.09, subdivision 1; 364.09; 461.12, subdivision 8; Laws 2013, chapter 142, article 1, section 10; Laws 2014, chapter 287, section 25; proposing coding for new law in Minnesota Statutes, chapters 3; 16B; 297F; repealing Minnesota Statutes 2014, sections 155A.23, subdivision 6; 197.131; 197.132; 240.01, subdivisions 12, 23; 297F.185.

May 18, 2015

The Honorable Sandra L. Pappas
President of the Senate

The Honorable Kurt L. Daudt
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 888 report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 888 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1
STATE GOVERNMENT APPROPRIATIONS

Section 1. **STATE GOVERNMENT APPROPRIATIONS.**

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

<u>APPROPRIATIONS</u>	
<u>Available for the Year</u>	
<u>Ending June 30</u>	
<u>2016</u>	<u>2017</u>

Sec. 2. **LEGISLATURE**

Subdivision 1. **Total Appropriation**

\$76,304,000

82,132,000

Appropriations by Fund

	<u>2016</u>	<u>2017</u>
General	76,176,000	82,004,000
Health Care Access	128,000	128,000

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

The appropriations in this section may be used for any purpose relating to the functions of the entities receiving the appropriations, including but not limited to member and employee compensation and expenses, supplies, payments required under lease agreements for real property, and other expenses associated with legislative sessions, interim activities, public hearings and other public outreach activities, and related activities. The Senate Committee on Rules and Administration for the Senate, the House of Representatives Committee on Rules and Legislative Administration for the House of Representatives, and the Legislative Coordinating Commission for entities under its control must each adopt a budget approving use of these appropriations for specific purposes. The budget must approve use of specific amounts for employee compensation, member compensation, rental payments under a lease, and other categories determined by the rules committees and the Legislative Coordinating Commission. The budget must be adopted after this appropriation is enacted.

Subd. 2. Senate27,962,00032,286,000

The base for fiscal year 2018 is \$32,299,000 and for fiscal year 2019 is \$32,105,000.

Subd. 3. House of Representatives31,439,00032,383,000

During the biennium ending June 30, 2017, any revenues received by the house of representatives from voluntary donations to support broadcast or print media are appropriated to the house of representatives.

Subd. 4. Legislative Coordinating Commission16,903,00017,463,000**Appropriations by Fund**

<u>General</u>	<u>16,775,000</u>	<u>17,335,000</u>
<u>Health Care Access</u>	<u>128,000</u>	<u>128,000</u>

\$6,564,000 each year from the general fund is to the Office of the Legislative Auditor. The auditor is requested to conduct a special review of the Department of Veterans Affairs financial management of Minnesota veterans homes. This review should include an examination of the department's:

(1) management of increasing compensation costs, including any projected increases in staffing levels;

(2) use of reserve funds in the special revenue fund to manage shortfalls in funding;

(3) implementation of federal Centers for Medicare and Medicaid Services certification requirements, and the ability to accurately forecast and obtain federal reimbursements;

(4) operation of the adult day care program at the Minneapolis campus; and

(5) management of facilities operating costs, including plans to address the needs of aging facilities.

\$380,000 in fiscal year 2017 is for the revisor's administrative rules system. This is a onetime appropriation.

\$297,000 the first year and \$298,000 the second year is for the Office of the Revisor of Statutes to maintain and improve information technology services.

\$35,000 in fiscal year 2016 and \$35,000 in fiscal year 2017 are to provide support to the Legislative Commission on Data Practices established under Minnesota Statutes, section 3.8843. This is a onetime appropriation.

From its funds, \$10,000 each year is for purposes of the legislators' forum, through which Minnesota legislators meet with counterparts from South Dakota, North Dakota, and Manitoba to discuss issues of mutual concern.

Sec. 3. **GOVERNOR AND LIEUTENANT GOVERNOR**

\$3,615,000

\$3,616,000

(a) This appropriation is to fund the Office of the Governor and Lieutenant Governor.

(b) Up to \$19,000 the first year and up to \$19,000 the second year are for necessary expenses in the normal performance of the Governor's and Lieutenant Governor's duties for which no other reimbursement is provided.

(c) By September 1 of each year, the commissioner of management and budget shall report to the chairs and ranking minority members of the senate State Departments and Veterans Affairs Budget Division and the house of representatives State Government Finance Committee any personnel costs incurred by the Offices of the Governor and Lieutenant Governor that were supported by appropriations to other agencies during the previous fiscal year. The Office of the Governor shall inform the chairs and ranking minority members of the committees before initiating any interagency agreements.

Sec. 4. **STATE AUDITOR**

\$2,185,000

\$2,231,000

Sec. 5. **ATTORNEY GENERAL**

\$24,343,000

\$24,343,000

Appropriations by Fund

	<u>2016</u>	<u>2017</u>
<u>General</u>	<u>22,125,000</u>	<u>22,125,000</u>
<u>State Government</u>		
<u>Special Revenue</u>	<u>1,823,000</u>	<u>1,823,000</u>
<u>Environmental</u>	<u>145,000</u>	<u>145,000</u>
<u>Remediation</u>	<u>250,000</u>	<u>250,000</u>

Sec. 6. **SECRETARY OF STATE**

\$6,631,000

\$6,631,000

Any funds available in the account established in Minnesota Statutes, section 5.30, pursuant to the Help America Vote Act, are appropriated for the purposes and uses authorized by federal law.

Sec. 7. **CAMPAIGN FINANCE AND PUBLIC DISCLOSURE BOARD**

\$1,164,000

\$1,028,000

Campaign Finance and Public Disclosure Board Web Site Redevelopment Project. \$150,000 in fiscal year 2016 is appropriated to the Campaign Finance and Public Disclosure Board to complete redevelopment of its Web site. This appropriation is available until June 30, 2017. By January 15, 2016,

the director of the Campaign Finance and Public Disclosure Board shall report to the chairs and ranking minority members of the senate State Departments and Veterans Affairs Budget Division and the house of representatives State Government Finance Committee on the status of the Web site redevelopment project. The report shall include a budget detailing total dollars to be spent, completion date of the project, and dollars expended to date.

Sec. 8. <u>INVESTMENT BOARD</u>	<u>\$139,000</u>	<u>\$139,000</u>
Sec. 9. <u>ADMINISTRATIVE HEARINGS</u>	<u>\$7,630,000</u>	<u>\$7,633,000</u>

Appropriations by Fund

	<u>2016</u>	<u>2017</u>
<u>General</u>	<u>380,000</u>	<u>383,000</u>
<u>Workers' Compensation</u>	<u>7,250,000</u>	<u>7,250,000</u>

Campaign Violations Hearings. \$115,000 in fiscal year 2016 and \$115,000 in fiscal year 2017 are appropriated from the general fund for the cost of considering complaints filed under Minnesota Statutes, section 211B.32. These amounts may be used in either year of the biennium.

\$6,000 in fiscal year 2016 and \$6,000 in fiscal year 2017 are appropriated from the general fund to the Office of Administrative Hearings for the cost of considering data practices complaints filed under Minnesota Statutes, section 13.085. These amounts may be used in either year of the biennium.

Sec. 10. <u>MN.IT SERVICES</u>	<u>\$2,526,000</u>	<u>\$2,622,000</u>
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The commissioner of management and budget is authorized to provide cash flow assistance of up to \$110,000,000 from the special revenue fund or other statutory general funds as defined in Minnesota Statutes, section 16A.671, subdivision 3, paragraph (a), to the Office of MN.IT Services for the purpose of managing revenue and expenditure differences during the initial phases of IT consolidation. These funds shall be repaid with interest by the end of the fiscal year 2017 closing period.

During the biennium ending June 30, 2017, MN.IT Services must not charge fees to a public noncommercial educational television broadcast station eligible for funding under Minnesota Statutes, chapter 129D, for access to the state broadcast infrastructure. If the access fees not charged to public noncommercial educational television broadcast stations total more than \$400,000 for the biennium, the office may charge for access fees in excess of these amounts.

Sec. 11. **ADMINISTRATION**Subdivision 1. **Total Appropriation****\$24,397,000****\$22,346,000**

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

Subd. 2. **Government and Citizen Services**9,465,0008,600,000

\$74,000 the first year and \$74,000 the second year are for the Council on Developmental Disabilities.

\$735,000 the first year and \$65,000 the second year are to conduct a disparity study required under Minnesota Statutes, section 16C.16, subdivision 5. This is a onetime appropriation.

\$200,000 in fiscal year 2016 and \$200,000 in fiscal year 2017 are credited to the accommodation account established in Minnesota Statutes, section 16B.4805. In fiscal year 2016, the commissioner of administration may use five percent of the appropriation for fiscal year 2016 for developing policies and procedures to implement the reimbursement program established in Minnesota Statutes, section 16B.4805, and for educating qualifying agencies about the availability of and process for receiving reimbursement for accommodation expenses.

Subd. 3. **Strategic Management Services**1,975,0002,009,000Subd. 4. **Fiscal Agent**12,957,00011,737,000

The appropriations under this section are to the commissioner of administration for the purposes specified.

In-Lieu of Rent. \$8,158,000 the first year and \$8,158,000 the second year are for space costs of the legislature and veterans organizations, ceremonial space, and statutorily free space. In-lieu of rent may be used for rent loss and relocation expenses related to the Capitol restoration in the fiscal year 2014-2015 biennium and fiscal year 2016-2017 biennium.

Relocation Expenses. \$1,380,000 the first year and \$960,000 the second year are for rent loss and relocation expenses related to the Capitol renovation project. This is a onetime appropriation.

Public Broadcasting. (a) \$1,550,000 the first year and \$1,550,000 the second year are for matching grants for public television.

(b) \$550,000 the first year and \$250,000 the second year are for public television equipment grants under Minnesota Statutes, section 129D.13.

(c) The commissioner of administration must consider the recommendations of the Minnesota Public Television Association before allocating the amount appropriated in paragraphs (a) and (b) for equipment or matching grants.

(d) \$592,000 the first year and \$392,000 the second year are for community service grants to public educational radio stations. This appropriation may be used to disseminate emergency information in foreign languages.

(e) \$167,000 the first year and \$117,000 the second year are for equipment grants to public educational radio stations. This appropriation may be used for the repair, rental, and purchase of equipment including equipment under \$500.

(f) \$560,000 the first year and \$310,000 the second year are for equipment grants to Minnesota Public Radio, Inc., including upgrades to Minnesota's Emergency Alert and AMBER Alert Systems.

(g) The appropriations in paragraphs (d), (e), and (f), may not be used for indirect costs claimed by an institution or governing body. The commissioner of administration must consider the recommendations of the Minnesota Public Educational Radio Stations before awarding grants under Minnesota Statutes, section 129D.14, using the appropriations in paragraphs (d), (e), and (f). No grantee is eligible for a grant unless they are a member of the Association of Minnesota Public Educational Radio Stations on or before July 1, 2015.

(h) Any unencumbered balance remaining the first year for grants to public television or radio stations does not cancel and is available for the second year.

Sec. 12. CAPITOL AREA ARCHITECTURAL AND PLANNING BOARD

\$340,000

\$345,000

Sec. 13. MINNESOTA MANAGEMENT AND BUDGET

\$22,398,000

\$23,691,000

\$1,000,000 in fiscal year 2016 and \$2,000,000 in fiscal year 2017 are to maintain and upgrade statewide business systems, including, but not limited to, the statewide accounting system, the human resource and payroll system, the employment application system, the enterprise learning management system, the budget planning and analysis system, the fiscal note tracking system, and capital budget system.

\$121,000 the first year and \$122,000 the second year are to develop and implement a return on taxpayer investment (ROTI) methodology using the Pew-MacArthur Results First framework to evaluate corrections and human services programs administered

and funded by state and county governments. The commissioner shall engage and work with staff from Pew-MacArthur Results First, and shall consult with representatives of other state agencies, counties, legislative staff, the commissioners of corrections and human services, and other commissioners of state agencies and stakeholders to implement the established methodology. The commissioner of management and budget shall report on implementation progress and make recommendations to the governor and legislature by January 31, 2017.

The commissioner must report to the chairs and ranking minority members of the House of Representatives State Government Finance Committee and the Senate State Departments and Veterans Budget Division by July 15, 2015, on the gainsharing program in Minnesota Statutes, Section 16A.90. The report must include information on how the commissioner has promoted the program to state employees, results achieved under the program, and recommendations for any legislative changes needed to make the program more effective.

Sec. 14. **REVENUE**

<u>Subdivision 1. Total Appropriation</u>		<u>\$144,438,000</u>	<u>\$146,112,000</u>
	<u>Appropriations by Fund</u>		
	<u>2016</u>	<u>2017</u>	
<u>General</u>	<u>140,203,000</u>	<u>141,877,000</u>	
<u>Health Care Access</u>	<u>1,749,000</u>	<u>1,749,000</u>	
<u>Highway User Tax</u>			
<u>Distribution</u>	<u>2,183,000</u>	<u>2,183,000</u>	
<u>Environmental</u>	<u>303,000</u>	<u>303,000</u>	
<u>Subd. 2. Tax System Management</u>		<u>115,822,000</u>	<u>117,496,000</u>
	<u>Appropriations by Fund</u>		
<u>General</u>	<u>111,587,000</u>	<u>113,261,000</u>	
<u>Health Care Access</u>	<u>1,749,000</u>	<u>1,749,000</u>	
<u>Highway User Tax</u>			
<u>Distribution</u>	<u>2,183,000</u>	<u>2,183,000</u>	
<u>Environmental</u>	<u>303,000</u>	<u>303,000</u>	

Appropriation; Taxpayer Assistance. (a) \$400,000 each year from the general fund is for grants to one or more nonprofit organizations, qualifying under section 501(c)(3) of the Internal Revenue Code of 1986, to coordinate, facilitate, encourage, and aid in the provision of taxpayer assistance services. The unencumbered balance in the first year does not cancel but is available for the second year.

(b) For purposes of this section, "taxpayer assistance services" means accounting and tax preparation services provided by volunteers to low-income, elderly, and disadvantaged Minnesota residents to help them file federal and state income tax returns and Minnesota property tax refund claims and to provide personal representation before the Department of Revenue and Internal Revenue Service.

Subd. 3. **Debt Collection Management** 28,616,000 28,616,000

Sec. 15. **GAMBLING CONTROL** **\$3,260,000** **\$3,324,000**

These appropriations are from the lawful gambling regulation account in the special revenue fund.

Sec. 16. **RACING COMMISSION** **\$1,168,000** **\$1,153,000**

Appropriations by Fund

	<u>2016</u>	<u>2017</u>
General	<u>269,000</u>	<u>72,000</u>
Special Revenue	<u>899,000</u>	<u>1,081,000</u>

The general fund appropriation is for fiscal years 2016 and 2017 only.

The special revenue fund appropriations are from the racing and card playing regulation accounts. The base for the special revenue fund appropriation is \$972,000 in fiscal year 2018 and \$971,000 in fiscal year 2019.

The Racing Commission is directed to work in consultation with the racing industry to propose permanent dedicated funding changes to fully support the operations of the commission to ensure that racing is conducted in the public interest. These changes shall be reported to the Office of the Governor and to the majority and minority leaders of the relevant finance and policy legislative committees by November 1, 2015.

Sec. 17. **STATE LOTTERY**

Notwithstanding Minnesota Statutes, section 349A.10, subdivision 3, the operating budget must not exceed \$31,000,000 in fiscal year 2016 and \$31,000,000 in fiscal year 2017.

Sec. 18. **AMATEUR SPORTS COMMISSION** **\$300,000** **\$300,000**

Sec. 19. **COUNCIL ON BLACK MINNESOTANS** **\$396,000** **\$401,000**

Sec. 20. **COUNCIL ON ASIAN-PACIFIC MINNESOTANS** **\$359,000** **\$364,000**

Sec. 21. <u>COUNCIL ON AFFAIRS OF CHICANO/LATINO PEOPLE</u>	<u>\$381,000</u>	<u>\$386,000</u>
Sec. 22. <u>INDIAN AFFAIRS COUNCIL</u>	<u>\$569,000</u>	<u>\$576,000</u>
Sec. 23. <u>MINNESOTA HISTORICAL SOCIETY</u>		
Subdivision 1. <u>Total Appropriation</u>	<u>\$22,022,000</u>	<u>\$22,193,000</u>

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

Subd. 2. <u>Operations and Programs</u>	<u>21,576,000</u>	<u>21,822,000</u>
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Notwithstanding Minnesota Statutes, section 138.668, the Minnesota Historical Society may not charge a fee for its general tours at the Capitol, but may charge fees for special programs other than general tours.

Subd. 3. **Fiscal Agent**

(a) Minnesota International Center	<u>39,000</u>	<u>39,000</u>
(b) Minnesota Air National Guard Museum	<u>17,000</u>	<u>17,000</u>
(c) Minnesota Military Museum	<u>100,000</u>	<u>100,000</u>

\$50,000 in fiscal year 2016 and \$50,000 in fiscal year 2017 are for an archivist position. This is a onetime appropriation and available until June 30, 2017.

(d) Farmamerica	<u>190,000</u>	<u>115,000</u>
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\$75,000 in fiscal year 2016 is for a grant to Farmamerica, the Minnesota agriculture interpretive center, for capital improvements.

(e) Hockey Hall of Fame	<u>100,000</u>	<u>100,000</u>
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Balances Forward. Any unencumbered balance remaining in this subdivision the first year does not cancel but is available for the second year of the biennium.

Sec. 24. **BOARD OF THE ARTS**

Subdivision 1. <u>Total Appropriation</u>	<u>\$7,522,000</u>	<u>\$7,530,000</u>
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The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. <u>Operations and Services</u>	<u>583,000</u>	<u>591,000</u>
Subd. 3. <u>Grants Program</u>	<u>4,800,000</u>	<u>4,800,000</u>
Subd. 4. <u>Regional Arts Councils</u>	<u>2,139,000</u>	<u>2,139,000</u>

Unencumbered Balance Available. Any unencumbered balance remaining in this section the first year does not cancel, but is available for the second year of the biennium.

Projects located in Minnesota; travel restriction. Money appropriated in this section and distributed as grants may only be spent on projects located in Minnesota. A recipient of a grant funded by an appropriation in this section must not use more than ten percent of the total grant for costs related to travel outside the state of Minnesota.

Sec. 25. <u>MINNESOTA HUMANITIES CENTER</u>	<u>\$675,000</u>	<u>\$675,000</u>
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\$325,000 in fiscal year 2016 and \$325,000 in fiscal year 2017 are for the healthy eating, here at home program under Minnesota Statutes, section 138.912. No more than three percent of the appropriation may be used for the nonprofit administration of the grant program under Minnesota Statutes, section 138.912.

Sec. 26. <u>BOARD OF ACCOUNTANCY</u>	<u>\$639,000</u>	<u>\$641,000</u>
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Sec. 27. <u>BOARD OF ARCHITECTURE ENGINEERING, LAND SURVEYING, LANDSCAPE ARCHITECTURE, GEOSCIENCE, AND INTERIOR DESIGN</u>	<u>\$784,000</u>	<u>\$794,000</u>
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Sec. 28. <u>BOARD OF COSMETOLOGIST EXAMINERS</u>	<u>\$2,565,000</u>	<u>\$2,584,000</u>
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Sec. 29. <u>BOARD OF BARBER EXAMINERS</u>	<u>\$321,000</u>	<u>\$325,000</u>
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Sec. 30. <u>GENERAL CONTINGENT ACCOUNTS</u>	<u>\$1,000,000</u>	<u>\$500,000</u>
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Appropriations by Fund

	<u>2016</u>	<u>2017</u>
<u>General</u>	<u>500,000</u>	<u>-0-</u>
<u>State Government</u>		
<u>Special Revenue</u>	<u>400,000</u>	<u>400,000</u>
<u>Workers' Compensation</u>	<u>100,000</u>	<u>100,000</u>

(a) The appropriations in this section may only be spent with the approval of the governor after consultation with the Legislative Advisory Commission pursuant to Minnesota Statutes, section 3.30.

(b) If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

(c) If a contingent account appropriation is made in one fiscal year, it should be considered a biennial appropriation.

Sec. 31. **TORT CLAIMS**

\$161,000

\$161,000

These appropriations are to be spent by the commissioner of management and budget according to Minnesota Statutes, section 3.736, subdivision 7. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Sec. 32. **MINNESOTA STATE RETIREMENT SYSTEM**

Subdivision 1. Total Appropriation

\$6,552,000

\$8,936,000

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

Subd. 2. Combined Legislators and Constitutional Officers Retirement Plan

Under Minnesota Statutes, sections 3A.03, subdivision 2; 3A.04, subdivisions 3 and 4; and 3A.115.

If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

Sec. 33. **PUBLIC EMPLOYEES RETIREMENT ASSOCIATION**

\$6,000,000

\$6,000,000

Notwithstanding Minnesota Statutes, section 353.505, the state payments to the Public Employees Retirement Association on behalf of the former MERF division account are \$6,000,000 on September 15, 2015 and \$6,000,000 on September 15, 2016.

Sec. 34. **TEACHERS RETIREMENT ASSOCIATION**

\$29,831,000

\$29,831,000

The amounts estimated to be needed are as follows:

Special Direct State Aid. \$27,331,000 the first year and \$27,331,000 the second year are for special direct state aid authorized under Minnesota Statutes, section 354.436.

Special Direct State Matching Aid. \$2,500,000 the first year and \$2,500,000 the second year are for special direct state matching aid authorized under Minnesota Statutes, section 354.435.

Sec. 35. **ST. PAUL TEACHERS RETIREMENT FUND** **\$9,827,000** **\$9,827,000**

The amounts estimated to be needed for special direct state aid to the first class city teachers retirement fund association authorized under Minnesota Statutes, section 354A.12, subdivisions 3a and 3c.

Sec. 36. **MILITARY AFFAIRS**

Subdivision 1. **Total Appropriation** **\$19,368,000** **\$19,368,000**

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

Subd. 2. **Maintenance of Training Facilities** 9,661,000 9,661,000

Subd. 3. **General Support** 2,819,000 2,819,000

Subd. 4. **Enlistment Incentives** 6,888,000 6,888,000

Appropriation Availability. If appropriations for either year of the biennium are insufficient, the appropriation from the other year is available. The appropriations for enlistment incentives are available until expended.

Transfer Authority. Of the funds carried forward from fiscal year 2015 to fiscal year 2016, in the enlistment incentives appropriation, \$10,000,000 in fiscal year 2016 may be transferred to the maintenance of training facilities appropriation to address significant maintenance backlog to the department's military training and community centers. This is a onetime transfer and is available until June 30, 2019.

Sec. 37. **VETERANS AFFAIRS**

Subdivision 1. **Total Appropriation** **\$69,106,000** **\$73,679,000**

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

Subd. 2. **Veterans Programs and Services** 16,393,000 16,461,000

\$44,000 for a transfer to the Department of Education to implement the expedited and temporary licensing provisions of Minnesota Statutes, section 197.4552. This appropriation is available until June 30, 2017.

Veterans Service Organizations. \$353,000 each year is for grants to the following congressionally chartered veterans service organizations, as designated by the commissioner: Disabled American Veterans, Military Order of the Purple Heart, the American Legion, Veterans of Foreign Wars, Vietnam Veterans of

America, AMVETS, and Paralyzed Veterans of America. This funding must be allocated in direct proportion to the funding currently being provided by the commissioner to these organizations.

Minnesota Assistance Council for Veterans. \$750,000 each year is for a grant to the Minnesota Assistance Council for Veterans to provide assistance throughout Minnesota to veterans and their families who are homeless or in danger of homelessness, including assistance with the following:

- (1) utilities;
- (2) employment; and
- (3) legal issues.

The assistance authorized under this paragraph must be made only to veterans who have resided in Minnesota for 30 days prior to application for assistance and according to other guidelines established by the commissioner. In order to avoid duplication of services, the commissioner must ensure that this assistance is coordinated with all other available programs for veterans.

Honor Guards. \$200,000 each year is for compensation for honor guards at the funerals of veterans under Minnesota Statutes, section 197.231.

Minnesota GI Bill. \$200,000 each year is for the costs of administering the Minnesota GI Bill postsecondary educational benefits, on-the-job training, and apprenticeship program under Minnesota Statutes, section 197.791. Of this amount, \$100,000 is for transfer to the Office of Higher Education.

Gold Star Program. \$100,000 each year is for administering the Gold Star Program for surviving family members of deceased veterans.

County Veterans Service Office. \$1,100,000 each year is for funding the County Veterans Service Office grant program under Minnesota Statutes, section 197.608.

Subd. 3. **Veterans Homes**

52,713,000

57,218,000

Veterans Homes Special Revenue Account. The general fund appropriations made to the department may be transferred to a veterans homes special revenue account in the special revenue fund in the same manner as other receipts are deposited according to Minnesota Statutes, section 198.34, and are appropriated to the department for the operation of veterans homes facilities and programs.

Maximize Federal Reimbursements. The department will seek opportunities to maximize federal reimbursements of Medicare-eligible expenses and will provide annual reports to the commissioner of management and budget on the federal Medicare reimbursements received. Contingent upon future federal Medicare receipts, reductions to the homes' general fund appropriation may be made.

Sec. 38. **APPROPRIATION CANCELLATIONS**

All unspent funds, estimated to be \$44,000, to implement the expedited and temporary licensing provisions of Minnesota Statutes, section 197.4552, under Laws 2014, chapter 312, article 4, section 2, subdivision 8, are canceled to the general fund on June 30, 2015.

All unspent funds, estimated to be \$150,000, from the Web site redevelopment project appropriation under Laws 2013, chapter 142, article 1, section 7, are canceled to the general fund on June 30, 2015.

ARTICLE 2
STATE GOVERNMENT OPERATIONS

Section 1. Minnesota Statutes 2014, section 3.8843, subdivision 5, is amended to read:

Subd. 5. **Staff.** Legislative staff must provide administrative and research assistance to the commission. The Legislative Coordinating Commission may, if funding is available, appoint staff to provide research assistance.

Sec. 2. **[3.9735] EVALUATION OF ECONOMIC DEVELOPMENT INCENTIVE PROGRAMS.**

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

(a) "General incentive" means a state program, statutory provision, or tax expenditure, including tax credits, tax exemptions, tax deductions, grants, or loans, that is intended to encourage businesses to locate, expand, invest, or remain in Minnesota or to hire or retain employees in Minnesota. To be a general incentive, a state program, statutory provision, or tax expenditure must be funded by an appropriation from the general fund, and be available to multiple entities, projects, or associated projects or include eligibility criteria with the intent that it will be available to multiple entities, projects, or associated projects.

(b) "Exclusive incentive" means a state program, statutory provision, tax expenditure, or section of a general incentive, including tax credits, tax exemptions, tax deductions, grants, or loans, that is intended to encourage a single specific entity, project, or associated projects to locate, expand, invest, or remain in Minnesota or to hire or retain employees in Minnesota.

Subd. 2. **Selection of general incentives for review; schedule for evaluation; report.** Annually, the legislative auditor shall submit to the Legislative Audit Commission a list of three to five general incentives proposed for review. In selecting general incentives to include on this list, the legislative auditor may consider what the incentive will cost state and local governments in actual spending and foregone revenue currently or projected into the future, the legislature's need for information about a general incentive that has an upcoming expiration date,

and the legislature's need for regular information on the results of all major general incentives. Annually, the Legislative Audit Commission will select at least one general incentive for the legislative auditor's evaluation. The legislative auditor will evaluate the selected general incentive or incentives, prepared according to the evaluation plan established under subdivision 4, and submit a written report to the Legislative Audit Commission.

Subd. 3. **Exclusive incentive schedule.** The legislative auditor's schedule shall ensure that at least once every four years the legislative auditor will complete an analysis of best practices for exclusive incentives.

Subd. 4. **Evaluation plans.** By February 1, 2016, the Legislative Audit Commission shall establish evaluation plans that identify elements that the legislative auditor must include in evaluations of a general incentive and an exclusive incentive. The Legislative Audit Commission may modify the evaluation plans as needed.

Sec. 3. **[6.481] COUNTY AUDITS.**

Subdivision 1. **Powers and duties.** All the powers and duties conferred and imposed upon the state auditor shall be exercised and performed by the state auditor in respect to the offices, institutions, public property, and improvements of several counties of the state. The state auditor may visit, without previous notice, each county and examine all accounts and records relating to the receipt and disbursement of the public funds and the custody of the public funds and other property. The state auditor shall prescribe and install systems of accounts and financial reports that shall be uniform, so far as practicable, for the same class of offices.

Subd. 2. **Annual audit required.** A county must have an annual financial audit. A county may choose to have the audit performed by the state auditor, or may choose to have the audit performed by a CPA firm meeting the requirements of section 326A.05. The state auditor or a CPA firm may accept the records and audit of the Department of Human Services instead of examining county human service funds, if the audit of the Department of Human Services has been made within any period covered by the auditor's audit of other county records.

Subd. 3. **CPA firm audit.** A county audit performed by a CPA firm must meet the standards and be in the form required by the state auditor. The state auditor may require additional information from the CPA firm if the state auditor determines that is in the public interest, but the state auditor must accept the audit unless the state auditor determines it does not meet recognized industry auditing standards or is not in the form required by the state auditor. The state auditor may make additional examinations as the auditor determines to be in the public interest.

Subd. 4. **Audit availability; data.** A copy of the annual audit by the state auditor or by a CPA firm must be available for public inspection in the Office of the State Auditor and in the Office of the County Auditor. If an audit is performed by a CPA firm, data relating to the audit are subject to the same data classifications that apply under section 6.715. A CPA firm conducting a county audit must provide access to data relating to the audit and is liable for unlawful disclosure of the data as if it were a government entity under chapter 13.

Subd. 5. **Reporting.** If an audit conducted by the state auditor or a CPA firm discloses malfeasance, misfeasance, or nonfeasance, the auditor must report this to the county attorney, who shall institute civil and criminal proceedings as the law and the protection of the public interests requires.

Subd. 6. **Payments to state auditor.** A county audited by the state auditor must pay the state auditor for the costs and expenses of the audit. If the state auditor makes additional examinations of a county whose audit is performed by a CPA firm, the county must pay the auditor for the cost of these examinations. Payments must be deposited in the state auditor enterprise fund.

Subd. 7. **Procedures for change of auditor.** A county that plans to change to or from the state auditor and a CPA firm must notify the state auditor of this change by August 1 of an even-numbered year. Upon this notice, the following calendar year will be the first year's records that will be subject to an audit by the new entity. A county that changes to or from the state auditor must have two annual audits done by the new entity.

EFFECTIVE DATE. This section is effective August 1, 2016.

Sec. 4. Minnesota Statutes 2014, section 10.43, is amended to read:

10.43 TELEPHONE USE; APPROVAL.

(a) Each representative, senator, constitutional officer, judge, and head of a state department or agency shall sign the person's monthly long-distance telephone bills paid by the state as evidence of the person's approval of each bill. This signature requirement does not apply to a month in which the person's long-distance phone bill paid by the state is less than \$5.

(b) Even if the monthly long-distance phone bill paid by the state for a person subject to this section is less than \$5, the person is responsible for paying that portion of the bill that does not relate to state business. As provided in section 10.46, long-distance telephone bills paid by the state are public data, regardless of the amount of the bills.

EFFECTIVE DATE. This section is effective for telephone bills for usage on or after July 1, 2015.

Sec. 5. **[15.0145] ETHNIC COUNCILS.**

Subdivision 1. **Three ethnic councils; creation.** (a) The Minnesota Council on Latino Affairs includes public members with an ethnic heritage from Mexico, any of the countries in Central or South America, Cuba, the Dominican Republic, or Puerto Rico.

(b) The Council for Minnesotans of African Heritage includes public members of black African ancestry.

(c) The Council on Asian-Pacific Minnesotans includes public members with an ethnic heritage from any of the countries east of, and including, Afghanistan or the Pacific Islands.

Subd. 2. **Membership.** (a) Each council has 15 voting members. Eleven members of each council are public members appointed by the governor. Four members of each council are legislators.

(b) The governor shall appoint 11 members of each council as follows:

(1) the Minnesota Council on Latino Affairs must include one member representing each of the state's congressional districts and three members appointed at-large. The council must include at least five women. The governor must attempt to ensure that the demographic composition of council members accurately reflects the demographic composition of Minnesota's Latino community, including recent immigrants, as determined by the state demographer;

(2) the Council for Minnesotans of African Heritage must include members who are broadly representative of the African heritage community of the state. The council must include at least five women. At least three members must be first or second generation African immigrants, who generally reflect the demographic composition of these African immigrants, as determined by the state demographer; and

(3) the Council on Asian-Pacific Minnesotans must include one member from each of the five ancestries with the state's highest percentages of Asian-Pacific populations, as determined by the state demographer. The other six members must be broadly representative of the rest of the Asian-Pacific population, with no more than one council member from any one ancestry. The council must include at least five women. For purposes of this clause, ancestry refers to heritage that is commonly accepted in Minnesota as a unique population.

(c) Four legislators are voting members of each council. The speaker of the house and the house minority leader shall each appoint one member to each council. The Subcommittee on Committees of the senate Committee on Rules and Administration shall appoint one member of the majority caucus and one member of the minority caucus to each council.

(d) The governor may appoint a commissioner of a state agency or a designee of that commissioner to serve as an ex-officio, nonvoting member of a council.

Subd. 3. Appointments; terms; removal. (a) In making appointments to a council, the governor shall consider an appointee's proven dedication and commitment to the council's community and any expertise possessed by the appointee that might be beneficial to the council, such as experience in public policy, legal affairs, social work, business, or management. The executive director of a council and legislative members may offer advice to the governor on applicants seeking appointment.

(b) Terms, compensation, and filling of vacancies for members appointed by the governor are as provided in section 15.059. Removal of members appointed by the governor is governed by section 15.059, except that: (1) a member who missed more than half of the council meetings convened during a 12-month period automatically is removed from the council; and (2) a member appointed by the governor may be removed by a vote of three of the four legislative members of the council. The chair of a council shall inform the governor of the need for the governor to fill a vacancy on the council. Legislative members serve at the pleasure of their appointing authority.

(c) A member appointed by the governor may serve no more than a total of eight years on a council. A legislator may serve no more than eight consecutive years or 12 nonconsecutive years on any one council.

Subd. 4. Training; executive committee; meetings; support. (a) A member appointed by the governor must attend orientation training within the first six months of service for each term. The commissioner of administration must arrange for the training to include but not be limited to the legislative process, government data practices, open meeting law, Robert's Rules of Order, fiscal management, and human resources. The governor must remove a member who does not complete the training.

(b) Each council shall annually elect from among the members appointed by the governor a chair and other officers it deems necessary. These officers and one legislative member selected by the council shall serve as the executive committee of the council.

(c) Forty percent of voting members of a council constitutes a quorum. A quorum is required to conduct council business. A council member may not vote on any action if the member has a conflict of interest under section 10A.07.

(d) Each council shall receive administrative support from the commissioner of administration under section 16B.371. The council may contract in its own name but may not accept or receive a loan or incur indebtedness except as otherwise provided by law. Contracts must be approved by a majority of the members of the council and executed by the chair and the executive director. The council may apply for, receive, and expend in its own name grants and gifts of money consistent with the powers and duties specified in this section.

(e) The attorney general shall provide legal services to the councils on behalf of the state on all matters relating to the councils, including matters relating to the state as the employer of the executive directors of the council, and other council staff.

Subd. 5. Executive director; staff. (a) The Legislative Coordinating Commission must appoint an executive director for each council. The executive director must be experienced in administrative activities and familiar with the challenges and needs of the ethnic council's larger community. The executive director serves in the unclassified service at the pleasure of the Legislative Coordinating Commission.

(b) The Legislative Coordinating Commission must establish a process for recruiting and selecting applicants for the executive director positions. This process must include consultation and collaboration with the applicable council.

(c) The executive director and applicable council members must work together in fulfilling council duties. The executive director must consult with the commissioners of administration and management and budget to ensure appropriate financial, purchasing, human resources, and other services for operation of the council. The executive director must appoint and supervise the work of other staff necessary to carry out the duties of the council. The executive director and other council staff are executive branch employees.

Subd. 6. Duties of council. (a) A council must work for the implementation of economic, social, legal, and political equality for its constituency. The council shall work with the legislature and governor to carry out this work by performing the duties in this section.

(b) A council shall advise the governor and the legislature on issues confronting the constituency of the council. This may include, but is not limited to, presenting the results of surveys, studies, and community forums to the appropriate executive departments and legislative committees.

(c) A council shall advise the governor and the legislature of administrative and legislative changes needed to improve the economic and social condition of the constituency of the council. This may include but is not limited to working with legislators to develop legislation to address these issues and to work for passage of the legislation. This may also include making recommendations regarding the state's affirmative action program and the state's targeted group small business program, or working with state agencies and organizations to develop business opportunities and promote economic development for the constituency of the council.

(d) A council shall advise the governor and the legislature of the implications and effect of proposed administrative and legislative changes on the constituency of the council. This may include but is not limited to tracking legislation, testifying as appropriate, and meeting with executive departments and legislators.

(e) A council shall serve as a liaison between state government and organizations that serve the constituency of the council. This may include but is not limited to working with these organizations to carry out the duties in paragraphs (a) to (d), and working with these organizations to develop informational programs or publications to involve and empower the constituency in seeking improvement in their economic and social conditions.

(f) A council shall perform or contract for the performance of studies designed to suggest solutions to the problems of the constituency of the council in the areas of education, employment, human rights, health, housing, social welfare, and other related areas.

(g) In carrying out duties under this subdivision, councils may act to advise on issues that affect the shared constituencies of more than one council.

Subd. 7. Duties of council members. A council member shall:

(1) attend and participate in scheduled meetings and be prepared by reviewing meeting notes;

(2) maintain and build communication with the community represented;

(3) collaborate with the council and executive director in carrying out the council's duties; and

(4) participate in activities the council or executive director deem appropriate and necessary to facilitate the goals and duties of the council.

Subd. 8. Reports. A council must report on the measurable outcomes achieved in the council's current strategic plan to meet its statutory duties, along with the specific objectives and outcome measures proposed for the following year. The council must submit the report by January 15 each year to the chairs of the committees in the house of

representatives and the senate with primary jurisdiction over state government operations. Each report must cover the calendar year of the year before the report is submitted. The specific objectives and outcome measures for the following current year must focus on three or four achievable objectives, action steps, and measurable outcomes for which the council will be held accountable. The strategic plan may include other items that support the statutory purposes of the council but should not distract from the primary statutory proposals presented. The funding request of each council, after approval by the Legislative Coordinating Commission, must also be presented by February 1 in each odd-numbered year.

Sec. 6. Minnesota Statutes 2014, section 16A.065, is amended to read:

16A.065 PREPAY SOFTWARE, SUBSCRIPTIONS, UNITED STATES DOCUMENTS.

Notwithstanding section 16A.41, subdivision 1, the commissioner may allow an agency to make advance deposits or payments for software or software maintenance services for state-owned or leased electronic data processing equipment, for information technology hosting services, for sole source maintenance agreements where it is not cost-effective to pay in arrears, for exhibit booth space or boat slip rental when required by the renter to guarantee the availability of space, for registration fees where advance payment is required or advance payment discount is provided, and for newspaper, magazine, and other subscription fees customarily paid for in advance. The commissioner may also allow advance deposits by any department with the Library of Congress and federal Supervisor of Documents for items to be purchased from those federal agencies.

Sec. 7. Minnesota Statutes 2014, section 16A.152, subdivision 8, is amended to read:

Subd. 8. **Report on budget reserve percentage.** (a) The commissioner of management and budget shall develop and annually review a methodology for evaluating the adequacy of the budget reserve based on the volatility of Minnesota's general fund tax structure. The review must take into consideration relevant statistical and economic literature. After completing the review, the commissioner may revise the methodology if necessary. The commissioner must use the methodology to annually estimate the percentage of the current biennium's general fund nondedicated revenues recommended as a budget reserve.

(b) By ~~January 15~~ September 30 of each year, the commissioner shall report the percentage of the current biennium's general fund nondedicated revenue that is recommended as a budget reserve to the chairs and ranking minority members of the ~~legislative committees with jurisdiction over the Department of Management and Budget senate committee on finance, the house of representatives committee on ways and means, and the senate and house of representatives committees on taxes.~~ The report must also specify:

(1) whether the commissioner revised the recommendation as a result of significant changes in the mix of general fund taxes or the base of one or more general fund taxes;

(2) whether the commissioner revised the recommendation as a result of a revision to the methodology; and

(3) any additional appropriate information.

EFFECTIVE DATE. This section is effective July 1, 2015.

Sec. 8. **[16B.4805] ACCOMMODATION REIMBURSEMENT.**

Subdivision 1. Definitions. "Reasonable accommodation" as used in this section has the meaning given in section 363A.08. "State agency" as used in this section has the meaning given in section 16A.011, subdivision 12. "Reasonable accommodations eligible for reimbursement" means:

(1) reasonable accommodations provided to applicants for employment;

(2) reasonable accommodations for employees for services that will need to be provided on a periodic or ongoing basis; or

(3) reasonable accommodations that involve onetime expenses that total more than \$1,000 for an employee in a fiscal year.

Subd. 2. **Reimbursement for making reasonable accommodation.** The commissioner of administration shall reimburse state agencies for expenses incurred in making reasonable accommodations eligible for reimbursement for agency employees and applicants for employment to the extent that funds are available in the accommodation account established under subdivision 3 for this purpose.

Subd. 3. **Accommodation account established.** The accommodation account is created as an account in the special revenue fund for reimbursing state agencies for expenses incurred in providing reasonable accommodation eligible for reimbursement for agency employees and applicants for agency employment.

Subd. 4. **Administration costs.** The commissioner may use up to 15 percent of the biennial appropriation for administration of this section.

Subd. 5. **Notification.** By August 1, 2015, or within 30 days of final enactment, whichever is later, and each year thereafter by June 30, the commissioner of administration must notify state agencies that reimbursement for expenses incurred to make reasonable accommodation eligible for reimbursement for agency employees and applicants for agency employment is available under this section.

Subd. 6. **Report.** By January 31 of each year, the commissioner of administration must report to the chairs and ranking minority members of the house of representatives and the senate committees with jurisdiction over state government finance on the use of the central accommodation account during the prior calendar year. The report must include:

(1) the number and type of accommodations requested;

(2) the cost of accommodations requested;

(3) the state agencies from which the requests were made;

(4) the number of requests made for employees and the number of requests for applicants for employment;

(5) the number and type of accommodations that were not provided;

(6) any remaining balance left in the account;

(7) if the account was depleted, the date on which funds were exhausted and the number, type, and cost of accommodations that were not reimbursed to state agencies; and

(8) a description of how the account was promoted to state agencies.

EFFECTIVE DATE. This section is effective July 1, 2015. Reimbursement is available for accommodation expenses incurred after June 30, 2015.

Sec. 9. Minnesota Statutes 2014, section 16B.97, subdivision 1, is amended to read:

Subdivision 1. **Grant agreement.** (a) A grant agreement is a written instrument or electronic document defining a legal relationship between a granting agency and a grantee when the principal purpose of the relationship is to transfer cash or something of value to the recipient to support a public purpose authorized by law instead of acquiring by professional or technical contract, purchase, lease, or barter property or services for the direct benefit or use of the granting agency.

(b) This section does not apply to general obligation grants as defined by section 16A.695 and capital project grants to political subdivisions as defined by section 16A.86.

Sec. 10. Minnesota Statutes 2014, section 16B.98, subdivision 1, is amended to read:

Subdivision 1. **Limitation.** (a) As a condition of receiving a grant from an appropriation of state funds, the recipient of the grant must agree to minimize administrative costs. The granting agency is responsible for negotiating appropriate limits to these costs so that the state derives the optimum benefit for grant funding.

(b) This section does not apply to general obligation grants as defined by section 16A.695 and also capital project grants to political subdivisions as defined by section 16A.86.

Sec. 11. Minnesota Statutes 2014, section 16B.98, subdivision 11, is amended to read:

Subd. 11. **Encumbrance exception.** Notwithstanding subdivision 5, paragraph (a), clause (2), or section 16C.05, subdivision 2, paragraph (a), clause (3), agencies may permit a specifically named, legislatively appropriated, noncompetitive grant recipient to incur eligible expenses based on an agreed upon work plan and budget for up to 60 days prior to an encumbrance being established in the accounting system. ~~For a grant funded in whole or in part with state general obligation bond proceeds, an agency may permit incurring of expenses under this subdivision only with prior approval of the commissioner of management and budget.~~

Sec. 12. Minnesota Statutes 2014, section 16C.144, is amended to read:

16C.144 GUARANTEED ENERGY-SAVINGS PROGRAM.

Subdivision 1. **Definitions.** The following definitions apply to this section.

(a) "Utility" means electricity, natural gas, or other energy resource, water, and wastewater.

(b) "Utility cost savings" means the difference between the utility costs after installation of the utility cost-savings measures pursuant to the guaranteed energy-savings agreement and the baseline utility costs after baseline adjustments have been made.

(c) "Baseline" means the preagreement utilities, operations, and maintenance costs.

(d) "Utility cost-savings measure" means a measure that produces utility cost savings or operation and maintenance cost savings.

(e) "Operation and maintenance cost savings" means a measurable difference between operation and maintenance costs after the installation of the utility cost-savings measures pursuant to the guaranteed energy-savings agreement and the baseline operation and maintenance costs after inflation adjustments have been made. Operation and maintenance costs savings shall not include savings from in-house staff labor.

(f) "Guaranteed energy-savings agreement" means an agreement for the installation of one or more utility cost-savings measures that includes the qualified provider's guarantee as required under subdivision 2.

(g) "Baseline adjustments" means adjusting the utility cost-savings baselines annually for changes in the following variables:

- (1) utility rates;
- (2) number of days in the utility billing cycle;
- (3) square footage of the facility;
- (4) operational schedule of the facility;
- (5) facility temperature set points;
- (6) weather; and
- (7) amount of equipment or lighting utilized in the facility.

(h) "Inflation adjustment" means adjusting the operation and maintenance cost-savings baseline annually for inflation.

(i) "~~Lease purchase agreement~~ Project financing" means ~~an agreement~~ any type of financing including but not limited to lease, lease purchase, installment agreements, or bonds issued by an entity, other than the state, with authority to issue bonds, obligating the state to make regular ~~lease~~ payments to satisfy the ~~lease~~ costs of the utility cost-savings measures until the final payment, ~~after which time the utility cost savings measures become the sole property of the state of Minnesota.~~

(j) "Qualified provider" means a person or business experienced in the design, implementation, and installation of utility cost-savings measures.

(k) "Engineering report" means a report prepared by a professional engineer licensed by the state of Minnesota summarizing estimates of all costs of installations, modifications, or remodeling, including costs of design, engineering, installation, maintenance, repairs, and estimates of the amounts by which utility and operation and maintenance costs will be reduced.

(l) "Capital cost avoidance" means money expended by a state agency to pay for utility cost-savings measures with a guaranteed savings agreement so long as the measures that are being implemented to achieve the utility, operation, and maintenance cost savings are a significant portion of an overall project as determined by the commissioner.

(m) "Guaranteed energy-savings program guidelines" means policies, procedures, and requirements of guaranteed savings agreements established by the Department of Administration.

Subd. 2. **Guaranteed energy-savings agreement.** The commissioner may enter into a guaranteed energy-savings agreement with a qualified provider if:

(1) the qualified provider is selected through a competitive process in accordance with the guaranteed energy-savings program guidelines within the Department of Administration;

(2) the qualified provider agrees to submit an engineering report prior to the execution of the guaranteed energy-savings agreement. The cost of the engineering report may be considered as part of the implementation costs if the commissioner enters into a guaranteed energy-savings agreement with the provider;

(3) the term of the guaranteed energy-savings agreement shall not exceed 25 years from the date of final installation;

(4) the commissioner finds that the amount ~~the state would spend, less the amount contributed for capital cost avoidance,~~ on the utility cost-savings measures recommended in the engineering report will not exceed the amount to be saved in utility operation and maintenance costs over 25 years from the date of implementation of utility cost-savings measures;

(5) the qualified provider provides a written guarantee that the annual utility, operation, and maintenance cost savings during the term of the guaranteed energy-savings agreement will meet or exceed the annual payments due under ~~a lease purchase agreement~~ the project financing. The qualified provider shall reimburse the state for any shortfall of guaranteed utility, operation, and maintenance cost savings; and

(6) the qualified provider gives a sufficient bond in accordance with section 574.26 to the commissioner for the faithful implementation and installation of the utility cost-savings measures.

Subd. 3. ~~Lease purchase agreement~~ **Project financing.** The commissioner may enter into ~~a lease purchase agreement~~ project financing with any party for the implementation of utility cost-savings measures in accordance with the guaranteed energy-savings agreement. ~~The implementation costs of the utility cost savings measures recommended in the engineering report shall not exceed the amount to be saved in utility and operation and maintenance costs over the term of the lease purchase agreement.~~ The term of the ~~lease purchase agreement~~ project financing shall not exceed 25 years from the date of final installation. The ~~lease~~ project financing is assignable in accordance with terms approved by the commissioner of management and budget.

Subd. 4. **Use of capital cost avoidance.** The affected state agency may contribute funds for capital cost avoidance for guaranteed energy-savings agreements. Use of capital cost avoidance is subject to the guaranteed energy-savings program guidelines within the Department of Administration.

Subd. 5. **Independent report.** For each guaranteed energy-savings agreement entered into, the commissioner of administration shall contract with an independent third party to evaluate the cost-effectiveness of each utility cost-savings measure implemented to ensure that such measures were the least-cost measures available. For the purposes of this section, "independent third party" means an entity not affiliated with the qualified provider, that is not involved in creating or providing conservation project services to that provider, and that has expertise (or access to expertise) in energy-savings practices.

Sec. 13. Minnesota Statutes 2014, section 16C.16, subdivision 2, is amended to read:

Subd. 2. **Small business.** The commissioner shall adopt ~~rules defining the size standards for "small business" found in Code of Federal Relations, title 49, section 26.65,~~ for purposes of sections 16C.16 to 16C.21, 137.31, 137.35, 161.321, and 473.142. ~~The definition must include only businesses with their, provided that the business has its principal place of business in Minnesota. The definition must establish different size standards for various types of businesses. In establishing these standards, the commissioner must consider the differences among industries caused by the size of the market for goods or services and the relative size and market share of the competitors operating in those markets.~~

Sec. 14. Minnesota Statutes 2014, section 16C.16, subdivision 6a, is amended to read:

Subd. 6a. **Veteran-owned small businesses.** (a) Except when mandated by the federal government as a condition of receiving federal funds, the commissioner shall award up to a six percent preference, but no less than the percentage awarded to any other group under this section, in the amount bid on state procurement to certified small businesses that are majority-owned and operated by veterans.

(b) The purpose of this designation is to facilitate the transition of veterans from military to civilian life, and to help compensate veterans for their sacrifices, including but not limited to their sacrifice of health and time, to the state and nation during their military service, as well as to enhance economic development within Minnesota.

(c) Before the commissioner certifies that a small business is majority-owned and operated by a veteran, the commissioner of veterans affairs must verify that the owner of the small business is a veteran, as defined in section 197.447.

Sec. 15. Minnesota Statutes 2014, section 16C.16, is amended by adding a subdivision to read:

Subd. 13. **State-funded projects.** (a) Notwithstanding section 16C.001, this subdivision applies to contracts for state-funded capital improvement projects in excess of \$100,000 that are issued by organizations not subject to the small business requirements of this section, including municipalities as defined in section 466.01, subdivision 1.

(b) Organizations administering contracts described in paragraph (a) shall promote the use of targeted group businesses designated under this section and take steps to remove barriers to equitable participation of targeted group businesses.

(c) Organizations shall cooperate with the commissioner's efforts to monitor and measure compliance with this subdivision in the performance of state-funded contracts.

Sec. 16. Minnesota Statutes 2014, section 16C.19, is amended to read:

16C.19 ELIGIBILITY; RULES.

(a) A small business wishing to participate in the programs under section 16C.16, subdivisions 4 to 7, must be certified by the commissioner. The commissioner shall adopt by rule standards and procedures for certifying that small targeted group businesses, small businesses located in economically disadvantaged areas, and veteran-owned small businesses are eligible to participate under the requirements of sections 16C.16 to 16C.21. The commissioner shall adopt by rule standards and procedures for hearing appeals and grievances and other rules necessary to carry out the duties set forth in sections 16C.16 to 16C.21.

(b) The commissioner may make rules which exclude or limit the participation of nonmanufacturing business, including third-party lessors, brokers, franchises, jobbers, manufacturers' representatives, and others from eligibility under sections 16C.16 to 16C.21.

(c) The commissioner may make rules that set time limits and other eligibility limits on business participation in programs under sections 16C.16 to 16C.21.

(d) Notwithstanding paragraph ~~(e)~~ (a), for purposes of sections 16C.16 to 16C.21, a veteran-owned small business, the principal place of business of which is in Minnesota, is certified if:

(1) it has been verified by the United States Department of Veterans Affairs as being either a veteran-owned small business or a service-disabled veteran-owned small business, in accordance with Public Law 109-461 and Code of Federal Regulations, title 38, part 74-; or

(2) the veteran-owned small business supplies the commissioner with proof that the small business is majority-owned and operated by:

(i) a veteran as defined in section 197.447; or

(ii) a veteran with a service-connected disability, as determined at any time by the United States Department of Veterans Affairs.

(e) Until rules are adopted pursuant to paragraph (a) for the purpose of certifying veteran-owned small businesses, the provisions of Minnesota Rules, part 1230.1700, may be read to include veteran-owned small businesses. In addition to the documentation required in Minnesota Rules, part 1230.1700, the veteran owner must have been discharged under honorable conditions from active service, as indicated by the veteran owner's most current United States Department of Defense form DD-214.

(f) Notwithstanding paragraph (a), for purposes of sections 16C.16 to 16C.21, a minority- or woman-owned small business, the principal place of business of which is in Minnesota, is certified if it has been certified by the Minnesota unified certification program under the provisions of Code of Federal Regulations, title 49, part 26.

(g) The commissioner may adopt rules to implement the programs under section 16C.16, subdivisions 4 to 7, using the expedited rulemaking process in section 14.389.

Sec. 17. **[138.912] HEALTHY EATING, HERE AT HOME.**

Subdivision 1. **Establishment.** The healthy eating, here at home program is established to provide incentives for low-income Minnesotans to use federal Supplemental Nutrition Assistance Program (SNAP) benefits for healthy purchases at Minnesota-based farmers' markets.

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

(b) "Healthy eating, here at home" means a program administered by the Minnesota Humanities Center to provide incentives for low-income Minnesotans to use SNAP benefits for healthy purchases at Minnesota-based farmers' markets.

(c) "Healthy purchases" means SNAP-eligible foods.

(d) "Minnesota-based farmers' market" means a physical market as defined in section 28A.151, subdivision 1, paragraph (b), and also includes mobile markets.

(e) "Voucher" means a physical or electronic credit.

(f) "Eligible household" means an individual or family that is determined to be a recipient of SNAP.

Subd. 3. **Grants.** The Minnesota Humanities Center shall allocate grant funds to nonprofit organizations that work with Minnesota-based farmers' markets to provide up to \$10 vouchers to SNAP participants who use electronic benefits transfer (EBT) cards for healthy purchases. Funds may also be provided for vouchers distributed through nonprofit organizations engaged in healthy cooking and food education outreach to eligible households for use at farmers' markets. Funds appropriated under this section may not be used for healthy cooking classes or food

education outreach. When awarding grants, the Minnesota Humanities Center must consider how the nonprofit organizations will achieve geographic balance, including specific efforts to reach eligible households across the state, and the organizations' capacity to manage the programming and outreach.

Subd. 4. **Household eligibility; participation.** To be eligible for a healthy eating, here at home voucher, an eligible household must meet the Minnesota SNAP eligibility requirements under section 256D.051.

Subd. 5. **Permissible uses; information provided.** An eligible household may use the voucher toward healthy purchases at Minnesota-based farmers' markets. Every eligible household that receives a voucher must be informed of the allowable uses of the voucher.

Subd. 6. **Program reporting.** The nonprofit organizations that receive grant funds must report annually to the Minnesota Humanities Center with information regarding the operation of the program, including the number of vouchers issued and the number of people served. To the extent practicable, the nonprofit organizations must report on the usage of the vouchers and evaluate the program's effectiveness.

Subd. 7. **Grocery inclusion.** The commissioner of human services must submit a waiver request to the federal United States Department of Agriculture seeking approval for the inclusion of Minnesota grocery stores in this program so that SNAP participants may use the vouchers for healthy produce at grocery stores. Grocery store participation is voluntary and a grocery store's associated administrative costs will not be reimbursed.

Sec. 18. Minnesota Statutes 2014, section 148.57, is amended by adding a subdivision to read:

Subd. 5. **Expedited and temporary licensing for former and current members of the military.** (a) Applicants seeking licensure according to this subdivision must be:

(1) an active duty military member;

(2) the spouse of an active duty military member; or

(3) a veteran who has left service in the two years preceding the date of license application, and has confirmation of an honorable or general discharge status.

(b) A qualified applicant under this subdivision must provide evidence of:

(1) a current valid license, certificate, or permit in another state without history of disciplinary action by a regulatory authority in the other state; and

(2) a current criminal background study without a criminal conviction that is determined by the board to adversely affect the applicant's ability to become licensed.

(c) A temporary license issued under this subdivision is effective for six months from the initial temporary licensure date.

(d) During the temporary license period, the individual shall complete the licensed optometrist application for licensure.

(e) In order to remain licensed after the expiration of the temporary license, an individual must meet the requirements in section 148.57, subdivisions 1 and 2.

Sec. 19. Minnesota Statutes 2014, section 148.624, subdivision 5, is amended to read:

Subd. 5. **Expedited and temporary licensing for former and current members of the military permit.** ~~The board shall issue a temporary permit to members of the military in accordance with section 197.4552.~~ (a) Applicants seeking licensure according to this subdivision must be:

(1) an active duty military member;

(2) the spouse of an active duty military member; or

(3) a veteran who has left service in the two years preceding the date of license application, and has confirmation of an honorable or general discharge status.

(b) A qualified applicant under this subdivision must provide evidence of:

(1) a current valid license in another state without history of disciplinary action by a regulatory authority in the other state; and

(2) a current criminal background study without a criminal conviction that is determined by the board to adversely affect the applicant's ability to become licensed.

(c) A temporary license issued under this subdivision is effective for six months from the initial temporary licensure date.

(d) During the temporary license period, the individual shall complete the licensed dietitian or nutritionist application for licensure.

(e) In order to remain licensed after the expiration of the temporary license, an individual must meet the full licensure requirements.

(f) The fee for the temporary ~~permit~~ license is \$250.

Sec. 20. Minnesota Statutes 2014, section 148B.33, is amended by adding a subdivision to read:

Subd. 3. **Expedited and temporary licensing for former and current members of the military.** (a) Applicants seeking licensure according to this subdivision must be:

(1) an active duty military member;

(2) the spouse of an active duty military member; or

(3) a veteran who has left service in the two years preceding the date of license application, and has confirmation of an honorable or general discharge status.

(b) A qualified applicant under this subdivision must provide evidence of:

(1) a current valid license, certificate, or permit in another state without history of disciplinary action by a regulatory authority in the other state; and

(2) a current criminal background study without a criminal conviction that is determined by the board to adversely affect the applicant's ability to become licensed.

(c) A temporary license issued under this subdivision is effective for six months from the initial temporary licensure date.

(d) During the temporary license period, the individual shall complete the licensed marriage and family therapist application for licensure.

(e) In order to remain licensed after the expiration of the temporary license, an individual must meet the requirements in subdivisions 1 and 2.

Sec. 21. Minnesota Statutes 2014, section 148B.53, is amended by adding a subdivision to read:

Subd. 1a. **Expedited and temporary licensing for former and current members of the military.** (a) Applicants seeking licensure according to this subdivision must be:

(1) an active duty military member;

(2) the spouse of an active duty military member; or

(3) a veteran who has left service in the two years preceding the date of license application, and has confirmation of an honorable or general discharge status.

(b) A qualified applicant under this subdivision must provide evidence of:

(1) a current valid license, certificate, or permit in another state without history of disciplinary action by a regulatory authority in the other state; and

(2) a current criminal background study without a criminal conviction that is determined by the board to adversely affect the applicant's ability to become licensed.

(c) A temporary license issued under this subdivision is effective for one year from the initial licensure date.

(d) During the temporary license period, the individual shall complete the licensed professional counselor application for licensure.

(e) In order to remain licensed after the expiration of the temporary license, an individual must meet the requirements in subdivision 1, paragraphs (a) and (b).

Sec. 22. Minnesota Statutes 2014, section 148B.5301, is amended by adding a subdivision to read:

Subd. 4a. **Expedited and temporary licensing for former and current members of the military.** (a) Applicants seeking licensure according to this subdivision must be:

(1) an active duty military member;

(2) the spouse of an active duty military member; or

(3) a veteran who has left service in the two years preceding the date of license application, and has confirmation of an honorable or general discharge status.

(b) A qualified applicant under paragraph (a) must provide evidence of:

(1) a current valid license, certificate, or permit in another state without history of disciplinary action by a regulatory authority in the other state; and

(2) a current criminal background study without a criminal conviction that is determined by the board to adversely affect the applicant's ability to become licensed.

(c) A temporary license issued under this subdivision is effective for one year from the initial licensure date.

(d) During the temporary license period, the individual shall complete the licensed professional clinical counselor application for licensure.

(e) In order to remain licensed after the expiration of the temporary license, an individual must meet the requirements in subdivisions 1 and 2.

Sec. 23. Minnesota Statutes 2014, section 148F.025, is amended by adding a subdivision to read:

Subd. 5. **Expedited and temporary licensing for former and current members of the military.** (a) Applicants seeking licensure according to this subdivision must be:

(1) an active duty military member;

(2) the spouse of an active duty military member; or

(3) a veteran who has left service in the two years preceding the date of license application, and has confirmation of an honorable or general discharge status.

(b) Applicants are required to comply with subdivisions 1 and 4.

(c) A qualified applicant under paragraph (a) must provide evidence of:

(1) a current valid license, certificate, or permit in another state without history of disciplinary action by a regulatory authority in the other state; and

(2) a current criminal background study without a criminal conviction that is determined by the board to adversely affect the applicant's ability to become licensed.

(d) A temporary license issued under this subdivision is effective for two years from the initial licensure date.

(e) During the temporary license period, the individual shall complete the application for licensure required in subdivision 1.

(f) In order to remain licensed after the expiration of the temporary license, an individual must meet the requirements in subdivisions 2 and 3.

Sec. 24. Minnesota Statutes 2014, section 153.16, subdivision 1, is amended to read:

Subdivision 1. **License requirements.** The board shall issue a license to practice podiatric medicine to a person who meets the following requirements:

(a) The applicant for a license shall file a written notarized application on forms provided by the board, showing to the board's satisfaction that the applicant is of good moral character and satisfies the requirements of this section.

(b) The applicant shall present evidence satisfactory to the board of being a graduate of a podiatric medical school approved by the board based upon its faculty, curriculum, facilities, accreditation by a recognized national accrediting organization approved by the board, and other relevant factors.

(c) The applicant must have received a passing score on each part of the national board examinations, parts one and two, prepared and graded by the National Board of Podiatric Medical Examiners. The passing score for each part of the national board examinations, parts one and two, is as defined by the National Board of Podiatric Medical Examiners.

(d) Applicants graduating after 1986 from a podiatric medical school shall present evidence of successful completion of a residency program approved by a national accrediting podiatric medicine organization.

(e) The applicant shall appear in person before the board or its designated representative to show that the applicant satisfies the requirements of this section, including knowledge of laws, rules, and ethics pertaining to the practice of podiatric medicine. The board may establish as internal operating procedures the procedures or requirements for the applicant's personal presentation. Upon completion of all other application requirements, a doctor of podiatric medicine applying for a temporary military license has six months in which to comply with this subdivision.

(f) The applicant shall pay a fee established by the board by rule. The fee shall not be refunded.

(g) The applicant must not have engaged in conduct warranting disciplinary action against a licensee. If the applicant does not satisfy the requirements of this paragraph, the board may refuse to issue a license unless it determines that the public will be protected through issuance of a license with conditions and limitations the board considers appropriate.

(h) Upon payment of a fee as the board may require, an applicant who fails to pass an examination and is refused a license is entitled to reexamination within one year of the board's refusal to issue the license. No more than two reexaminations are allowed without a new application for a license.

Sec. 25. Minnesota Statutes 2014, section 153.16, subdivision 4, is amended to read:

Subd. 4. **Temporary military permit license.** ~~The board shall establish a temporary permit in accordance with section 197.4552. The fee for the temporary military permit is \$250.~~ (a) The board shall issue an expedited license to practice podiatric medicine to an applicant who meets the following requirements:

(1) is an active duty military member;

(2) is the spouse of an active duty military member; or

(3) is a veteran who has left service in the two years preceding the date of license application, and has confirmation of an honorable or general discharge status.

(b) A qualified applicant under this subdivision must provide evidence of:

(1) a current, valid license in another state without history of disciplinary action by a regulatory authority in the other state; and

(2) a current criminal background study without a criminal conviction that is determined by the board to adversely affect the applicant's ability to become licensed.

(c) The board shall issue a license for up to six months to a doctor of podiatric medicine eligible for licensure under this subdivision. Doctors of podiatric medicine licensed in another state who have complied with all other requirements may receive a temporary license valid for up to six months. No extension is available.

(d) A temporary license issued under this subdivision permits a qualified individual to perform podiatric medicine for a limited length of time as determined by the licensing board. During the temporary license period, the individual shall complete the full application procedure and be approved as required by applicable law.

(e) The fee for the temporary military license is \$250.

Sec. 26. Minnesota Statutes 2014, section 154.003, is amended to read:

154.003 FEES.

(a) The fees collected, as required in this chapter, chapter 214, and the rules of the board, shall be paid to the board. The board shall deposit the fees in the general fund in the state treasury.

(b) The board shall charge the following fees:

- (1) examination and certificate, registered barber, \$85;
- (2) retake of written examination, registered barber, \$10;
- (3) examination and certificate, apprentice, \$80;
- (4) retake of written examination, apprentice, \$10;
- (5) examination, instructor, \$180;
- (6) certificate, instructor, \$65;
- (7) temporary teacher or apprentice permit, \$80;
- (8) temporary registered barber, military, \$85;
- (9) temporary barber instructor, military, \$180;
- (10) temporary apprentice barber, military, \$80;
- (11) renewal of registration, registered barber, \$80;
- ~~(9)~~ (12) renewal of registration, apprentice, \$70;
- ~~(40)~~ (13) renewal of registration, instructor, \$80;
- ~~(44)~~ (14) renewal of temporary teacher permit, \$65;
- ~~(42)~~ (15) student permit, \$45;
- ~~(43)~~ (16) renewal of student permit, \$25;

- (14) (17) initial shop registration, \$85;
- (15) (18) initial school registration, \$1,030;
- (16) (19) renewal shop registration, \$85;
- (17) (20) renewal school registration, \$280;
- (18) (21) restoration of registered barber registration, \$95;
- (19) (22) restoration of apprentice registration, \$90;
- (20) (23) restoration of shop registration, \$105;
- (21) (24) change of ownership or location, \$55;
- (22) (25) duplicate registration, \$40;
- (23) (26) home study course, \$75;
- (24) (27) letter of registration verification, \$25; and
- (25) (28) reinspection, \$100.

Sec. 27. Minnesota Statutes 2014, section 154.11, subdivision 3, is amended to read:

Subd. 3. **Temporary military license permits.** (a) In accordance with section 197.4552, the board shall establish issue a temporary license:

(1) permit for apprentice barbers and master;

(2) certificate for registered barbers; and a temporary permit for apprentices in accordance with section 197.4552. The fee for a temporary license under this subdivision for a master barber is \$85. The fee for a temporary license under this subdivision for a barber is \$180. The fee for a temporary permit under this subdivision for an apprentice is \$80.

(3) certificate for registered barber instructors.

(b) Fees for temporary military permits and certificates of registration under this subdivision are listed under section 154.003.

(c) Permits or certificates of registration issued under this subdivision are valid for one year from the date of issuance, after which the individual must complete a full application as required by section 197.4552.

Sec. 28. Minnesota Statutes 2014, section 155A.21, is amended to read:

155A.21 POLICY.

The legislature finds that the health and safety of the people of the state are served by the licensing of the practice of cosmetology because of infection control and the use of chemicals, implements, apparatus, and other appliances requiring special skills and education.

To this end, the public will best be served by vesting these responsibilities in the Board of Cosmetologist Examiners.

Sec. 29. Minnesota Statutes 2014, section 155A.23, subdivision 8, is amended to read:

Subd. 8. **Manager.** A "manager" is any person who ~~conducts, operates, or manages a cosmetology school or salon and who also instructs in or is a cosmetologist, esthetician, advanced practice esthetician, or nail technician practitioner, and who has a manager license and provides any services under that license, as defined in subdivision 3. A school manager must maintain an active salon manager's license.~~

Sec. 30. Minnesota Statutes 2014, section 155A.23, is amended by adding a subdivision to read:

Subd. 8a. **Mobile salon.** A "mobile salon" is a salon that is operated in a mobile vehicle or mobile structure for exclusive use to offer personal services, as defined in subdivision 3.

EFFECTIVE DATE. This section is effective July 1, 2017.

Sec. 31. Minnesota Statutes 2014, section 155A.23, is amended by adding a subdivision to read:

Subd. 14. **Advanced practice esthetician.** An "advanced practice esthetician" is a person who for compensation performs personal services for the cosmetic care of the skin, including the use of mechanical or electrical skin care apparatuses or appliances that are used on the epidermal layer of the skin.

EFFECTIVE DATE. This section is effective August 1, 2015, except that a license for an advanced practice esthetician must not be issued prior to January 1, 2018.

Sec. 32. Minnesota Statutes 2014, section 155A.23, is amended by adding a subdivision to read:

Subd. 15. **Designated licensed salon manager.** A "designated licensed salon manager" is a manager designated by a salon owner and registered with the board, who is responsible with the salon owner for salon and practitioner compliance.

Sec. 33. Minnesota Statutes 2014, section 155A.23, is amended by adding a subdivision to read:

Subd. 16. **School manager.** A "school manager" is a cosmetologist who is a salon manager and who has a school manager license. A school manager must maintain an active salon manager's license.

Sec. 34. Minnesota Statutes 2014, section 155A.23, is amended by adding a subdivision to read:

Subd. 17. **Designated school manager.** A "designated school manager" is a school manager who is designated by the school owner and registered with the board, who is responsible with the school owner for school and instructor compliance.

Sec. 35. Minnesota Statutes 2014, section 155A.23, is amended by adding a subdivision to read:

Subd. 18. **Practitioner.** A "practitioner" is any person licensed in the practice of cosmetology, esthiology, or nail technology services.

Sec. 36. Minnesota Statutes 2014, section 155A.24, subdivision 2, is amended to read:

Subd. 2. **Hiring and assignment of employees.** The board has the authority to hire qualified personnel in the classified service to assist in administering the law, including those for the testing and licensing of applicants and the continuing inspections required. All staff must receive periodic training to improve and maintain customer service skills, conducting inspections, and complaint investigations.

Sec. 37. Minnesota Statutes 2014, section 155A.25, subdivision 1a, is amended to read:

Subd. 1a. **Schedule.** ~~(a) The fee schedule for licensees fees and penalties is as follows: provided in this subdivision.~~

~~(a)~~ (b) Three-year license fees are as follows:

~~(1) cosmetologist, nail technician, or esthetician \$195 initial practitioner, manager, or instructor license, divided as follows:~~

~~(i) \$90 \$155 for each initial license and a \$40 nonrefundable initial license application fee, for a total of \$130; and~~

~~(ii) \$60 for each renewal and a \$15 nonrefundable renewal application fee, for a total of \$75 \$40 for each initial license application fee;~~

~~(2) instructor or manager \$115 renewal of practitioner license, divided as follows:~~

~~(i) \$120 \$100 for each initial renewal license and a \$40 nonrefundable initial license application fee, for a total of \$160; and~~

~~(ii) \$90 \$15 for each renewal and a \$15 nonrefundable renewal application fee, for a total of \$105;~~

~~(3) \$145 renewal of manager or instructor license, divided as follows:~~

~~(i) \$130 for each renewal license; and~~

~~(ii) \$15 for each renewal application fee;~~

~~(4) \$350 initial salon license, divided as follows:~~

~~(i) \$130 \$250 for each initial license and a \$100 nonrefundable initial license application fee, for a total of \$230; and~~

~~(ii) \$100 for each renewal and a \$50 nonrefundable renewal initial license application fee, for a total of \$150; and~~

~~(4) school (5) \$225 renewal of salon license, divided as follows:~~

~~(i) \$1,500 \$175 for each initial license and a \$1,000 nonrefundable initial license application fee, for a total of \$2,500 renewal; and~~

~~(ii) \$1,500 \$50 for each renewal and a \$500 nonrefundable renewal application fee, for a total of \$2,000;~~

~~(6) \$4,000 initial school license, divided as follows:~~

~~(i) \$3,000 for each initial license; and~~

~~(ii) \$1,000 for each initial license application fee; and~~

~~(7) \$2,500 renewal of school license, divided as follows:~~

~~(i) \$2,000 for each renewal; and~~

(ii) \$500 for each renewal application fee.

~~(b)~~ (c) Penalties may be assessed in amounts up to the following:

(1) reinspection fee, ~~variable~~ \$150;

(2) manager and owner with lapsed practitioner found on inspection, \$150 each;

(3) lapsed practitioner or instructor found on inspection, \$200;

(4) lapsed salon found on inspection, \$500;

(5) lapsed school found on inspection, \$1,000;

(6) failure to display current license, \$100;

(7) failure to dispose of single-use equipment, implements, or materials as provided under section 155A.355, subdivision 1, \$500;

(8) use of prohibited razor-type callus shavers, rasps, or graters under section 155A.355, subdivision 2, \$500;

(9) performing nail or cosmetology services in esthetician salon, or performing esthetician or cosmetology services in a nail salon, \$500;

(10) owner and manager allowing an operator to work as an independent contractor, \$200;

(11) operator working as an independent contractor, \$100;

(12) refusal or failure to cooperate with an inspection, \$500;

(13) ~~expired cosmetologist, nail technician, esthetician, manager, school manager, and instructor license practitioner late renewal fee,~~ \$45; and

(14) ~~expired salon or school license~~ late renewal fee, \$50.

~~(e)~~ (d) Administrative fees are as follows:

(1) ~~certificate of identification, \$20~~ homebound service permit, \$50 three-year fee;

(2) name change, \$20;

(3) ~~letter of license verification~~ certification of licensure, \$30 each;

(4) duplicate license, \$20;

(5) ~~processing fee,~~ \$10;

~~(6)~~ special event permit, \$75 per year; ~~and~~

~~(7)~~ (6) registration of hair braiders, \$20 per year;

(7) \$100 for each temporary military license for a cosmetologist, nail technician, esthetician, or advanced practice esthetician one-year fee;

(8) expedited initial individual license, \$150;

(9) expedited initial salon license, \$300;

(10) instructor continuing education provider approval, \$150 each year; and

(11) practitioner continuing education provider approval, \$150 each year.

Sec. 38. Minnesota Statutes 2014, section 155A.25, subdivision 5, is amended to read:

Subd. 5. **Board must approve or deny application; timeline.** Within 15 working days of receiving a complete application and the required fees for an initial or renewal to apply for or renew an individual or salon license that is not an expedited license or a military license, the board must (1) either grant or deny the application issue the license, (2) issue deny the license or and notify the applicant of the denial, or (3) issue a temporary license to an applicant for whom no record exists regarding: (i) a complaint filed with the board against the applicant; or (ii) a negative action by the board against the applicant if the conditions in subdivision 6 are met, notify the applicant that the board must conduct additional review.

Sec. 39. Minnesota Statutes 2014, section 155A.25, is amended by adding a subdivision to read:

Subd. 6. **Additional review for certain licenses.** If an application contains discrepancies, the applicant is the subject of a complaint investigation, or the applicant has pending disciplinary actions before the board, the board will comply with the time limits prescribed in section 15.992 to process the application.

Sec. 40. Minnesota Statutes 2014, section 155A.25, is amended by adding a subdivision to read:

Subd. 7. **Temporary military license or expedited license.** Within five business days of receiving a completed application and the required fees for an individual or salon license that meets requirements for an expedited license or a temporary military license, the board must (1) issue the license, (2) deny the license and notify the applicant of the denial, or (3) notify the applicant that the board must conduct additional review if the application meets the conditions in subdivision 8.

EFFECTIVE DATE. This section is effective August 1, 2015, except that an expedited license must not be issued prior to January 1, 2016.

Sec. 41. Minnesota Statutes 2014, section 155A.25, is amended by adding a subdivision to read:

Subd. 8. **Additional review for certain temporary military license or expedited license.** If an application under subdivision 7 contains discrepancies, the applicant is the subject of a complaint investigation, or the applicant has pending disciplinary actions before the board, the board will process the application according to the time limits in section 15.992.

Sec. 42. Minnesota Statutes 2014, section 155A.27, subdivision 1, is amended to read:

Subdivision 1. **Licensing.** Individual licensing shall be required for persons seeking A person must hold an individual license to practice in the state as a cosmetologist, esthetician, nail technician, advanced practice esthetician, manager, or instructor.

Sec. 43. Minnesota Statutes 2014, section 155A.27, subdivision 2, is amended to read:

Subd. 2. **Qualifications.** Qualifications for licensing in each classification shall be determined by the board and established by rule, and shall include educational and experiential prerequisites. The rules shall require a demonstrated knowledge of procedures necessary to protect the health and safety of the practitioner and the consumer of cosmetology services, including but not limited to ~~chemical applications~~ infection control, use of implements, apparatuses and other appliances, and the use of chemicals.

Sec. 44. Minnesota Statutes 2014, section 155A.27, subdivision 5a, is amended to read:

Subd. 5a. **Temporary military license.** The board shall establish temporary licenses for a cosmetologist, nail technician, and esthetician in accordance with section 197.4552. ~~The fee for a temporary license under this subdivision for a cosmetologist, nail technician, or esthetician is \$100.~~

Sec. 45. Minnesota Statutes 2014, section 155A.271, is amended to read:

155A.271 CONTINUING EDUCATION REQUIREMENTS.

Subdivision 1. **Continuing education requirements.** (a) Effective August 1, 2014, to qualify for license renewal under this chapter as an individual cosmetologist, nail technician, esthetician, advanced practice esthetician, or salon manager, the applicant must attest to the completion of four hours of continuing education credits from an accredited school or a professional association of cosmetology during the three years prior to the applicant's renewal date. One credit hour of the requirement must include instruction pertaining to state laws and rules governing the practice of cosmetology. Three credit hours must include instruction pertaining to health, safety, and sanitation matters consistent with the United States Department of Labor's Occupational Safety and Health Administration standards applicable to the practice of cosmetology, or other applicable federal health, sanitation, and safety standards, and must be regularly updated so as to incorporate newly developed standards and accepted professional best practices. Credit hours earned are valid for three years and may be applied simultaneously to all individual licenses held by a licensee under this chapter. ~~This subdivision does not apply to instructors or inactive licenses.~~

(b) Effective August 1, 2017, in addition to the hours of continuing education credits required under paragraph (a), to qualify for license renewal under this chapter as an individual cosmetologist, nail technician, esthetician, advanced practice esthetician, or salon manager, the applicant must also attest to the completion of one four-hour continuing education course from a continuing education provider based on any or all of the following:

- (1) product chemistry and chemistry interaction;
- (2) proper use of machines and instruments;
- (3) business management and human relations; or
- (4) techniques relevant to the type of license held.

Credits must be completed during the three years prior to the applicant's renewal date and may be applied simultaneously to other individual licenses held as applicable, except that credits completed under this paragraph must not duplicate credits completed under paragraph (a).

(c) Paragraphs (a) and (b) do not apply to an instructor license, a school manager license, or an inactive license.

Subd. 1a. **Product sales or marketing prohibited.** The marketing or sale of any product is prohibited during a continuing education class receiving credit under subdivision 1.

Subd. 2. ~~Schools and professional associations~~ **Continuing education providers.** (a) Only a board-licensed school of cosmetology, a postsecondary institution as defined in section 136A.103, paragraph (a), or a board-recognized professional association organized under chapter 317A may offer continuing education curriculum for credit under ~~this section~~. subdivision 1, paragraph (a). Continuing education curriculum under subdivision 1, paragraph (b), may be offered by a:

(1) board-licensed school of cosmetology;

(2) board-recognized professional association organized under chapter 317A; or

(3) board-licensed salon.

The school and professional association may offer online and independent study options to achieve maximum involvement of licensees ~~and is~~. Continuing education providers are encouraged to offer classes available in foreign language formats.

(b) Board ~~recognition authorization~~ of a ~~professional association~~ continuing education provider under paragraph (a) is valid for ~~three years~~ one calendar year and is contingent upon submission and preapproval of the ~~general curriculum lesson plan or plans with learning objectives for the class to be offered and the payment of the application fee in section 155A.25, subdivision 1a, paragraph (d), clause (11).~~ The board may revoke ~~recognition authorization of a continuing education provider~~ at any time for just cause and the board may demand return of documents required under subdivision 3. ~~The professional association offering continuing education must be organized under chapter 317A.~~

Subd. 3. **Proof of credits.** ~~The school or professional association~~ continuing education provider shall provide to licensees who attend a class a receipt to prove completion of the class. Licensees shall retain proof of their continuing education credits for one year beyond the credit's expiration. ~~The school or professional association~~ continuing education provider shall retain documentation of all licensees successfully completing a class and the licensee's credit hours for five years.

Subd. 4. **Audit.** The board shall conduct random audits of active licensees periodically to ensure compliance with continuing education requirements. To initiate an audit, the board shall notify an active licensee of the audit and request proof of credits earned during a specified period. The licensee must provide the requested proof to the board within 30 days of an audit notice. The board may request that a school or professional association verify a licensee's credits. ~~The school or professional association~~ continuing education provider must furnish verification, or a written statement that the credits are not verified, within 15 days of the board's request for verification. If the board determines that a licensee has failed to provide proof of necessary credits earned during the specified time, the board may revoke the individual's license and may deem the individual a lapsed practitioner subject to penalty under section 155A.25 or 155A.36.

EFFECTIVE DATE. Subdivision 1 is effective August 1, 2017. Subdivision 1a is effective the day following final enactment. Subdivisions 2 to 4 are effective July 1, 2015.

Sec. 46. Minnesota Statutes 2014, section 155A.29, subdivision 1, is amended to read:

Subdivision 1. **Licensing.** ~~Any A person who offers~~ must not offer cosmetology services for compensation ~~in this state shall be~~ (1) licensed as a salon if not employed by another licensed salon or (2) employed as an esthetician or cosmetologist in connection with medical care in relation to esthiology in the office of a licensed physician unless the services are provided by a licensee in a licensed salon or as otherwise provided in this section. Each salon must be licensed as a cosmetology salon, a nail salon, esthetician salon, or advanced practice esthetician salon. A salon may hold more than one type of salon license.

Sec. 47. Minnesota Statutes 2014, section 155A.29, subdivision 2, is amended to read:

Subd. 2. **Requirements.** ~~(a)~~ The conditions and process by which a salon is licensed shall be established by the board by rule. In addition to those requirements, no license shall be issued unless the board first determines that the conditions in clauses (1) to (5) have been satisfied:

(1) compliance with all local and state laws, particularly relating to matters of sanitation, health, and safety;

(2) the employment of a manager, as defined in section 155A.23, subdivision 8;

(3) if applicable, evidence of compliance with workers' compensation section 176.182; and

(4) evidence of continued professional liability insurance coverage of at least \$25,000 for each claim and \$50,000 total coverage for each policy year for each operator.

~~(b) A licensed esthetician or nail technician who complies with the health, safety, sanitation, inspection, and insurance rules promulgated by the board to operate a salon solely for the performance of those personal services defined in section 155A.23, subdivision 5, in the case of an esthetician, or subdivision 7, in the case of a nail technician.~~

Sec. 48. Minnesota Statutes 2014, section 155A.29, is amended by adding a subdivision to read:

Subd. 2a. **Requirements for mobile salon.** In addition to complying with the requirements for a salon in subdivision 2, the holder of a salon license for a mobile salon must:

(1) maintain a permanent business address; and

(2) notify the board of the locations and schedule of operation of a mobile salon.

EFFECTIVE DATE. This section is effective July 1, 2017.

Sec. 49. Minnesota Statutes 2014, section 155A.30, subdivision 5, is amended to read:

Subd. 5. **Conditions precedent to issuance.** A license must not be issued unless the board first determines that the applicant has met the requirements in clauses (1) to (8):

(1) the applicant must have a sound financial condition with sufficient resources available to meet the school's financial obligations; to refund all tuition and other charges, within a reasonable period of time, in the event of dissolution of the school or in the event of any justifiable claims for refund against the school; to provide adequate service to its students and prospective students; and to maintain proper use and support of the school;

(2) the applicant must have satisfactory training facilities with sufficient tools and equipment and the necessary number of work stations to adequately train the students currently enrolled, and those proposed to be enrolled;

(3) the applicant must employ a sufficient number of qualified instructors trained by experience and education to give the training contemplated;

(4) the premises and conditions under which the students work and study must be sanitary, healthful, and safe according to modern standards;

(5) each occupational course or program of instruction or study must be of such quality and content as to provide education and training ~~which that~~ will adequately prepare enrolled students for testing, licensing, and entry level positions as a cosmetologist, esthetician, or nail technician;

(6) the school must have coverage by professional liability insurance of at least \$25,000 per incident and an accumulation of \$150,000 for each premium year;

(7) the applicant shall provide evidence of the school's compliance with section 176.182;

(8) the applicant, except the state and its political subdivisions as described in section 471.617, subdivision 1, shall file with the board a continuous corporate surety bond in the amount of \$10,000, conditioned upon the faithful performance of all contracts and agreements with students made by the applicant. The bond shall run to the state of Minnesota and to any person who may have a cause of action against the applicant arising at any time after the bond is filed and before it is canceled for breach of any contract or agreement made by the applicant with any student. The aggregate liability of the surety for all breaches of the conditions of the bond shall not exceed \$10,000. The surety of the bond may cancel it upon giving 60 days' notice in writing to the board and shall be relieved of liability for any breach of condition occurring after the effective date of cancellation; and

(9) the applicant must, at all times during the term of the license, employ a designated licensed school manager who maintains a cosmetology salon manager license.

Sec. 50. Minnesota Statutes 2014, section 155A.30, subdivision 10, is amended to read:

Subd. 10. **Discrimination prohibited.** ~~No Each school, duly approved under sections 155A.21 to 155A.36, shall refuse to teach any student, otherwise qualified, on account of race, sex, creed, color, citizenship, national origin, or sexual preference~~ must comply with the Minnesota Human Rights Act under chapter 363A.

Sec. 51. Minnesota Statutes 2014, section 161.1419, subdivision 8, is amended to read:

Subd. 8. **Expiration.** The commission expires on June 30, ~~2016~~ 2020.

Sec. 52. Minnesota Statutes 2014, section 211B.37, is amended to read:

211B.37 COSTS ASSESSED.

Except as otherwise provided in section 211B.36, subdivision 3, the chief administrative law judge shall assess the cost of considering complaints filed under section 211B.32 as provided in this section. Costs of complaints relating to a statewide ballot question or an election for a statewide or legislative office must be ~~assessed against the appropriation from the general fund to the general account of the state elections campaign account in section 40A.31, subdivision 4~~ paid from appropriations to the Office of Administrative Hearings for this purpose. Costs of complaints relating to any other ballot question or elective office must be paid from appropriations to the office for this purpose.

Sec. 53. Minnesota Statutes 2014, section 272.484, is amended to read:

272.484 FEES.

The fee for filing and indexing each notice of lien or certificate or notice affecting the lien is:

(1) for a lien, certificate of discharge or subordination, and for all other notices, including a certificate of release or nonattachment filed with the secretary of state, the fee provided by section 336.9-525, except that the filing fee charged to the district directors of internal revenue for filing a federal tax lien is \$15 ~~for up to two debtor names and \$15 for each additional name;~~ and

(2) for a lien, certificate of discharge or subordination, and for all other notices, including a certificate of release or nonattachment filed with the county recorder, the fee for filing a real estate mortgage in the county where filed.

The officer shall bill the district directors of internal revenue or other appropriate federal officials on a monthly basis for fees for documents filed by them.

Sec. 54. Minnesota Statutes 2014, section 303.19, is amended to read:

303.19 REINSTATEMENT.

Subdivision 1. **Application Required filing.** Any foreign corporation whose certificate of authority to do business in this state shall have been revoked or canceled may ~~file~~ reinstatement that authority by filing an annual renewal and the fee required by subdivision 2 with the secretary of state ~~an application for reinstatement. Such application shall be on forms prescribed by the secretary of state, shall contain all the matters required to be set forth in an original application for a certificate of authority, and such other pertinent information as may be required by the secretary of state. If any of the information in the original application for authority has changed, the foreign corporation must also file an amended certificate setting forth the currently accurate information, with the fee required by section 303.21, subdivision 3.~~

Subd. 2. **Fee.** If the certificate of authority was revoked by the secretary of state pursuant to section 303.17, ~~the corporation shall pay to the commissioner of management and budget \$250 before it may be reinstated.~~

~~If the certificate of authority was canceled or~~ by a judgment pursuant to section 303.18, the corporation shall pay to the commissioner of management and budget \$500 before it may be reinstated.

Subd. 3. **Certificate of reinstatement.** Upon the filing of the application and upon payment of ~~all penalties, fees and charges required by law, not including an initial license fee or additional license fees to the extent that they have previously been paid by the corporation~~ the fees imposed by this section, the secretary of state shall reinstate the license of the corporation.

Sec. 55. Minnesota Statutes 2014, section 304A.301, subdivision 1, is amended to read:

Subdivision 1. **Report required.** ~~No later than 90 days after the conclusion of each calendar year~~ Before each April 1, a public benefit corporation must deliver to the secretary of state for filing an annual benefit report covering the 12-month period ending on December 31 of ~~that the previous~~ year and pay a fee of \$35 to the secretary of state. The annual benefit report must state the name of the public benefit corporation, be signed by the public benefit corporation's chief executive officer not more than 30 days before the report is delivered to the secretary of state for filing, and must be current when signed.

Sec. 56. Minnesota Statutes 2014, section 304A.301, subdivision 5, is amended to read:

Subd. 5. **Failure to file an annual benefit report.** If a public benefit corporation fails to file ~~an~~ before April 1 of any calendar year, the annual benefit report in accordance with this section within 90 days of the date on which an annual benefit report is due required by this section, the secretary of state shall revoke the corporation's status as a public benefit corporation under this chapter and must notify the public benefit corporation of the revocation using the information provided by the corporation pursuant to section 5.002 or 5.34 or provided in the articles.

Sec. 57. Minnesota Statutes 2014, section 304A.301, subdivision 6, is amended to read:

Subd. 6. **Effects of revocation; reinstatement.** (a) A public benefit corporation that has lost its public benefit corporation status for failure to timely file an annual benefit report or by terminating that status pursuant to section 304A.103 is not entitled to the benefits afforded to a public benefit corporation under this chapter as of the date of revocation or termination and must amend the articles of incorporation to reflect a name compliant with section 302A.115, but which does not include the corporate designation provided for in section 304A.101, subdivision 2.

(b) Within 30 days of issuance of revocation of public benefit corporation status by the secretary of state, filing a renewal complying with this section and a \$500 fee with the secretary of state will reinstate the corporation as a public benefit corporation under this chapter as of the date of revocation.

Sec. 58. Minnesota Statutes 2014, section 304A.301, is amended by adding a subdivision to read:

Subd. 8. **Failure to change corporate name.** The duration of a corporation that has had public benefit status terminated or revoked and which fails to change the corporate name as provided in subdivision 6 expires automatically 30 days after termination or revocation of the public benefit corporation status.

Sec. 59. Minnesota Statutes 2014, section 326A.01, subdivision 2, is amended to read:

Subd. 2. **Attest.** "Attest" means to ~~provide~~ providing any of the following ~~financial statement~~ services:

- (1) an audit or other engagement performed in accordance with the Statements on Auditing Standards (SAS);
- (2) a review of a financial statement performed in accordance with the Statements on Standards for Accounting and Review Services (SSARS);
- (3) an examination of prospective financial information performed in accordance with the Statements on Standards for Attestation Engagements (SSAE); ~~and~~
- (4) ~~any an~~ engagement performed in accordance with ~~auditing and related~~ the standards of the Public Company Accounting Oversight Board (PCAOB); ~~and~~
- (5) an examination, review, or agreed-upon procedures engagement performed in accordance with SSAE, other than an examination described in clause (3).

Sec. 60. Minnesota Statutes 2014, section 326A.01, subdivision 12, is amended to read:

Subd. 12. **Peer review.** "Peer review" means an independent study, appraisal, or review of one or more aspects of the professional work of a licensee or CPA firm that issues attest or compilation reports, or the professional work of a person registered under section 326A.06, paragraph (b), by persons who are not affiliated with the licensee or CPA firm being reviewed.

Sec. 61. Minnesota Statutes 2014, section 326A.01, subdivision 13a, is amended to read:

Subd. 13a. **Principal place of business.** "Principal place of business" means the office location designated by the licensee for purposes of substantial equivalency and reciprocity ~~in this state and in other states.~~

Sec. 62. Minnesota Statutes 2014, section 326A.01, subdivision 15, is amended to read:

Subd. 15. **Report.** "Report," when used with reference to ~~financial statements~~ an attest or compilation service, means an opinion, report, or other form of language that states or implies assurance as to the reliability of ~~any the~~ attested information or compiled financial statements and that also includes or is accompanied by a statement or implication that the person or firm issuing it has special knowledge or competence in accounting or auditing. Such a statement or implication of special knowledge or competence may arise from use by the issuer of the report of names or titles indicating that the person or firm is an accountant or auditor, or from the language of the report itself. The term "report" includes any form of language that disclaims an opinion when the form of language is conventionally understood to imply any positive assurance as to the reliability of the attested information or compiled financial statements referred to or special competence on the part of the person or firm issuing the language. It includes any other form of language that is conventionally understood to imply such assurance or such special knowledge or competence.

Sec. 63. Minnesota Statutes 2014, section 326A.01, subdivision 16, is amended to read:

Subd. 16. **State.** "State" means any state of the United States, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, the Commonwealth of the Northern Mariana Islands, and Guam; except that "this state" means the state of Minnesota.

Sec. 64. Minnesota Statutes 2014, section 326A.02, subdivision 3, is amended to read:

Subd. 3. **Officers; proceedings.** The board shall elect one of its ~~number~~ members as chair, another as vice-chair, and another as secretary and treasurer. The officers shall hold their respective offices for a term of one year and until their successors are elected. The affirmative vote of a majority of the qualified members of the board, or a majority of a quorum of the board at any meeting duly called, is considered the action of the board. The board shall meet at such times and places as may be fixed by the board. Meetings of the board are subject to chapter 13D. A majority of the board members then in office constitutes a quorum at any meeting duly called. The board shall retain or arrange for the retention of all applications and all documents under oath that are filed with the board and also records of its proceedings, and it shall maintain a registry of the names and addresses of all licensees and registrants under this chapter. In any proceeding in court, civil or criminal, arising out of or founded upon any provision of this chapter, copies of records of the proceeding certified as true copies by the board chair or executive director shall be admissible in evidence as tending to prove the contents of the records.

Sec. 65. Minnesota Statutes 2014, section 326A.02, subdivision 5, is amended to read:

Subd. 5. **Rules.** The board may adopt rules governing its administration and enforcement of this chapter and the conduct of licensees and persons registered under section 326A.06, paragraph (b), including:

- (1) rules governing the board's meetings and the conduct of its business;
- (2) rules of procedure governing the conduct of investigations and hearings and discipline by the board;
- (3) rules specifying the educational and experience qualifications required for the issuance of certificates and the continuing professional education required for renewal of certificates;
- (4) rules of professional conduct directed to controlling the quality and probity of services by licensees, and dealing among other things with independence, integrity, and objectivity; competence and technical standards; and responsibilities to the public and to clients;
- (5) rules governing the professional standards applicable to licensees including adoption of the standards specified in section 326A.01, subdivision 2, and as developed for general application by recognized national accountancy organizations such as the American Institute of Certified Public Accountants or the Public Company Accounting Oversight Board;
- (6) rules that incorporate by reference the standards for attesting listed in section 326A.01, subdivision 2, that are consistent with the standards of general applicability recognized by national accountancy organizations, including the American Institute of Certified Public Accountants and the Public Company Accounting Oversight Board;
- ~~(7)~~ (7) rules governing the manner and circumstances of use of the titles "certified public accountant," "CPA," "registered accounting practitioner," and "RAP";
- ~~(7)~~ (8) rules regarding peer review that may be required to be performed under provisions of this chapter;
- ~~(8)~~ (9) rules on substantial equivalence to implement section 326A.14;

~~(9)~~ (10) rules regarding the conduct of the certified public accountant examination;

~~(40)~~ (11) rules regarding the issuance and renewals of certificates, permits, and registrations;

~~(44)~~ (12) rules regarding transition provisions to implement this chapter;

~~(42)~~ (13) rules specifying the educational and experience qualifications for registration, rules of professional conduct, rules regarding peer review, rules governing standards for providing services, and rules regarding the conduct and content of examination for those persons registered under section 326A.06, paragraph (b);

~~(43)~~ (14) rules regarding fees for examinations, certificate issuance and renewal, firm permits, registrations under section 326A.06, paragraph (b), notifications made under section 326A.14, and late processing fees; and

~~(44)~~ (15) upon any change to this chapter, if the board determines a change in Minnesota Rules is required, the board may initiate the expedited process under section 14.389 up to one year after the effective date of the change to this chapter.

Sec. 66. Minnesota Statutes 2014, section 326A.05, subdivision 1, is amended to read:

Subdivision 1. **General.** The board shall grant or renew permits to practice as a CPA firm to entities that make application and demonstrate their qualifications in accordance with this section.

(a) The following must hold a permit issued under this section:

(1) any firm with an office in this state performing attest services as defined in section 326A.01, subdivision 2;

(2) to the extent required by section 326A.10, paragraph (k), any firm with an office in this state performing compilation services as defined in section 326A.01, subdivision 6;

(3) any firm with an office in this state that uses the title "CPA" or "CPA firm"; or

(4) any firm that does not have an office in this state but performs attest services as described in section 326A.01, subdivision 2, paragraph (1), (3), or (4), for a client having its headquarters in this state.

(b) A firm possessing a valid permit from another state which does not have an office in this state may perform services described in section 326A.01, subdivision 2, clause (2) or ~~(5)~~, or subdivision 6, for a client having its headquarters in this state and may use the title "CPA" or "CPA firm" without a permit issued under this section only if:

(1) it has the qualifications described in subdivision 3, paragraph (b);

(2) as a condition to the renewal of the firm's permit issued by the other state, that state requires a peer review which contains the requirements equivalent to subdivision 8, paragraphs (a) and (e); and

(3) it performs the services through an individual who has been granted practice privileges under section 326A.14.

(c) A firm possessing a valid permit from another state that does not have an office in this state and which is not subject to the requirements of paragraph (a), clause (4), or (b), may perform other professional services while using the title "CPA" or "CPA firm" in this state without a permit issued under this section only if the firm:

(1) has the qualifications described in subdivision 3, paragraph (b);

(2) performs the services through an individual who has been granted practice privileges under section 326A.14; and

(3) can lawfully perform the services in the state where the individuals with practice privileges have their principal place of business.

Sec. 67. Minnesota Statutes 2014, section 326A.05, subdivision 3, is amended to read:

Subd. 3. **Qualifications.** (a) An applicant for initial issuance or renewal of a permit to practice under this section shall comply with the requirements in this subdivision.

(b) Notwithstanding chapter 319B or any other provision of law, a simple majority of the ownership of the firm, in terms of financial interests and voting rights of all partners, officers, shareholders, members, or managers, must belong to holders of certificates who are licensed in some state, and the partners, officers, shareholders, members, or managers, whose principal place of business is in this state, and who perform professional services in this state, must hold valid certificates issued under section 326A.04 or the corresponding provision of prior law. Although firms may include nonlicensee owners, the firm and its ownership must comply with rules adopted by the board. The firm shall register all nonlicensee owners with the state board as set forth by rule. An individual who has been granted practice privileges under section 326A.14 and who performs services for which a firm permit is required under section 326A.14, subdivision 1, paragraph (d), is not required to obtain a certificate from the board under section 326A.04.

(c) A CPA firm may include nonlicensee owners provided that:

(1) the firm designates a licensee of this state, or in the case of a firm that must have a permit according to section 326A.14, subdivision 1, paragraph (d), a licensee of another state who meets the requirements in section 326A.14, subdivision 1, paragraph (a) or (b), who is responsible for the proper registration of the firm and identifies that individual to the board;

(2) all nonlicensee owners are persons of good moral character and are active individual participants in the CPA firm or affiliated entities; and

(3) the firm complies with other requirements imposed by the board in rule.

(d) An individual licensee and any individual granted practice privileges under section 326A.14 who is responsible for supervising attest or compilation services and signs or authorizes someone to sign the accountant's report ~~on the financial statements~~ on behalf of the firm, shall meet the competency requirements set out in the professional standards for such services.

(e) An individual licensee and any individual granted practice privileges under section 326A.14 who signs or authorizes someone to sign the accountants' report ~~on the financial statements~~ on behalf of the firm shall meet the competency requirement of paragraph (d).

Sec. 68. Minnesota Statutes 2014, section 326A.08, subdivision 7, is amended to read:

Subd. 7. **Violation; penalties; costs of proceeding.** (a) The board may impose a civil penalty not to exceed ~~\$2,000~~ \$5,000 per violation upon a person or a firm that violates an order, statute, or rule that the board has issued or is empowered to enforce.

(b) The board may, in addition, impose a fee to reimburse the board for all or part of the cost of the proceedings, including reasonable investigative costs, resulting in disciplinary or corrective action authorized by this section, the imposition of civil penalties, or the issuance of a cease and desist order. The fee may be imposed when the board shows that the position of the person or firm that violates a statute, rule, or order that the board has issued or is

empowered to enforce is not substantially justified, unless special circumstances make an award unjust, notwithstanding the provisions of Minnesota Rules, part 1400.8401. The costs include, but are not limited to, the amount paid by the board for services from the office of administrative hearings, attorney and reasonable investigative fees, court reporters, witnesses, reproduction of records, board members' per diem compensation, board staff time, and expense incurred by board members and staff.

Sec. 69. Minnesota Statutes 2014, section 326A.10, is amended to read:

326A.10 UNLAWFUL ACTS.

(a) Only a licensee and individuals who have been granted practice privileges under section 326A.14 may issue a report on financial statements of any person, firm, organization, or governmental unit that results from providing attest services, or offer to render or render any attest service. Only a certified public accountant, an individual who has been granted practice privileges under section 326A.14, a CPA firm, or, to the extent permitted by board rule, a person registered under section 326A.06, paragraph (b), may issue a report on financial statements of any person, firm, organization, or governmental unit that results from providing compilation services or offer to render or render any compilation service. These restrictions do not prohibit any act of a public official or public employee in the performance of that person's duties or prohibit the performance by any nonlicensee of other services involving the use of accounting skills, including the preparation of tax returns, management advisory services, and the preparation of financial statements without the issuance of reports on them. Nonlicensees may prepare financial statements and issue nonattest transmittals or information on them which do not purport to be in compliance with the Statements on Standards for Accounting and Review Services (SSARS). Nonlicensees registered under section 326A.06, paragraph (b), may, to the extent permitted by board rule, prepare financial statements and issue nonattest transmittals or information on them.

(b) Licensees and individuals who have been granted practice privileges under section 326A.14 performing attest or compilation services must provide those services in accordance with professional standards. To the extent permitted by board rule, registered accounting practitioners performing compilation services must provide those services in accordance with standards specified in board rule.

(c) A person who does not hold a valid certificate issued under section 326A.04 or a practice privilege granted under section 326A.14 shall not use or assume the title "certified public accountant," the abbreviation "CPA," or any other title, designation, words, letters, abbreviation, sign, card, or device tending to indicate that the person is a certified public accountant.

(d) A firm shall not provide attest services or assume or use the title "certified public accountants," the abbreviation "CPA's," or any other title, designation, words, letters, abbreviation, sign, card, or device tending to indicate that the firm is a CPA firm unless (1) the firm has complied with section 326A.05, and (2) ownership of the firm is in accordance with this chapter and rules adopted by the board.

(e) A person or firm that does not hold a valid certificate or permit issued under section 326A.04 or 326A.05 or has not otherwise complied with section 326A.04 or 326A.05 as required in this chapter shall not assume or use the title "certified accountant," "chartered accountant," "enrolled accountant," "licensed accountant," "registered accountant," "accredited accountant," "accounting practitioner," "public accountant," "licensed public accountant," or any other title or designation likely to be confused with the title "certified public accountant," or use any of the abbreviations "CA," "LA," "RA," "AA," "PA," "AP," "LPA," or similar abbreviation likely to be confused with the abbreviation "CPA." The title "enrolled agent" or "EA" may only be used by individuals so designated by the Internal Revenue Service.

(f) Persons registered under section 326A.06, paragraph (b), may use the title "registered accounting practitioner" or the abbreviation "RAP." A person who does not hold a valid registration under section 326A.06, paragraph (b), shall not assume or use such title or abbreviation.

(g) Except to the extent permitted in paragraph (a), nonlicensees may not use language in any statement relating to the financial affairs of a person or entity that is conventionally used by licensees in reports on financial statements or on an attest service. In this regard, the board shall issue by rule safe harbor language that nonlicensees may use in connection with such financial information. A person or firm that does not hold a valid certificate or permit, or a registration issued under section 326A.04, 326A.05, or 326A.06, paragraph (b), or has not otherwise complied with section 326A.04 or 326A.05 as required in this chapter shall not assume or use any title or designation that includes the word "accountant" or "accounting" in connection with any other language, including the language of a report, that implies that the person or firm holds such a certificate, permit, or registration or has special competence as an accountant. A person or firm that does not hold a valid certificate or permit issued under section 326A.04 or 326A.05 or has not otherwise complied with section 326A.04 or 326A.05 as required in this chapter shall not assume or use any title or designation that includes the word "auditor" in connection with any other language, including the language of a report, that implies that the person or firm holds such a certificate or permit or has special competence as an auditor. However, this paragraph does not prohibit any officer, partner, member, manager, or employee of any firm or organization from affixing that person's own signature to any statement in reference to the financial affairs of such firm or organization with any wording designating the position, title, or office that the person holds, nor prohibit any act of a public official or employee in the performance of the person's duties as such.

(h)(1) No person holding a certificate or registration or firm holding a permit under this chapter shall use a professional or firm name or designation that is misleading about the legal form of the firm, or about the persons who are partners, officers, members, managers, or shareholders of the firm, or about any other matter. However, names of one or more former partners, members, managers, or shareholders may be included in the name of a firm or its successor.

(2) A common brand name or network name part, including common initials, used by a CPA firm in its name, is not misleading if the firm is a network firm as defined in the American Institute of Certified Public Accountants (AICPA) Code of Professional Conduct in effect July 1, 2011, and when offering or rendering services that require independence under AICPA standards, the firm must comply with the AICPA code's applicable standards on independence.

(i) Paragraphs (a) to (h) do not apply to a person or firm holding a certification, designation, degree, or license granted in a foreign country entitling the holder to engage in the practice of public accountancy or its equivalent in that country, if:

(1) the activities of the person or firm in this state are limited to the provision of professional services to persons or firms who are residents of, governments of, or business entities of the country in which the person holds the entitlement;

(2) the person or firm performs no attest or compilation services and issues no reports with respect to the ~~financial statements~~ information of any other persons, firms, or governmental units in this state; and

(3) the person or firm does not use in this state any title or designation other than the one under which the person practices in the foreign country, followed by a translation of the title or designation into English, if it is in a different language, and by the name of the country.

(j) No holder of a certificate issued under section 326A.04 may perform attest services through any business form that does not hold a valid permit issued under section 326A.05.

(k) No individual licensee may issue a report in standard form upon a compilation of financial information through any form of business that does not hold a valid permit issued under section 326A.05, unless the report discloses the name of the business through which the individual is issuing the report, and the individual:

(1) signs the compilation report identifying the individual as a certified public accountant;

(2) meets the competency requirement provided in applicable standards; and

(3) undergoes no less frequently than once every three years, a peer review conducted in a manner specified by the board in rule, and the review includes verification that the individual has met the competency requirements set out in professional standards for such services.

(l) No person registered under section 326A.06, paragraph (b), may issue a report in standard form upon a compilation of financial information unless the board by rule permits the report and the person:

(1) signs the compilation report identifying the individual as a registered accounting practitioner;

(2) meets the competency requirements in board rule; and

(3) undergoes no less frequently than once every three years a peer review conducted in a manner specified by the board in rule, and the review includes verification that the individual has met the competency requirements in board rule.

(m) Nothing in this section prohibits a practicing attorney or firm of attorneys from preparing or presenting records or documents customarily prepared by an attorney or firm of attorneys in connection with the attorney's professional work in the practice of law.

(n) The board shall adopt rules that place limitations on receipt by a licensee or a person who holds a registration under section 326A.06, paragraph (b), of:

(1) contingent fees for professional services performed; and

(2) commissions or referral fees for recommending or referring to a client any product or service.

(o) Anything in this section to the contrary notwithstanding, it shall not be a violation of this section for a firm not holding a valid permit under section 326A.05 and not having an office in this state to provide its professional services in this state so long as it complies with the applicable requirements of section 326A.05, subdivision 1.

Sec. 70. Minnesota Statutes 2014, section 336A.09, subdivision 1, is amended to read:

Subdivision 1. **Procedure.** (a) ~~Oral~~ Online and written inquiries regarding information provided by the filing of effective financing statements or lien notices may be ~~made at any filing office~~ submitted to the secretary of state during regular business hours or, if submitted online, at any time.

(b) ~~A filing office receiving an oral or written inquiry shall, upon request~~ The secretary of state must, upon receiving an inquiry, provide an oral or facsimile a prompt response to the inquiry.

(c) ~~A filing office~~ The secretary of state shall maintain a record of inquiries made under this section including:

(1) the date of the inquiry;

- (2) the name of the debtor inquired about; and
- (3) identification of the person making the request for inquiry.

Sec. 71. Minnesota Statutes 2014, section 349.16, subdivision 6a, is amended to read:

Subd. 6a. **Monthly regulatory fee.** An organization must pay a monthly regulatory fee of ~~0.4~~ 0.125 percent of the organization's gross receipts from lawful gambling conducted each month. The fee must be reported and paid on a monthly basis in a format as determined by the commissioner of revenue, and remitted to the commissioner of revenue with the organization's monthly tax return. All monthly regulatory fees received by the commissioner of revenue under this subdivision must be deposited in the lawful gambling regulation account in the special revenue fund according to section 349.151. Failure to pay the monthly regulatory fees in a timely manner may result in disciplinary action by the board.

EFFECTIVE DATE. This section is effective July 1, 2015.

Sec. 72. Minnesota Statutes 2014, section 349.161, subdivision 4, is amended to read:

Subd. 4. **Fees.** (a) The annual fee for a distributor's license is ~~\$6,000~~ \$7,000.

(b) The annual fee for a distributor salesperson license is ~~\$100~~ \$150.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to distributor and distributor salesperson licenses with an effective date of July 1, 2015, or later.

Sec. 73. Minnesota Statutes 2014, section 349.163, subdivision 2, is amended to read:

Subd. 2. **License; fee.** The annual fee for a manufacturer's license is ~~\$9,000~~ \$10,000.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to manufacturer licenses with an effective date of July 1, 2015, or later.

Sec. 74. Minnesota Statutes 2014, section 349.163, subdivision 6, is amended to read:

Subd. 6. **Samples of gambling equipment.** (a) The board shall require each licensed manufacturer to submit to the board one or more samples of each item of gambling equipment manufactured for use or resale in this state. For purposes of this subdivision, a manufacturer is also required to submit the applicable version of any software necessary to operate electronic devices and related systems.

(b) The board shall inspect and test all the equipment, including software and software upgrades, it deems necessary to determine the equipment's compliance with law and board rules. Samples required under this subdivision must be approved by the board before the equipment being sampled is shipped into or sold for use or resale in this state. The board shall impose a fee of ~~\$25~~ \$30 for each item of gambling equipment that the manufacturer submits for approval or for which the manufacturer requests approval. The board shall impose a fee of ~~\$100~~ \$125 for each sample of gambling equipment that it tests.

(c) The board may require samples of gambling equipment to be tested by an independent testing laboratory prior to submission to the board for approval. All costs of testing by an independent testing laboratory must be borne by the manufacturer. An independent testing laboratory used by a manufacturer to test samples of gambling equipment must be approved by the board before the equipment is submitted to the laboratory for testing.

(d) The board may request the assistance of the commissioner of public safety and the director of the State Lottery in performing the tests.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to games submitted for approval on July 1, 2015, or later.

Sec. 75. Minnesota Statutes 2014, section 349.166, subdivision 2, is amended to read:

Subd. 2. **Exemptions.** (a) Lawful gambling, with the exception of linked bingo games, may be conducted by an organization without a license and without complying with sections 349.168, subdivisions 1 and 2; 349.17, subdivision 4; 349.18, subdivision 1; and 349.19 if:

(1) the organization conducts lawful gambling on five or fewer days in a calendar year;

(2) the organization does not award more than \$50,000 in prizes for lawful gambling in a calendar year;

(3) the organization submits a board-prescribed application and pays a fee of ~~\$50~~ \$100 to the board for each gambling occasion, and receives an exempt permit number from the board. If the application is postmarked or received less than 30 days before the gambling occasion, the fee is ~~\$100~~ \$150 for that application. The application must include the date and location of the occasion, the types of lawful gambling to be conducted, and the prizes to be awarded;

(4) the organization notifies the local government unit 30 days before the lawful gambling occasion, or 60 days for an occasion held in a city of the first class;

(5) the organization purchases all gambling equipment and supplies from a licensed distributor; and

(6) the organization reports to the board, on a single-page form prescribed by the board, within 30 days of each gambling occasion, the gross receipts, prizes, expenses, expenditures of net profits from the occasion, and the identification of the licensed distributor from whom all gambling equipment was purchased.

(b) If the organization fails to file a timely report as required by paragraph (a), clause (6), the board shall not issue any authorization, license, or permit to the organization to conduct lawful gambling on an exempt, excluded, or licensed basis until the report has been filed and the organization may be subject to penalty as determined by the board. The board may refuse to issue any authorization, license, or permit if a report or application is determined to be incomplete or knowingly contains false or inaccurate information.

(c) Merchandise prizes must be valued at their fair market value.

(d) Organizations that qualify to conduct exempt raffles under paragraph (a), are exempt from section 349.173, paragraph (b), clause (2), if the raffle tickets are sold only in combination with an organization's membership or a ticket for an organization's membership dinner and are not included with any other raffle conducted under the exempt permit.

(e) Unused pull-tab and tipboard deals must be returned to the distributor within seven working days after the end of the lawful gambling occasion. The distributor must accept and pay a refund for all returns of unopened and undamaged deals returned under this paragraph.

(f) The organization must maintain all required records of exempt gambling activity for 3-1/2 years.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to all permits with an effective date of July 1, 2015, or later.

Sec. 76. **[383B.83] LIMITS ON RAILROAD CONDEMNATION POWERS OVER CERTAIN GOVERNMENTAL PROPERTY INTERESTS.**

Notwithstanding anything to the contrary in chapter 117, sections 222.26, 222.27, 222.36, or any other law, the powers of a railroad corporation or a railroad company or a railroad interest acting as a public service corporation or a common carrier do not include the power to exercise eminent domain over a property interest owned by Hennepin County, the Hennepin County Housing and Redevelopment Authority, or the Hennepin County Regional Railroad Authority if such governmental power, by resolution of its governing board, determines based on findings that the public safety or access of first responders would be detrimentally affected by the exercise.

EFFECTIVE DATE. This section is effective retroactively from March 2, 2015, and applies to any eminent domain action to acquire any property interest of any of the named entities.

Sec. 77. Laws 2013, chapter 142, article 1, section 10, is amended to read:

Sec. 10. <u>OFFICE OF ENTERPRISE TECHNOLOGY MN.IT SERVICES</u>	\$2,431,000	\$2,431,000
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During the biennium ending June 30, 2015, the Office of ~~Enterprise Technology~~ MN.IT Services must not charge fees to a public noncommercial educational television broadcast station eligible for funding under Minnesota Statutes, chapter 129D, for access to the state broadcast infrastructure. If the access fees not charged to public noncommercial educational television broadcast stations total more than \$400,000 for the biennium, the office may charge for access fees in excess of these amounts.

The commissioner of Minnesota management and budget is authorized to provide cash flow assistance of up to \$110,000,000 from the special revenue fund or other statutory general funds as defined in Minnesota Statutes, section 16A.671, subdivision 3, paragraph (a), to the Office of ~~Enterprise Technology~~ MN.IT Services for the purpose of managing revenue and expenditure differences during the initial phases of IT consolidation. These funds shall be repaid with interest by ~~June 30, 2015~~ the end of the fiscal year 2015 closing period.

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

Sec. 78. Laws 2014, chapter 287, section 25, is amended to read:

Sec. 25. **PARKING RAMP; REQUIRED USER FINANCING.**

The amount equivalent to debt service on the design and construction costs allocated to the parking garage to be located on the block bounded by Sherburne Avenue on the north, Park Street on the west, University Avenue on the south, and North Capitol Boulevard on the east ~~must be user financed from~~ must be transferred from parking fees collected and deposited into the state parking account ~~and credited to the debt service account for the Legislative Office Facility.~~ to the general fund to offset any direct appropriations made to the senate for debt service payments for the legislative parking garage.

Sec. 79. **CAPITOL ROOM NUMBERS.**

After the Capitol renovation has been completed, the commissioner of administration must use the same room numbers on signage to identify legacy rooms that were used to identify the rooms before the Capitol renovation. For purposes of this section, "Capitol renovation" means the construction project for which funds were appropriated in Laws 2013, chapter 136, section 3; "legacy rooms" means any room in the Capitol after Capitol renovation that has dimensions and a location that are substantially similar to a room within the Capitol that existed before renovation; and "signage" means any posting on any surface in the Capitol building.

Sec. 80. **IN-LIEU OF RENT EVALUATION.**

(a) The commissioner of administration must evaluate and provide recommendations regarding the base appropriation to the Department of Administration for an in-lieu of rent payment for space costs of the legislature and veterans organizations, vending operators, ceremonial space, and statutorily free space in the Capitol building and in other buildings on the Capitol grounds under the custodial control of the Department of Administration.

(b) By January 15, 2017, the commissioner must report to the chairs and ranking minority members of the committees and divisions in the senate and the house of representatives with jurisdiction over the appropriation to the Department of Administration for the in-lieu of rent payment. The report must:

(1) identify the amount and quality of space that will be occupied by the senate, the house of representatives, and veterans organizations, ceremonial space, and statutorily free space, in fiscal years 2018 and 2019, including a comparison to the amount and quality of space occupied by the same tenants in fiscal year 2013;

(2) evaluate and justify the expense components included and assumptions made in determining lease rates and make comparisons to market rates; and

(3) evaluate whether the base funding for fiscal years 2018 and 2019 for the in-lieu of rent appropriation is justified, and if not, recommend an increase or decrease.

(c) In conducting the evaluation and preparing the report, the commissioner must consult with the secretary of the senate, the chief clerk of the house of representatives, the commissioner of employment and economic development on behalf of the services for the blind, and the commissioner of veterans affairs on behalf of veterans organizations that use space for which the Department of Administration receives an in-lieu of rent appropriation.

Sec. 81. **RULEMAKING.**

(a) The Board of Cosmetologist Examiners shall adopt rules governing the licensure, operation, and inspection of mobile salons, including facility requirements; safety and infection control requirements; a process for a salon licensee to notify the board of the mobile salon's location and times of operation; requirements for supplying and disposing of water and waste products; and the scope of personal services to be provided in mobile salons. The rules must prohibit mobile salons from violating reasonable municipal restrictions on time and place of operation of a mobile salon within its jurisdiction, and shall establish penalties, up to and including revocation of a license, for repeated violations of municipal laws.

(b) The Board of Cosmetologist Examiners shall adopt rules governing the advanced practice esthetician license, including the educational and training requirements, scope of practice, and the conditions and process of issuing and renewing the license.

EFFECTIVE DATE. Paragraph (a) of this section is effective the day following final enactment. Paragraph (b) of this section is effective January 1, 2016, and expires January 1, 2019.

Sec. 82. **POLITICAL CONTRIBUTION CREDIT.**

Notwithstanding the provisions of Minnesota Statutes, section 290.06, subdivision 23, or any other law to the contrary, the political contribution refund does not apply to contributions made after June 30, 2015, and before July 1, 2017.

Sec. 83. **STATE AGENCY TECHNOLOGY PROJECTS.**

Any appropriation in this chapter for information technology project services and support is subject to Minnesota Statutes, section 16E.0466. If an agency needs ongoing information technology services as a result of the services and support paid for with an appropriation in this chapter, the agency must enter into an agreement with the Office of MN.IT Services to provide those services. The agreement must require the agency to pay the Office of MN.IT Services under rates and mechanisms specified in the agreement.

Sec. 84. **EXAMINATION OF COUNTY RECORDS; REPORT.**

Consistent with the authority granted under Minnesota Statutes, section 3.971, the Office of the Legislative Auditor shall report on the efficiency of the examinations conducted by the state auditor under Minnesota Statutes, section 6.48. The report must be forwarded to the house of representatives and senate chairs of legislative committees with jurisdiction over state government finance by January 15, 2016.

Sec. 85. **REPORT ON AGENCY CHIEF INFORMATION OFFICERS.**

The chief information officer of MN.IT must report to the legislature by January 15, 2016, on reduction in the number of chief information officers (CIOs) in state agencies. The report must include the number of CIOs on July 1, 2015, the number on January 15, 2016, and plans to reduce that number.

Sec. 86. **TRANSITION.**

(a) Members of an ethnic council specified in new Minnesota Statutes, section 15.0145, on July 1, 2015, continue to serve on the council until the end of their current term. However, if a member of a council has served eight years or more on the council at any time before December 31, 2015, the term of that member expires December 31, 2015. If a council has more members on July 1, 2015, than is provided for by Minnesota Statutes, section 15.0145, positions on the council shall not be filled until the expiration of a term results in fewer members on the council than provided for in Minnesota Statutes, section 15.0145. Membership qualifications newly specified in Minnesota Statutes, section 15.0145, must be complied with as soon as possible when terms of current members expire.

(b) The Legislative Coordinating Commission must appoint an executive director for each council no later than November 15, 2015. The authority of the Legislative Coordinating Commission to recruit and select persons to serve as executive directors is effective the day following final enactment. An incumbent executive director of a council may apply to be appointed by the Legislative Coordinating Commission but, if not selected, the employment of the incumbent ends when the Legislative Coordinating Commission appoints a new executive director, or on another date determined by the Legislative Coordinating Commission. Other council staff are transferred to employment with the reformulated councils specified in Minnesota Statutes, section 15.0145.

(c) Minnesota Statutes, section 15.039, subdivisions 1 to 6, apply to the ethnic councils that are reformulated in this act.

Sec. 87. **REVISOR'S INSTRUCTION.**

Subdivision 1. **Cosmetology.** The revisor of statutes shall change the word "sanitation" to "infection control" and the word "lapsed" to "expired" wherever they appear in Minnesota Statutes, chapter 155A, or Minnesota Rules, chapter 2105 or 2110.

Subd. 2. **County audits.** In the next and subsequent edition of Minnesota Statutes, the Revisor of Statutes shall substitute a reference to section 6.481 for each reference to section 6.48.

Subd. 3. **Ethnic councils.** (a) In the next and subsequent editions of Minnesota Statutes, the revisor of statutes shall substitute the names of councils as follows in each place where the names occur:

(1) Council for Minnesotans of African Heritage, in place of Council on Black Minnesotans; and

(2) Minnesota Council on Latino Affairs, in place of Council on Affairs of Chicano/Latino People.

(b) The revisor of statutes shall change cross-references to sections 3.9223, 3.9225, and 3.9226, with Minnesota Statutes, section 15.0145, and make changes necessary to correct punctuation, grammar, or sentence structure.

EFFECTIVE DATE. Subdivision 2 is effective August 1, 2016.

Sec. 88. **REPEALER.**

(a) Minnesota Statutes 2014, sections 3.9223; 3.9225; and 3.9226, subdivisions 1, 2, 3, 4, 5, 6, and 7, are repealed.

(b) Minnesota Statutes 2014, sections 6.48; and 375.23, are repealed.

(c) Minnesota Statutes 2014, section 155A.23, subdivision 6, is repealed.

ARTICLE 3
MILITARY AND VETERANS AFFAIRS

Section 1. Minnesota Statutes 2014, section 190.19, subdivision 2a, is amended to read:

Subd. 2a. **Uses; veterans.** (a) Money appropriated to the Department of Veterans Affairs from the Minnesota "Support Our Troops" account may be used for:

(1) grants to veterans service organizations;

(2) outreach to underserved veterans;

(3) providing services and programs for veterans and their families; ~~and~~

(4) transfers to the vehicle services account for Gold Star license plates under section 168.1253;

(5) grants of up to \$100,000 to any organization approved by the commissioner of veterans affairs for the purpose of supporting and improving the lives of veterans and their families; and

(6) grants to an eligible foundation.

(b) For purposes of this subdivision, "eligible foundation" includes any organization that:

(1) is a tax-exempt organization under section 501(c) of the Internal Revenue Code; and

(2) is a nonprofit corporation under chapter 317A and the organization's articles of incorporation specify that a purpose of the organization includes (i) providing assistance to veterans and their families or (ii) enhancing the lives of veterans and their families.

Sec. 2. Minnesota Statutes 2014, section 190.19, subdivision 3, is amended to read:

Subd. 3. **Annual report.** The adjutant general and commissioner of veterans affairs must report by February 1, 2007, ~~and each year thereafter,~~ to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over military and veterans' affairs on the number, amounts, and use of grants made by ~~the adjutant general~~ each agency from the Minnesota "Support Our Troops" account in the previous year.

Sec. 3. Minnesota Statutes 2014, section 192.38, subdivision 1, is amended to read:

Subdivision 1. **Temporary emergency relief.** If any officer or enlisted member of the military forces is wounded or otherwise disabled, dies from disease contracted or injuries received, or is killed while in state active service as defined in section 190.05, subdivision 5a, the officer or member, or in the case of death the officer's or member's dependent spouse, child, or parent, may be provided with immediate temporary relief as necessary in cases of severe hardship, in an amount to be determined by the adjutant general and approved by the governor or a death gratuity payment equal to the amount allowed for service members in a federal active service status. All payments under this subdivision shall be made from appropriations for ~~the maintenance of the state military forces emergency services.~~ The adjutant general shall notify the Department of Management and Budget of any payments made pursuant to this subdivision and the amount of it shall be subtracted from any award made by the Department of Management and Budget.

Sec. 4. Minnesota Statutes 2014, section 192.501, is amended by adding a subdivision to read:

Subd. 1d. **Reclassification bonus program.** (a) The adjutant general must establish a program to provide a bonus to eligible members of the Minnesota National Guard who complete training that results in the award of a new military occupational specialty or Air Force specialty code in specialties that are identified by the adjutant general to be necessary for the enhanced readiness of the Minnesota National Guard.

(b) Eligibility for the bonus is limited to a member of the National Guard who:

(1) is serving satisfactorily as determined by the adjutant general;

(2) has 16 or fewer years of services creditable for retirement; and

(3) undergoes military training deemed by the adjutant general as sufficiently important to the readiness of the National Guard or a unit of the National Guard to warrant the payment of a bonus in an amount to generally encourage the member's participation in the training.

The adjutant general may, within the limitations of this paragraph and other applicable laws, determine additional eligibility criteria for the bonus, and must specify all of the criteria in regulations and publish changes as necessary.

(c) The bonus payments must be made on a schedule that is determined and published in department regulations by the adjutant general.

(d) If a member fails to complete a term of reenlistment or an obligated term of commissioned service for which a bonus was paid, the adjutant general may seek to recoup a prorated amount of the bonus as determined by the adjutant general.

Sec. 5. Minnesota Statutes 2014, section 197.133, is amended to read:

197.133 DISPOSAL OF PROPERTY AND EXPIRATION OF BOARD OF GOVERNORS.

(a) If a majority of the board determines that the disposal of the Big Island Veterans camp or a portion of the camp is in the best interests of Minnesota veterans, or if the camp is not used solely as a camp for and by disabled and other veterans and their families and operated and maintained in compliance with all state, federal, and local laws, the board may dispose of the property at market value as provided in this section. Before disposing of the property, the board shall give notice by certified mail to the commissioner of veterans affairs of its decision to dispose of the property. The commissioner shall publish the notice in the State Register. Interested governmental agencies have until the end of the next legislative session after the notice to appropriate money to purchase the property.

(b) Proceeds realized from the disposal of the property and any assets on hand at the time of the disposal of the property, must be placed in an irrevocable trust to be used for the initiation or maintenance of veterans programs in the state of Minnesota. Trustees must be appointed in the same manner as provided for under Minnesota Statutes 2014, section 197.131. The trustees shall consult with the commissioner of veterans affairs to determine the needs of Minnesota veterans and provide the commissioner with an annual written report on the trust. The commissioner must approve all expenditures from the trust. A certified audit of all assets, expenditures, and property must be conducted prior to any disposition of any assets under the control of the board. Any board member who would benefit directly or indirectly financially from the sale of this property must be removed by the board and a successor appointed as provided by Minnesota Statutes 2014, section 197.131. Upon final disposition of all assets to the trust, the board must disband. Should the assets of the trust be exhausted, the trust must be terminated.

(c) The trustees appointed under paragraph (b) shall have the exclusive authority to remove a trustee of the trust established under paragraph (b). A trustee may be removed at any time without cause upon a majority vote of the trustees with consent of the commissioner of veterans affairs.

(d) A vacancy in a trusteeship of the trust established under paragraph (b) must be filled for the remainder of the unexpired term in the same manner as the original appointment.

Sec. 6. Minnesota Statutes 2014, section 197.46, is amended to read:

197.46 VETERANS PREFERENCE ACT; REMOVAL FORBIDDEN; RIGHT OF MANDAMUS.

(a) Any person whose rights may be in any way prejudiced contrary to any of the provisions of this section, shall be entitled to a writ of mandamus to remedy the wrong. No person holding a position by appointment or employment in the several counties, cities, towns, school districts and all other political subdivisions in the state, who is a veteran separated from the military service under honorable conditions, shall be removed from such position or employment except for incompetency or misconduct shown after a hearing, upon due notice, upon stated charges, in writing.

(b) Any veteran who has been notified of the intent to discharge the veteran from an appointed position or employment pursuant to this section shall be notified in writing of such intent to discharge and of the veteran's right to request a hearing within 60 days of receipt of the notice of intent to discharge. The failure of a veteran to request a hearing within the provided 60-day period shall constitute a waiver of the right to a hearing. Such failure shall also waive all other available legal remedies for reinstatement.

Request for a hearing concerning such a discharge shall be made in writing and submitted by mail or personal service to the employment office of the concerned employer or other appropriate office or person. If the veteran requests a hearing under this section, such written request must also contain the veteran's election to be heard by a civil service board or commission, a merit authority, or a three-person panel as defined in paragraph (c). If the veteran fails to identify the veteran's election, the governmental subdivision may select the hearing body.

(c) In all governmental subdivisions having an established civil service board or commission, or merit system authority, such hearing for removal or discharge shall be held before such civil service board or commission or merit system authority. Where no such civil service board or commission or merit system authority exists, such hearing shall be held by a board of three persons appointed as follows: one by the governmental subdivision, one by the veteran, and the third by the two so selected. In the event that the hearing is authorized to be held before a three-person board, the governmental subdivision's notice of intent to discharge shall state that the veteran must respond within 60 days of receipt of the notice of intent to discharge, and provide in writing to the governmental subdivision the name, United States mailing address, and telephone number of the veteran's selected representative for the three-person board. The failure of a veteran to submit the name, address, and telephone number of the veteran's selected representative to the governmental subdivision by mail or by personal service within the provided notice's 60-day period, shall constitute a waiver of the veteran's right to the hearing and all other legal remedies available for reinstatement of the veteran's employment position. In the event the two persons selected by the veteran and governmental subdivision do not appoint the third person within ten days after the appointment of the last of the two, then the judge of the district court of the county wherein the proceeding is pending, or if there be more than one judge in said county then any judge in chambers, shall have jurisdiction to appoint, and upon application of either or both of the two so selected shall appoint, the third person to the board and the person so appointed by the judge with the two first selected shall constitute the board.

(d) Either the veteran or the governmental subdivision may appeal from the decision of the board upon the charges to the district court by causing written notice of appeal, stating the grounds thereof, to be served upon the other party within 15 days after notice of the decision and by filing the original notice of appeal with proof of service thereof in the office of the court administrator of the district court within ten days after service thereof. Nothing in section 197.455 or this section shall be construed to apply to the position of private secretary, superintendent of schools, or one chief deputy of any elected official or head of a department, or to any person holding a strictly confidential relation to the appointing officer. Nothing in this section shall be construed to apply to the position of teacher. The burden of establishing such relationship shall be upon the appointing officer in all proceedings and actions relating thereto.

(e) For disputes heard by a civil service board, the political subdivisions shall bear all costs associated with the hearing but not including attorney fees for attorneys representing the veteran. For disputes heard by a three-person panel, all parties shall bear equally all costs associated with the hearing, but not including attorney fees for attorneys representing the veteran. If the veteran prevails in a dispute heard by a civil service board or a three-person panel and the hearing reverses all aspects of discharge, the governmental subdivision shall pay the veteran's reasonable attorney fees.

(f) All officers, boards, commissions, and employees shall conform to, comply with, and aid in all proper ways in carrying into effect the provisions of section 197.455 and this section notwithstanding any laws, charter provisions, ordinances or rules to the contrary. Any willful violation of such sections by officers, officials, or employees is a misdemeanor.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to all notices of intent to discharge issued on or after that date.

Sec. 7. **[197.987] HONOR AND REMEMBER FLAG.**

Subdivision 1. **Legislative findings.** The legislature of the state of Minnesota finds and determines that:

(1) since the Revolutionary War, more than 1,000,000 members of the United States armed forces have paid the ultimate price by sacrificing their lives in active military service for the United States of America;

(2) the contribution made by those fallen members of the armed forces is deserving of state and national recognition; and

(3) the Honor and Remember Flag is an appropriate symbol that acknowledges the selfless sacrifice of those members of the United States armed forces.

Subd. 2. **Designation.** The Honor and Remember Flag described in subdivision 3 is designated as the symbol of our state's concern and commitment to honoring and remembering the lives of all members of the United States armed forces who have lost their lives in the line of duty while serving honorably in active military service in the United States armed forces or of a service-connected cause due to or aggravated by that service, as determined by the United States Department of Defense or the United States Department of Veterans Affairs. This designation is contingent on the flag being available for purchase at a reasonable price.

Subd. 3. **Description.** The Honor and Remember Flag shall conform substantially to the following description: The Honor and Remember Flag is the same standard proportions as the flag of the United States of America. Its design contains a red field that occupies the top three-quarters and a white field that occupies the bottom quarter of the flag. In the center of the red field is a five-pointed, gold star with the top point located near the top of the red field and the two bottom points extending about one-quarter of the way into the white field. The gold star has a white border surrounded by a blue border. Between the two bottom points of the star is a tri-folded American flag displaying the blue field and some stars, which is the configuration of the American flag presented to the family of the deceased at a military memorial service. At the top of the tri-folded flag, extending into the center of the gold star, is a stylized, three-part flame, with one blue part and two red parts. In the white field below the tri-folded flag, the words "Honor and Remember" are centered. The Honor and Remember Flag is protected by U.S. copyright, registration number VA0001670661, owned by Honor and Remember, Inc.

Subd. 4. **Suggested days for flag display.** (a) The chief administrator of each governmental building or facility within this state, as defined in paragraph (b), is encouraged to display the Honor and Remember Flag on the following days each year:

(1) Armed Forces Day, the third Saturday in May;

(2) Flag Day, June 14;

(3) July 2nd and July 3rd, in remembrance of the 262 soldiers of the 1st Regiment Minnesota Volunteer Infantry who, at the Battle of Gettysburg during the American Civil War, fought so gallantly and successfully to repulse two major Confederate attacks on the main Union line, suffering over 80 percent casualties, thereby turning the battle and the war and helping to preserve the Union itself at that pivotal moment in our nation's history;

(4) July 4th, Independence Day;

(5) the third Friday of September, National POW/MIA Recognition Day;

(6) November 11, Veterans Day;

(7) July 27, Korean War Armistice Day;

(8) March 29, Vietnam Veterans Day; and

(9) any day on which the United States flag is displayed at a governmental building or facility within this state.

(b) For purposes of this section, "governmental building or facility within this state" means the following locations:

(1) the Minnesota State Capitol, the Office of the Governor and each other Minnesota constitutional office, the chambers of the Minnesota Senate and the Minnesota House of Representatives, the Minnesota Judicial Center and each Minnesota District Court House, any official state of Minnesota veterans memorial, Minnesota veterans home, Minnesota veterans cemetery, state veterans service centers, and state veterans community-based outreach centers; and

(2) any appropriate local government building or facility, as determined by the governing body of that local government.

Subd. 5. **Limitation.** This section may not be construed or interpreted to require any employee to report to work solely for the purpose of providing for the display of the Honor and Remember Flag or any other flag.

Subd. 6. **Implementation.** If a governmental building or facility within this state opts to display the Honor and Remember Flag, the chief administrator of that facility shall prescribe procedures necessary for the display.

Subd. 7. **Flag donation.** Notwithstanding sections 10A.071 and 471.895, any named public office or public official may accept a donation of one or more Honor and Remember Flags for the purpose of this section.

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

Sec. 8. Minnesota Statutes 2014, section 198.01, is amended to read:

198.01 VETERANS HOME; ELIGIBILITY OF VETERANS.

The Minnesota veterans homes shall provide nursing care and related health and social services for veterans and their spouses who meet eligibility and admission requirements of the Minnesota veterans homes. The commissioner may not close a veterans home unless closure of the home is specifically authorized or required by a law enacted after July 1, 2015. The word "veteran" as used in this section has the meaning provided in section 197.447.

Sec. 9. **REPEALER.**

Minnesota Statutes 2014, sections 197.131; and 197.132, are repealed.

ARTICLE 4
PARI-MUTUEL HORSE RACING

Section 1. Minnesota Statutes 2014, section 240.01, subdivision 22, is amended to read:

Subd. 22. **Racing season.** "Racing season" means that portion of the calendar year starting at the beginning of the day of the first live horse race conducted by the licensee and concluding at the end of the day of the last live horse race conducted by the licensee in any year.

~~For purposes of this chapter, the racing season begins before the first Saturday in May and continues for not less than 25 consecutive weeks.~~

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

Sec. 2. Minnesota Statutes 2014, section 240.01, is amended by adding a subdivision to read:

Subd. 28. **Takeout.** "Takeout" means the total amount of money, excluding breakage, withheld from each pari-mutuel pool, as authorized by statute or rule.

Sec. 3. Minnesota Statutes 2014, section 240.01, is amended by adding a subdivision to read:

Subd. 29. **Handle** "Handle" means the aggregate of all pari-mutuel pools, excluding refundable wagers or cancellations.

Sec. 4. Minnesota Statutes 2014, section 240.01, is amended by adding a subdivision to read:

Subd. 30. **Mixed meet.** "Mixed meet" means a racing day or series of racing days on which the racing of more than one breed of horse occurs.

Sec. 5. Minnesota Statutes 2014, section 240.01, is amended by adding a subdivision to read:

Subd. 31. **Banked.** "Banked" means any game of chance that is played with the house as a participant in the game, where the house takes on all players, collects from all losers, and pays all winners, and the house can win.

Sec. 6. Minnesota Statutes 2014, section 240.01, is amended by adding a subdivision to read:

Subd. 32. **Steward.** A "steward" means an official described in section 240.16. The term steward includes the terms "judge," "chief steward," and "presiding judge," and applies to stewards and judges of the commission or a class B licensee, but not to other racing officials, such as paddock or placement judges, who are employees or agents of a class B licensee.

Sec. 7. Minnesota Statutes 2014, section 240.011, is amended to read:

240.011 APPOINTMENT OF DIRECTOR.

The governor shall appoint the director of the Minnesota Racing Commission, who serves in the unclassified service at the governor's pleasure. The director must be a person qualified by experience ~~in the administration and regulation of pari-mutuel racing~~ and training to possess the skills necessary to discharge the duties of the director. The governor must select a director from a list of one or more names submitted by the Minnesota Racing Commission.

Sec. 8. Minnesota Statutes 2014, section 240.03, is amended to read:

240.03 COMMISSION POWERS AND DUTIES.

The commission has the following powers and duties:

- (1) to regulate horse racing in Minnesota to ensure that it is conducted in the public interest;
- (2) to issue licenses as provided in this chapter;

(3) to enforce all laws and rules governing horse racing;

(4) to collect and distribute all taxes provided for in this chapter;

(5) to conduct necessary investigations and inquiries and to issue subpoenas to compel the attendance of witnesses and the submission of information, documents, and records, and other evidence it deems necessary to carry out its duties;

(6) to supervise the conduct of pari-mutuel betting on horse racing;

(7) to employ and supervise personnel under this chapter;

(8) to determine the number of racing days to be held in the state and at each licensed racetrack;

(9) to take all necessary steps to ensure the integrity of racing in Minnesota; and

(10) to impose fees on the racing and card playing industries sufficient to recover the operating costs of the commission with the approval of the legislature according to section 16A.1283. Notwithstanding section 16A.1283, when the legislature is not in session, the commissioner of management and budget may grant interim approval for any new fees or adjustments to existing fees that are not statutorily specified, until such time as the legislature reconvenes and acts upon the new fees or adjustments. As part of its biennial budget request, the commission must propose changes to its fees that will be sufficient to recover the operating costs of the commission.

Sec. 9. Minnesota Statutes 2014, section 240.08, subdivision 2, is amended to read:

Subd. 2. **Application.** (a) An application for a class C license must be on a form the commission prescribes and must be accompanied by an affidavit of qualification that the applicant:

(a) (1) is not in default in the payment of an obligation or debt to the state under Laws 1983, chapter 214;

(b) (2) does not have a felony conviction of record in a state or federal court and does not have a state or federal felony charge pending;

(c) (3) is not and never has been connected with or engaged in an illegal business;

(d) (4) has never been found guilty of fraud or misrepresentation in connection with racing or breeding;

(e) (5) has never been found guilty of a violation of law or rule relating to horse racing, pari-mutuel betting or any other form of gambling which is a serious violation as defined by the commission's rules; and

(f) (6) has never been found to have knowingly violated ~~a rule or an~~ order of the commission or a law or rule of Minnesota or another jurisdiction relating to horse racing, pari-mutuel betting, or any other form of gambling.

(b) The application must also contain an irrevocable consent statement, to be signed by the applicant, which states that suits and actions relating to the subject matter of the application or acts or omissions arising from it may be commenced against the applicant in any court of competent jurisdiction in this state by the service on the secretary of state of any summons, process, or pleading authorized by the laws of this state. If any summons, process, or pleading is served upon the secretary of state, it must be by duplicate copies. One copy must be retained in the Office of the Secretary of State and the other copy must be forwarded immediately by certified mail to the address of the applicant, as shown by the records of the commission.

Sec. 10. Minnesota Statutes 2014, section 240.08, subdivision 4, is amended to read:

Subd. 4. **License issuance and renewal.** If the commission determines that the applicant is qualified for the occupation for which licensing is sought and will not adversely affect the public health, welfare, and safety or the integrity of racing in Minnesota, it may issue a class C license to the applicant. If it makes a similar finding for a renewal of a class C license it may renew the license. Class C licenses are effective ~~for one year.~~ until December 31 of the calendar year for which they are issued. Certain types of class C licenses, to be determined by the commission, are effective until December 31 of the third calendar year for which they have been issued.

EFFECTIVE DATE. This section is effective July 1, 2015.

Sec. 11. Minnesota Statutes 2014, section 240.08, subdivision 5, is amended to read:

Subd. 5. **Revocation and suspension.** (a) The commission may revoke a class C license for a violation of law or rule which in the commission's opinion adversely affects the integrity of horse racing in Minnesota, the public health, welfare, or safety, or for an intentional false statement made in a license application.

The commission may suspend a class C license for up to one year for a violation of law, order or rule.

The commission may delegate to its designated agents the authority to impose suspensions of class C licenses, and the revocation or suspension of a class C license may be appealed to the commission according to its rules.

(b) A license revocation or suspension for more than 90 days is a contested case under sections 14.57 to 14.69 of the Administrative Procedure Act and is in addition to criminal penalties imposed for a violation of law or rule. The commission may summarily suspend a license for more than 90 days prior to a contested case hearing where it is necessary to ensure the integrity of racing or to protect the public health, welfare, or safety. A contested case hearing must be held within ~~20~~ 30 days of the summary suspension and the administrative law judge's report must be issued within ~~20~~ 30 days from the close of the hearing record. In all cases involving summary suspension the commission must issue its final decision within 30 days from receipt of the report of the administrative law judge and subsequent exceptions and argument under section 14.61.

Sec. 12. Minnesota Statutes 2014, section 240.10, is amended to read:

240.10 LICENSE FEES.

The fee for a class A license is \$253,000 per year and must be remitted on July 1. The fee for a class B license is \$500 for each assigned racing day and \$100 for each day on which simulcasting is authorized and must be remitted on July 1. ~~Included herein are all days assigned to be conducted after January 1, 2003.~~ The fee for a class D license is \$50 for each assigned racing day on which racing is actually conducted. Fees imposed on class D licenses must be paid to the commission at a time and in a manner as provided by rule of the commission.

The commission shall by rule establish an annual license fee for each occupation it licenses under section 240.08 ~~but no annual fee for a class C license may exceed \$100.~~

EFFECTIVE DATE. This section is effective July 1, 2015.

Sec. 13. Minnesota Statutes 2014, section 240.13, subdivision 5, is amended to read:

Subd. 5. **Purses.** (a) From the amounts deducted from all pari-mutuel pools by a licensee, an amount equal to not less than the following percentages of all money in all pools must be set aside by the licensee and used for purses for races conducted by the licensee, provided that a licensee may agree by contract with an organization representing a majority of the horsepersons racing the breed involved to set aside amounts in addition to the following percentages, if the contract is in writing and filed with the commission:

(1) for live races conducted at a class A facility, ~~and for races that are part of full racing card simulcasting that takes place within the time period of the live races,~~ 8.4 percent of handle;

(2) for simulcasts conducted during the racing season other than as provided for in clause (1), 50 percent of the takeout remaining after deduction for taxes on pari-mutuel pools, payment to the breeders fund, and payment to the sending out of state racetrack for receipt of the signal; and

~~(3) (2) for simulcasts conducted outside of the racing season, 25~~ any day a class A facility is licensed, not less than 37 percent of the takeout remaining after deduction for the state pari-mutuel tax, payment to the breeders fund, and payment to the sending out-of-state racetrack for receipt of the signal ~~and, before January 1, 2005, a further deduction of eight percent of all money in all pools. In the event that wagering on simulcasts outside of the racing season exceeds \$125 million in any calendar year, the amount set aside for purses by this formula is increased to 30 percent on amounts between \$125,000,000 and \$150,000,000 wagered; 40 percent on amounts between \$150,000,000 and \$175,000,000 wagered; and 50 percent on amounts in excess of \$175,000,000 wagered. In lieu of the eight percent deduction, A deduction as agreed to between the licensee and the horsepersons' organization representing the majority of horsepersons racing at the licensee's class A facility during the preceding 12 months, is allowed after December 31, 2004.~~

The commission may by rule provide for the administration and enforcement of this subdivision. The deductions for payment to the sending out-of-state racetrack must be actual, except that when there exists any overlap of ownership, control, or interest between the sending out-of-state racetrack and the receiving licensee, the deduction must not be greater than three percent unless agreed to between the licensee and the horsepersons' organization representing the majority of horsepersons racing the breed racing the majority of races during the existing racing meeting or, if outside of the racing season, during the most recent racing meeting.

~~In lieu of the amount the licensee must pay to the commission for deposit in the Minnesota breeders fund under section 240.15, subdivision 1, The licensee shall pay to the commission for deposit in the Minnesota breeders fund~~ 5-1/2 percent of the takeout from all pari-mutuel pools generated by wagering at the licensee's facility on full racing card simulcasts of races not conducted in this state.

(b) From the money set aside for purses, the licensee shall pay to the horseperson's organization representing the majority of the horsepersons racing the breed involved and contracting with the licensee with respect to purses and the conduct of the racing meetings and providing representation to its members, an amount as may be determined by agreement by the licensee and the horsepersons' organization sufficient to provide benevolent programs, benefits, and services for horsepersons and their on-track employees, ~~an amount, sufficient to perform these services, as may be determined by agreement by the licensee and the horseperson's organization.~~ The amount paid may be deducted only from the money set aside for purses to be paid in races for the breed represented by the horseperson's organization. With respect to racing meetings where more than one breed is racing, the licensee may contract independently with the horseperson's organization representing each breed racing.

(c) Notwithstanding sections 325D.49 to 325D.66, a horseperson's organization representing the majority of the horsepersons racing a breed at a meeting, and the members thereof, may agree to withhold horses during a meeting.

~~(d) Money set aside for purses from wagering, during the racing season, on simulcasts must be used for purses for live races conducted at the licensee's class A facility during the same racing season, over and above the 8.4 percent purse requirement or any higher requirement to which the parties agree, for races conducted in this state. Money set aside for purses from wagering, outside of the racing season, on simulcasts must be for purses for live races conducted at the licensee's class A facility during the next racing season, over and above the 8.4 percent purse requirement or any higher requirement to which the parties agree, for races conducted in this state.~~

~~(e)~~ (d) Money set aside for purses from wagering on simulcasts must be used for purses for live races involving the same breed involved in the simulcast except that money set aside for purses and payments to the breeders fund from wagering on ~~full racing card~~ simulcasts of races not conducted in this state, occurring during a live mixed meet, must be allotted to the purses and breeders fund for each breed participating in the mixed meet as agreed upon by the breed organizations participating in the live mixed meet. The agreement shall be in writing and filed with the commission prior to the first day of the live mixed meet. In the absence of a written agreement filed with the commission, the money set aside for purses and payments to the breeders fund from wagering on simulcasts, occurring during a live mixed meet, shall be allotted to each breed participating in the live mixed meet in the same proportion that the number of live races run by each breed bears to the total number of live races conducted during the period of the mixed meet.

~~(f)~~ (e) The allocation of money set aside for purses to particular racing meets may be adjusted, relative to overpayments and underpayments, by contract between the licensee and the horsepersons' organization representing the majority of horsepersons racing the breed involved at the licensee's facility.

~~(g)~~ (f) Subject to the provisions of this chapter, money set aside from pari-mutuel pools for purses must be for the breed involved in the race that generated the pool, except that if the breed involved in the race generating the pari-mutuel pool is not racing in the current racing meeting, or has not raced within the preceding 12 months at the licensee's class A facility, money set aside for purses may be distributed proportionately to those breeds that have run during the preceding 12 months or paid to the commission and used for purses or to promote racing for the breed involved in the race generating the pari-mutuel pool, or both, in a manner prescribed by the commission.

~~(h)~~ (g) This subdivision does not apply to a class D licensee.

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

Sec. 14. Minnesota Statutes 2014, section 240.13, subdivision 6, is amended to read:

Subd. 6. **Simulcasting.** (a) The commission may permit an authorized licensee to conduct simulcasting at the licensee's facility on any day authorized by the commission. All simulcasts must comply with the Interstate Horse Racing Act of 1978, United States Code, title 15, sections 3001 to 3007.

(b) The commission may not authorize any day for simulcasting at a class A facility during the racing season, and a licensee may not be allowed to transmit out-of-state telecasts of races the licensee conducts, unless the licensee has obtained the approval of the horsepersons' organization representing the majority of the horsepersons racing the breed involved at the licensed racetrack during the preceding 12 months. In the case of a class A facility licensed under section 240.06, subdivision 5a, the approval applicable to the first year of the racetrack's operation may be obtained from the horsepersons' organization that represents the majority of horsepersons who will race the breed involved at the licensed racetrack during the first year of the racetrack's operation.

(c) The licensee may pay fees and costs to an entity transmitting a telecast of a race to the licensee for purposes of conducting pari-mutuel wagering on the race. The licensee may deduct fees and costs related to the receipt of televised transmissions from a pari-mutuel pool on the televised race, provided that one-half of any amount recouped in this manner must be added to the amounts required to be set aside for purses.

(d) With the approval of the commission and subject to the provisions of this subdivision, a licensee may transmit telecasts of races it conducts, for wagering purposes, to locations outside the state, and the commission may allow this to be done on a commingled pool basis.

(e) Except as otherwise provided in this section, simulcasting may be conducted on a ~~separate~~ separate commingled pool basis or, with the approval of the commission, on a ~~commingled~~ separate pool basis. All provisions of law governing pari-mutuel betting apply to simulcasting except as otherwise provided in this subdivision or in the

commission's rules. If pools are commingled, wagering at the licensed facility must be on equipment electronically linked with the equipment at the licensee's class A facility or with the sending racetrack via the totalizator computer at the licensee's class A facility. Subject to the approval of the commission, the types of betting, takeout, and distribution of winnings on commingled pari-mutuel pools are those in effect at the sending racetrack. Breakage for pari-mutuel pools on a televised race must be calculated in accordance with the law or rules governing the sending racetrack for these pools, and must be distributed in a manner agreed to between the licensee and the sending racetrack. Notwithstanding subdivision 7 and section 240.15, subdivision 5, the commission may approve procedures governing the definition and disposition of unclaimed tickets that are consistent with the law and rules governing unclaimed tickets at the sending racetrack. For the purposes of this section, "sending racetrack" is either the racetrack outside of this state where the horse race is conducted or, with the consent of the racetrack, an alternative facility that serves as the racetrack for the purpose of commingling pools.

(f) Except as otherwise provided in section 240.06, subdivision 5b, paragraph (2), if there is more than one class B licensee conducting racing within the seven-county metropolitan area, simulcasting may be conducted only on races run by a breed that ran at the licensee's class A facility within the 12 months preceding the event.

Sec. 15. Minnesota Statutes 2014, section 240.135, is amended to read:

240.135 CARD CLUB REVENUE.

(a) From the amounts received from charges authorized under section 240.30, subdivision 4, the licensee shall set aside the amounts specified in this section to be used for purse payments. These amounts are in addition to the breeders fund and purse requirements set forth elsewhere in this chapter.

(1) For amounts between zero and \$6,000,000, the licensee shall set aside not less than ten percent to be used as purses.

(2) For amounts in excess of \$6,000,000, the licensee shall set aside not less than 14 percent to be used as purses.

(b) From all amounts set aside under paragraph (a), the licensee shall set aside ten percent to be deposited in the breeders fund. ~~The licensee and the horseperson's organization representing the majority of horsepersons who have raced at the racetrack during the preceding 12 months may negotiate percentages different from those stated in this section if the agreement is in writing and filed with the Racing Commission.~~

(c) It is the intent of the legislature that the proceeds of the card playing activities authorized by this chapter be used to improve the horse racing industry by improving purses. The licensee and the horseperson's organization representing the majority of horsepersons who have raced at the racetrack during the preceding 12 months may negotiate percentages that exceed those stated in this section if the agreement is in writing and filed with the commission. The commission shall annually review the financial details of card playing activities and determine if the present use of card playing proceeds is consistent with the policy established by this paragraph. If the commission determines that the use of the proceeds does not comply with the policy set forth herein, then the commission shall direct the parties to make the changes necessary to ensure compliance. If these changes require legislation, the commission shall make the appropriate recommendations to the legislature.

Sec. 16. Minnesota Statutes 2014, section 240.15, subdivision 1, is amended to read:

Subdivision 1. **Taxes imposed.** (a) There is imposed a tax at the rate of six percent of the amount in excess of \$12,000,000 annually withheld from all pari-mutuel pools by the licensee, including breakage and amounts withheld under section 240.13, subdivision 4. For the purpose of this subdivision, "annually" is the period from July 1 to June 30 of the next year.

In addition to the above tax, the licensee must designate and pay to the commission a tax of one percent of the ~~total amount bet on each racing day~~ handle for live races conducted at a class A facility, for deposit in the Minnesota breeders fund.

The taxes imposed by this clause must be paid from the amounts permitted to be withheld by a licensee under section 240.13, subdivision 4.

(b) The commission may impose an admissions tax of not more than ten cents on each paid admission at a licensed racetrack on a racing day if:

(1) the tax is requested by a local unit of government within whose borders the track is located;

(2) a public hearing is held on the request; and

(3) the commission finds that the local unit of government requesting the tax is in need of its revenue to meet extraordinary expenses caused by the racetrack.

Sec. 17. Minnesota Statutes 2014, section 240.15, subdivision 6, is amended to read:

Subd. 6. **Disposition of proceeds; account.** The commission shall distribute all money received under this section, and all money received from license fees and fines it collects, according to this subdivision. All money designated for deposit in the Minnesota breeders fund must be paid into that fund for distribution under section 240.18 except that all money generated by ~~full racing card~~ simulcasts must be distributed as provided in section 240.18, subdivisions 2, paragraph (d), clauses (1), (2), and (3); and 3. Revenue from an admissions tax imposed under subdivision 1 must be paid to the local unit of government at whose request it was imposed, at times and in a manner the commission determines. Taxes received under this section and fines collected under section 240.22 must be paid to the commissioner of management and budget for deposit in the general fund. All revenues from licenses and other fees imposed by the commission must be deposited in the state treasury and credited to a racing and card playing regulation account in the special revenue fund. Receipts in this account are available for the operations of the commission up to the amount authorized in biennial appropriations from the legislature.

Sec. 18. Minnesota Statutes 2014, section 240.16, subdivision 1, is amended to read:

Subdivision 1. **Powers and duties.** All horse races run at a licensed racetrack must be presided over by a board of three stewards, who must be appointees of the commission or persons approved by it. The commission shall designate one steward as chair. At least two stewards for all races either shall be employees of the commission who shall serve in the unclassified service, or shall be under contract with the commission to serve as stewards. The commission may delegate the following duties and powers to a board of stewards:

(a) to ensure that races are run in accordance with the commission's rules;

(b) to supervise the conduct of racing to ensure the integrity of the sport;

(c) to settle disputes arising from the running of horse races, and to certify official results;

(d) to impose on licensees, for violation of law or commission rules, fines not exceeding ~~\$2,000~~ \$5,000 and license suspensions not exceeding 90 days;

(e) to recommend to the commission where warranted penalties in excess of those in clause (d);

(f) to otherwise enforce the laws and rules of racing; and

(g) to perform other duties and have other powers assigned by the commission.

Sec. 19. Minnesota Statutes 2014, section 240.22, is amended to read:

240.22 FINES.

(a) The commission shall by rule establish a graduated schedule of civil fines for violations of laws related to horse racing or of the commission's rules. The schedule must include minimum and maximum fines for each violation and be based on and reflect the culpability, frequency and severity of the violator's actions. The commission may impose a fine from this schedule on a licensee for a violation of those rules or laws relating to horse racing. The fine is in addition to any criminal penalty imposed for the same violation. Fines imposed by the commission must be paid to the commission and except as provided in paragraph (b), forwarded to the commissioner of management and budget for deposit in the general fund. A fine in excess of ~~\$2,000~~ \$5,000 is a contested case under the Administrative Procedure Act.

(b) If the commission is the prevailing party in a contested case proceeding, the commission may recover, from amounts to be forwarded under paragraph (a), reasonable attorney fees and costs associated with the contested case.

EFFECTIVE DATE. This section is effective July 1, 2016.

Sec. 20. Minnesota Statutes 2014, section 240.23, is amended to read:

240.23 RULEMAKING AUTHORITY.

The commission has the authority, in addition to all other rulemaking authority granted elsewhere in this chapter to promulgate rules governing:

(a) the conduct of horse races held at licensed racetracks in Minnesota, including but not limited to the rules of racing, standards of entry, operation of claiming races, filing and handling of objections, carrying of weights, and declaration of official results;

(b) ~~wire~~ wired and wireless communications between the premises of a licensed racetrack and any place outside the premises;

(c) information on horse races which is sold on the premises of a licensed racetrack;

(d) liability insurance which it may require of all class A, class B, and class D licensees;

(e) the auditing of the books and records of a licensee by an auditor employed or appointed by the commission;

(f) emergency action plans maintained by licensed racetracks and their periodic review;

(g) safety, security, and sanitation of stabling facilities at licensed racetracks;

(h) entry fees and other funds received by a licensee in the course of conducting racing which the commission determines must be placed in escrow accounts;

(i) affirmative action in employment and contracting by class A, class B, and class D licensees; ~~and~~

(j) procedures for the sampling and testing of any horse that is eligible to race in Minnesota for substances or practices that are prohibited by law or rule; and

⊕ (k) any other aspect of horse racing or pari-mutuel betting which in its opinion affects the integrity of racing or the public health, welfare, or safety.

Rules of the commission are subject to chapter 14, the Administrative Procedure Act.

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

Sec. 21. Minnesota Statutes 2014, section 364.09, is amended to read:

364.09 EXCEPTIONS.

(a) This chapter does not apply to the licensing process for peace officers; to law enforcement agencies as defined in section 626.84, subdivision 1, paragraph (f); to fire protection agencies; to eligibility for a private detective or protective agent license; to the licensing and background study process under chapters 245A and 245C; to the licensing and background investigation process under chapter 240; to eligibility for school bus driver endorsements; to eligibility for special transportation service endorsements; to eligibility for a commercial driver training instructor license, which is governed by section 171.35 and rules adopted under that section; to emergency medical services personnel, or to the licensing by political subdivisions of taxicab drivers, if the applicant for the license has been discharged from sentence for a conviction within the ten years immediately preceding application of a violation of any of the following:

(1) sections 609.185 to 609.2114, 609.221 to 609.223, 609.342 to 609.3451, or 617.23, subdivision 2 or 3; or Minnesota Statutes 2012, section 609.21;

(2) any provision of chapter 152 that is punishable by a maximum sentence of 15 years or more; or

(3) a violation of chapter 169 or 169A involving driving under the influence, leaving the scene of an accident, or reckless or careless driving.

This chapter also shall not apply to eligibility for juvenile corrections employment, where the offense involved child physical or sexual abuse or criminal sexual conduct.

(b) This chapter does not apply to a school district or to eligibility for a license issued or renewed by the Board of Teaching or the commissioner of education.

(c) Nothing in this section precludes the Minnesota Police and Peace Officers Training Board or the state fire marshal from recommending policies set forth in this chapter to the attorney general for adoption in the attorney general's discretion to apply to law enforcement or fire protection agencies.

(d) This chapter does not apply to a license to practice medicine that has been denied or revoked by the Board of Medical Practice pursuant to section 147.091, subdivision 1a.

(e) This chapter does not apply to any person who has been denied a license to practice chiropractic or whose license to practice chiropractic has been revoked by the board in accordance with section 148.10, subdivision 7.

(f) This chapter does not apply to any license, registration, or permit that has been denied or revoked by the Board of Nursing in accordance with section 148.261, subdivision 1a.

(g) This chapter does not supersede a requirement under law to conduct a criminal history background investigation or consider criminal history records in hiring for particular types of employment.

Sec. 22. **REVISOR'S INSTRUCTION.**

(a) The revisor of statutes shall renumber the subdivisions in Minnesota Statutes, section 240.01, to put the definitions contained in that section in alphabetical order.

(b) The revisor of statutes shall correct any cross-references in Minnesota Statutes and Minnesota Rules as a result of the renumbering in paragraph (a).

Sec. 23. **REPEALER.**

Minnesota Statutes 2014, section 240.01, subdivisions 12 and 23, are repealed."

Delete the title and insert:

"A bill for an act relating to the operation of state government; appropriating money for the legislature, governor's office, state auditor, attorney general, secretary of state, certain agencies, boards, councils, retirement funds, military affairs, and veterans affairs; cancellation of certain appropriations; requiring general incentive proposals for review by the legislative auditor; allowing counties to elect to have an audit conducted by a CPA firm; changing the signature requirement for phone records of certain public officials; creating three ethnic councils; allowing prepay for certain software and information technology hosting services; changing provisions on report on budget reserve percentage; providing reimbursement for reasonable accommodation; modifying grant agreement provisions; making changes to guaranteed energy-savings program, small business requirements, and veteran-owned small businesses; establishing healthy eating, here at home program; establishing expedited and temporary licensing for former and current members of the military for certain occupations; changing certain provisions governing cosmetology; assessing certain costs for Office of Administrative Hearings; requirements for reinstatement of a foreign corporation; making changes to provisions governing public benefit corporations; modifying provisions for accountants; changing certain requirements for corporations; modifying gambling provisions; limiting railroad condemnation powers in certain interests; modifying debt service provision for legislative parking garage; requiring some room numbers on signage in the Capitol to identify legacy rooms; providing in-lieu of rent evaluation; allowing board of cosmetology to adopt rules; specifying political contribution credit; specifying state agency technology projects; requiring the legislative auditor to evaluate the efficacy of the state auditor's examinations; requiring a report on reduction of chief information officers in state agencies; making changes to provisions governing military and veterans affairs; changing provisions governing pari-mutuel horse racing; setting certain fees; requiring reports; amending Minnesota Statutes 2014, sections 3.8843, subdivision 5; 10.43; 16A.065; 16A.152, subdivision 8; 16B.97, subdivision 1; 16B.98, subdivisions 1, 11; 16C.144; 16C.16, subdivisions 2, 6a, by adding a subdivision; 16C.19; 148.57, by adding a subdivision; 148.624, subdivision 5; 148B.33, by adding a subdivision; 148B.53, by adding a subdivision; 148B.5301, by adding a subdivision; 148F.025, by adding a subdivision; 153.16, subdivisions 1, 4; 154.003; 154.11, subdivision 3; 155A.21; 155A.23, subdivision 8, by adding subdivisions; 155A.24, subdivision 2; 155A.25, subdivisions 1a, 5, by adding subdivisions; 155A.27, subdivisions 1, 2, 5a; 155A.271; 155A.29, subdivisions 1, 2, by adding a subdivision; 155A.30, subdivisions 5, 10; 161.1419, subdivision 8; 190.19, subdivisions 2a, 3; 192.38, subdivision 1; 192.501, by adding a subdivision; 197.133; 197.46; 198.01; 211B.37; 240.01, subdivision 22, by adding subdivisions; 240.011; 240.03; 240.08, subdivisions 2, 4, 5; 240.10; 240.13, subdivisions 5, 6; 240.135; 240.15, subdivisions 1, 6; 240.16, subdivision 1; 240.22; 240.23; 272.484; 303.19; 304A.301, subdivisions 1, 5, 6, by adding a subdivision; 326A.01, subdivisions 2, 12, 13a, 15, 16; 326A.02, subdivisions 3, 5; 326A.05, subdivisions 1, 3; 326A.08, subdivision 7; 326A.10; 336A.09, subdivision 1; 349.16, subdivision 6a; 349.161, subdivision 4; 349.163, subdivisions 2, 6; 349.166, subdivision 2; 364.09; Laws 2013, chapter 142, article 1, section 10; Laws 2014, chapter 287, section 25; proposing coding for new law in Minnesota Statutes, chapters 3; 6; 15; 16B; 138; 197; 383B; repealing Minnesota Statutes 2014, sections 3.9223; 3.9225; 3.9226, subdivisions 1, 2, 3, 4, 5, 6, 7; 6.48; 155A.23, subdivision 6; 197.131; 197.132; 240.01, subdivisions 12, 23; 375.23."

We request the adoption of this report and repassage of the bill.

Senate Conferees: TOM SAXHAUG, MELISSA H. WIKLUND and JAMES P. METZEN.

House Conferees: SARAH ANDERSON, TONY ALBRIGHT, TIM O'DRISCOLL and BOB LOONAN.

Anderson, S., moved that the report of the Conference Committee on S. F. No. 888 be adopted and that the bill be repassed as amended by the Conference Committee.

A roll call was requested and properly seconded.

CALL OF THE HOUSE

On the motion of Thissen and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

Albright	Dean, M.	Heintzeman	Lohmer	Norton	Slocum
Allen	Dehn, R.	Hertaus	Loon	O'Driscoll	Smith
Anderson, M.	Dettmer	Hilstrom	Loonan	O'Neill	Sundin
Anderson, P.	Dill	Hornstein	Lucero	Pelowski	Swedzinski
Anderson, S.	Drazkowski	Hortman	Lueck	Peppin	Theis
Anzelc	Erhardt	Howe	Mahoney	Persell	Thissen
Applebaum	Erickson	Isaacson	Marquart	Petersburg	Torkelson
Atkins	Fabian	Johnson, B.	Masin	Peterson	Uglem
Backer	Fenton	Johnson, C.	McDonald	Pierson	Urdahl
Baker	Fischer	Johnson, S.	McNamara	Pinto	Vogel
Barrett	Franson	Kahn	Melin	Poppe	Wagenius
Bennett	Freiberg	Kiel	Metsa	Pugh	Ward
Bernardy	Garofalo	Knoblach	Miller	Quam	Whelan
Bly	Green	Koznick	Moran	Rarick	Wills
Carlson	Gruenhagen	Kresha	Mullery	Rosenthal	Winkler
Christensen	Gunther	Laine	Murphy, E.	Runbeck	Yarusso
Clark	Hackbarth	Lenczewski	Murphy, M.	Schoen	Youakim
Considine	Halverson	Lesch	Nash	Schomacker	Zerwas
Cornish	Hamilton	Liebling	Nelson	Schultz	Spk. Daudt
Daniels	Hancock	Lien	Newberger	Scott	
Davids	Hansen	Lillie	Newton	Selcer	
Davnie	Hausman	Loeffler	Nornes	Simonson	

Peppin moved that further proceedings of the roll call be suspended and that the Sergeant at Arms be instructed to bring in the absentees. The motion prevailed and it was so ordered.

The question recurred on the Anderson, S., motion and the roll was called.

Peppin moved that those not voting be excused from voting. The motion prevailed.

There were 72 yeas and 61 nays as follows:

Those who voted in the affirmative were:

Albright	Anderson, S.	Barrett	Cornish	Dean, M.	Erickson
Anderson, M.	Backer	Bennett	Daniels	Dettmer	Fabian
Anderson, P.	Baker	Christensen	Davids	Drazkowski	Fenton

Franson	Hertaus	Lohmer	Nash	Pugh	Theis
Garofalo	Hoppe	Loon	Newberger	Quam	Torkelson
Green	Howe	Loonan	Nornes	Rarick	Uglen
Gruenhagen	Johnson, B.	Lucero	O'Driscoll	Runbeck	Urdahl
Gunther	Kelly	Lueck	O'Neill	Sanders	Vogel
Hackbarth	Kiel	Mack	Peppin	Schomacker	Whelan
Hamilton	Knoblach	McDonald	Petersburg	Scott	Wills
Hancock	Koznick	McNamara	Peterson	Smith	Zerwas
Heintzeman	Kresha	Miller	Pierson	Swedzinski	Spk. Daudt

Those who voted in the negative were:

Allen	Dill	Johnson, C.	Marquart	Pelowski	Thissen
Anzelc	Erhardt	Johnson, S.	Masin	Persell	Wagenius
Applebaum	Fischer	Kahn	Melin	Pinto	Ward
Atkins	Freiberg	Laine	Metsa	Poppe	Winkler
Bernardy	Halverson	Lenczewski	Moran	Rosenthal	Yarusso
Bly	Hansen	Lesch	Mullery	Schoen	Youakim
Carlson	Hausman	Liebling	Murphy, E.	Schultz	
Clark	Hilstrom	Lien	Murphy, M.	Selcer	
Considine	Hornstein	Lillie	Nelson	Simonson	
Davnie	Hortman	Loeffler	Newton	Slocum	
Dehn, R.	Isaacson	Mahoney	Norton	Sundin	

The motion prevailed.

S. F. No. 888, A bill for an act relating to the operation of state government; appropriating money for the legislature, governor's office, state auditor, attorney general, secretary of state, certain agencies, boards, councils, retirement funds, military affairs and veterans affairs, and senate building; cancellation of certain appropriations; transferring money to the budget reserve; allowing prepay for certain software and information technology hosting services; limiting a fee or fine increase to ten percent in a biennium; providing reimbursement for reasonable accommodation; modifying grant agreement provisions; making changes to guaranteed energy-savings program, small business requirements, and targeted group businesses; changing certain requirements for the practice of cosmetology; assessing certain costs for Office of Administrative Hearings; changing a rehabilitation or renovation grant from the Minnesota Amateur Sports Commission; changing or establishing certain fees; limiting fire sprinkler requirement in certain dwellings; modifying certain filing requirements for corporations; modifying provisions for accountants; requiring a licensee of the residential trades to give an option to install fire sprinklers; modifying debt service provision for the legislative parking garage; requiring the same room numbers on signage in the Capitol to identify legacy rooms; providing in-lieu of rent evaluation; prohibiting state funds, tax expenditures, or state indebtedness to fund a major league soccer stadium; making changes to provisions for military and veterans affairs; changing provisions covering pari-mutuel horse racing; modifying provisions for cigarette and tobacco license; providing civil penalties; requiring reports; amending Minnesota Statutes 2014, sections 3.8843, subdivision 5; 16A.065; 16A.1283; 16B.97, subdivision 1; 16B.98, subdivisions 1, 11; 16C.144; 16C.16, subdivision 2, by adding a subdivision; 16C.19; 155A.21; 155A.23, subdivision 8, by adding subdivisions; 155A.24, subdivision 2; 155A.25, subdivisions 1a, 5, by adding subdivisions; 155A.27, subdivisions 1, 2, 5a; 155A.271; 155A.29, subdivisions 1, 2, by adding a subdivision; 155A.30, subdivisions 5, 10; 161.1419, subdivision 8; 190.16, by adding a subdivision; 190.19, subdivisions 2a, 3; 192.26, by adding a subdivision; 192.38, subdivision 1; 192.501, by adding a subdivision; 197.133; 198.03, subdivisions 2, 3; 211B.37; 240.01, subdivision 22, by adding subdivisions; 240.011; 240.03; 240.08, subdivisions 2, 4, 5; 240.10; 240.13, subdivisions 5, 6; 240.135; 240.15, subdivisions 1, 6; 240.16, subdivision 1; 240.22; 240.23; 240A.09; 270C.722, subdivision 1; 270C.728, by adding a subdivision; 272.484; 297F.01, subdivision 14; 297F.03, subdivisions 5, 6; 297F.04, subdivision 1; 297F.13, subdivision 4; 297F.19, by adding a subdivision; 297F.20, by adding subdivisions; 297F.21, subdivision 1; 299F.011, by adding a subdivision;

303.19; 304A.301, subdivisions 1, 5, 6, by adding a subdivision; 326A.01, subdivisions 2, 12, 13a, 15, 16; 326A.02, subdivisions 3, 5; 326A.05, subdivisions 1, 3; 326A.08, subdivision 7; 326A.10; 326B.809; 336A.09, subdivision 1; 364.09; 461.12, subdivision 8; Laws 2013, chapter 142, article 1, section 10; Laws 2014, chapter 287, section 25; proposing coding for new law in Minnesota Statutes, chapters 3; 16B; 297F; repealing Minnesota Statutes 2014, sections 155A.23, subdivision 6; 197.131; 197.132; 240.01, subdivisions 12, 23; 297F.185.

The bill was read for the third time, as amended by Conference, and placed upon its repassage.

The Speaker called Davids to the Chair.

The question was taken on the repassage of the bill and the roll was called.

Peppin moved that those not voting be excused from voting. The motion prevailed.

There were 71 yeas and 61 nays as follows:

Those who voted in the affirmative were:

Albright	Dean, M.	Hamilton	Lohmer	O'Driscoll	Scott
Anderson, M.	Dettmer	Hancock	Loon	O'Neill	Smith
Anderson, P.	Drazkowski	Heintzeman	Loonan	Peppin	Swedzinski
Anderson, S.	Erickson	Hertaus	Lucero	Petersburg	Theis
Backer	Fabian	Hoppe	Lueck	Peterson	Uglem
Baker	Fenton	Howe	Mack	Pierson	Urdahl
Barrett	Franson	Johnson, B.	McDonald	Pugh	Vogel
Bennett	Garofalo	Kelly	McNamara	Quam	Whelan
Christensen	Green	Kiel	Miller	Rarick	Wills
Cornish	Gruenhagen	Knoblach	Nash	Runbeck	Zerwas
Daniels	Gunther	Koznick	Newberger	Sanders	Spk. Daudt
Davids	Hackbarth	Kresha	Nornes	Schomacker	

Those who voted in the negative were:

Allen	Dill	Johnson, C.	Mariani	Pelowski	Thissen
Anzelc	Erhardt	Johnson, S.	Marquart	Persell	Wagenius
Applebaum	Fischer	Kahn	Masin	Pinto	Ward
Atkins	Freiberg	Laine	Melin	Poppe	Winkler
Bernardy	Halverson	Lenczewski	Metsa	Rosenthal	Yarusso
Bly	Hansen	Lesch	Mullery	Schoen	Youakim
Carlson	Hausman	Liebling	Murphy, E.	Schultz	
Clark	Hilstrom	Lien	Murphy, M.	Selcer	
Considine	Hornstein	Lillie	Nelson	Simonson	
Davnie	Hortman	Loeffler	Newton	Slocum	
Dehn, R.	Isaacson	Mahoney	Norton	Sundin	

The bill was repassed, as amended by Conference, and its title agreed to.

REPORTS FROM THE COMMITTEE ON
RULES AND LEGISLATIVE ADMINISTRATION

Peppin for the Committee on Rules and Legislative Administration offered the following resolution and moved its adoption:

Be It Resolved, by the House of Representatives of the State of Minnesota, that it retains the use of the Speaker's parking place in front of the capitol building just east of the porte-cochère and parking lots B, C, D, N, O, the state office building parking ramp, the upper Capitol Mall parking lot, and the lower Capitol Mall parking lot for members and employees of the House of Representatives during the time between adjournment in 2015 and the convening of the House of Representatives in 2016. The Sergeant at Arms is directed to manage the use of the lots and ramp while the House of Representatives is adjourned. The Controller of the House may continue to deduct from the check of any legislator or legislative employee a sum adequate to cover the exercise of the parking privilege.

The motion prevailed and the resolution was adopted.

Peppin for the Committee on Rules and Legislative Administration offered the following resolution and moved its adoption:

Be It Resolved, by the House of Representatives of the State of Minnesota, that during the time between adjournment in 2015 and the convening of the House of Representatives in 2016, the Chief Clerk and Chief Sergeant at Arms under the direction of the Speaker shall maintain House facilities in the Capitol Complex. To the extent practicable during ongoing construction, the House chamber, retiring room, hearing and conference rooms, and offices shall be set up and made ready for legislative use and reserved for the House and its committees. Those rooms, if available, may be reserved for use by others that are not in conflict with use by the House. If available, the House Chamber, retiring room, and hearing rooms may be used by YMCA Youth in Government, Girls' State, Young Leaders Organization, and 4-H Leadership Conference. The House chamber in the Capitol building shall be made useable for all legislative purposes during the 2016 legislative session.

The motion prevailed and the resolution was adopted.

Peppin for the Committee on Rules and Legislative Administration offered the following resolution and moved its adoption:

Be It Resolved, by the House of Representatives of the State of Minnesota, that the Chief Clerk is directed to correct and approve the Journal of the House for the last day of the 2015 Regular Session.

Be It Further Resolved that the Chief Clerk is authorized to include in the Journal for the last day of the 2015 Regular Session any proceedings, including subsequent proceedings and any legislative interim committees or commissions created or appointments made to them by legislative action or by law.

The motion prevailed and the resolution was adopted.

MESSAGES FROM THE SENATE, Continued

The following message was received from the Senate:

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendments the concurrence of the House is respectfully requested:

H. F. No. 1535, A bill for an act relating to human services; providing for human services policy modifications relating to children and family services, chemical and mental health services, direct care and treatment, operations, health care, and continuing care; making changes to child care assistance programs, home and community-based services standards, medical assistance, the alternative care program, Northstar Care for Children, children's therapeutic services and supports, human services licensing provisions, and the community first services and supports program; modifying requirements for background studies; extending a council; modifying the Minnesota Indian Family Preservation Act; making changes to provisions governing child out-of-home placement; modifying reporting requirements for maltreatment of children and vulnerable adults; making technical changes; requiring reports; modifying requirements for administrative sanctions and hearings; authorizing rulemaking; providing criminal penalties; amending Minnesota Statutes 2014, sections 62J.495, subdivision 1; 119B.011, subdivision 16; 119B.025, subdivision 1; 119B.09, subdivision 9; 119B.125, subdivisions 1, 6, by adding subdivisions; 144.0724, subdivision 12; 148E.065, subdivision 4a; 168.012, subdivision 1; 245.462, subdivision 4; 245A.02, subdivision 13, by adding subdivisions; 245A.035, subdivisions 1, 5; 245A.04, subdivision 15a; 245A.07, subdivisions 2, 2a; 245A.11, subdivision 4; 245A.12; 245A.13; 245A.14, subdivision 14; 245A.148; 245A.16, subdivision 1; 245A.175; 245A.1915; 245A.192, subdivisions 3, 5, 10, 11, by adding subdivisions; 245A.40, subdivisions 3, 4, 5; 245A.50, subdivision 1; 245C.02, subdivision 2; 245C.04, subdivisions 4, 5, 6; 245C.05, subdivision 1; 245C.07; 245C.10, subdivision 10, by adding a subdivision; 245C.20, subdivision 2, by adding a subdivision; 245C.22, subdivision 7; 245D.10, subdivision 3, by adding a subdivision; 245E.01, subdivision 8, by adding a subdivision; 245E.02, subdivisions 1, 4, by adding a subdivision; 245E.06, subdivisions 2, 3; 253B.212, subdivision 2, by adding a subdivision; 254B.05, subdivision 5; 256.01, subdivisions 4, 14b; 256.045, subdivisions 3, 6; 256.975, subdivision 7; 256.98, subdivision 1; 256B.0625, subdivision 31, by adding a subdivision; 256B.0911, subdivisions 1a, 2b, 3, 3a; 256B.0913, subdivisions 4, 5, 5a, 6, 10, 11, 12, by adding a subdivision; 256B.0943, subdivisions 1, 2, 3, 4, 5, 6, 7, 9, 11; 256B.0946, subdivision 1; 256B.0947, subdivision 7a; 256B.85; 256N.02, subdivision 18; 256N.23, subdivision 6; 257.85, subdivision 3; 259A.01, subdivision 25; 259A.10, subdivision 6; 260.755, subdivisions 8, 14, by adding subdivisions; 260.761, subdivisions 1, 2; 260.771, subdivision 3, by adding subdivisions; 260B.007, subdivision 12; 260C.007, subdivision 27, by adding a subdivision; 260C.168; 260C.178, subdivision 1; 260C.201, subdivision 5; 260C.212, subdivisions 1, 2; 260C.511; 268.155, subdivision 1; 402A.12; 402A.16, subdivisions 2, 4; 402A.18; 471.346; 609.821; 626.556, subdivisions 10, 11d; 626.557, subdivisions 9a, 9b, 10; 626.5572, subdivisions 5, 6, 21; Laws 2013, chapter 108, article 7, section 58; proposing coding for new law in Minnesota Statutes, chapters 245; 245A; 256; 256B; 260; 609; repealing Minnesota Statutes 2014, sections 245D.061, subdivision 3; 245E.07, subdivision 3; 256B.0911, subdivision 6a; Minnesota Rules, parts 9505.0175, subpart 32; 9505.0365, subpart 2; 9505.1696, subpart 10; 9505.1709; 9535.2000; 9535.2100; 9535.2200; 9535.2300; 9535.2400; 9535.2500; 9535.2600; 9535.2700; 9535.2800; 9535.2900; 9535.3000; 9555.7400; 9555.7500.

JOANNE M. ZOFF, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Mack moved that the House concur in the Senate amendments to H. F. No. 1535 and that the bill be repassed as amended by the Senate. The motion prevailed.

CALL OF THE HOUSE LIFTED

Thissen moved that the call of the House be lifted. The motion prevailed and it was so ordered.

H. F. No. 1535, A bill for an act relating to human services; providing for human services policy modifications relating to children and family services, chemical and mental health services, direct care and treatment, operations, health care, and continuing care; making changes to child care assistance programs, home and community-based services standards, medical assistance, the alternative care program, Northstar Care for Children, children's therapeutic services and supports, human services licensing provisions, and the community first services and supports program; modifying requirements for background studies; extending a council; modifying the Minnesota Indian Family Preservation Act; making changes to provisions governing child out-of-home placement; modifying reporting requirements for maltreatment of children and vulnerable adults; making technical changes; requiring reports; modifying requirements for administrative sanctions and hearings; authorizing rulemaking; providing criminal penalties; amending Minnesota Statutes 2014, sections 62J.495, subdivision 1; 119B.011, subdivision 16; 119B.025, subdivision 1; 119B.09, subdivision 9; 119B.125, subdivisions 1, 6, by adding subdivisions; 144.0724, subdivision 12; 148E.065, subdivision 4a; 168.012, subdivision 1; 245.462, subdivision 4; 245A.02, subdivision 13, by adding subdivisions; 245A.035, subdivisions 1, 5; 245A.04, subdivision 15a; 245A.07, subdivisions 2, 2a; 245A.11, subdivision 4; 245A.12; 245A.13; 245A.14, subdivision 14; 245A.148; 245A.16, subdivision 1; 245A.175; 245A.1915; 245A.192, subdivisions 3, 5, 10, 11, by adding subdivisions; 245A.40, subdivisions 3, 4, 5; 245A.50, subdivision 1; 245C.02, subdivision 2; 245C.04, subdivisions 4, 5, 6; 245C.05, subdivision 1; 245C.07; 245C.10, subdivision 10, by adding a subdivision; 245C.20, subdivision 2, by adding a subdivision; 245C.22, subdivision 7; 245D.10, subdivision 3, by adding a subdivision; 245E.01, subdivision 8, by adding a subdivision; 245E.02, subdivisions 1, 4, by adding a subdivision; 245E.06, subdivisions 2, 3; 253B.212, subdivision 2, by adding a subdivision; 254B.05, subdivision 5; 256.01, subdivisions 4, 14b; 256.045, subdivisions 3, 6; 256.975, subdivision 7; 256.98, subdivision 1; 256B.0625, subdivision 31, by adding a subdivision; 256B.0911, subdivisions 1a, 2b, 3, 3a; 256B.0913, subdivisions 4, 5, 5a, 6, 10, 11, 12, by adding a subdivision; 256B.0943, subdivisions 1, 2, 3, 4, 5, 6, 7, 9, 11; 256B.0946, subdivision 1; 256B.0947, subdivision 7a; 256B.85; 256N.02, subdivision 18; 256N.23, subdivision 6; 257.85, subdivision 3; 259A.01, subdivision 25; 259A.10, subdivision 6; 260.755, subdivisions 8, 14, by adding subdivisions; 260.761, subdivisions 1, 2; 260.771, subdivision 3, by adding subdivisions; 260B.007, subdivision 12; 260C.007, subdivision 27, by adding a subdivision; 260C.168; 260C.178, subdivision 1; 260C.201, subdivision 5; 260C.212, subdivisions 1, 2; 260C.511; 268.155, subdivision 1; 402A.12; 402A.16, subdivisions 2, 4; 402A.18; 471.346; 609.821; 626.556, subdivisions 10, 11d; 626.557, subdivisions 9a, 9b, 10; 626.5572, subdivisions 5, 6, 21; Laws 2013, chapter 108, article 7, section 58; proposing coding for new law in Minnesota Statutes, chapters 245; 245A; 256; 256B; 260; 609; repealing Minnesota Statutes 2014, sections 245D.061, subdivision 3; 245E.07, subdivision 3; 256B.0911, subdivision 6a; Minnesota Rules, parts 9505.0175, subpart 32; 9505.0365, subpart 2; 9505.1696, subpart 10; 9505.1709; 9535.2000; 9535.2100; 9535.2200; 9535.2300; 9535.2400; 9535.2500; 9535.2600; 9535.2700; 9535.2800; 9535.2900; 9535.3000; 9555.7400; 9555.7500.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 134 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Albright	Anzelc	Barrett	Christensen	Davids	Dill
Allen	Applebaum	Bennett	Clark	Davnie	Drazkowski
Anderson, M.	Atkins	Bernardy	Considine	Dean, M.	Erhardt
Anderson, P.	Backer	Bly	Cornish	Dehn, R.	Erickson
Anderson, S.	Baker	Carlson	Daniels	Dettmer	Fabian

Fenton	Hornstein	Lillie	Mullery	Poppe	Thissen
Fischer	Hortman	Loeffler	Murphy, E.	Pugh	Torkelson
Franson	Howe	Lohmer	Murphy, M.	Quam	Uglen
Freiberg	Isaacson	Loon	Nash	Rarick	Urdahl
Garofalo	Johnson, B.	Loonan	Nelson	Rosenthal	Vogel
Green	Johnson, C.	Lucero	Newberger	Runbeck	Wagenius
Gruenhagen	Johnson, S.	Lueck	Newton	Sanders	Ward
Gunther	Kahn	Mack	Nornes	Schoen	Whelan
Hackbarth	Kelly	Mahoney	Norton	Schomacker	Wills
Halverson	Kiel	Mariani	O'Driscoll	Schultz	Winkler
Hamilton	Knoblach	Marquart	O'Neill	Scott	Yarusso
Hancock	Koznick	Masin	Pelowski	Selcer	Youakim
Hansen	Kresha	McDonald	Peppin	Simonson	Zerwas
Hausman	Laine	McNamara	Persell	Slocum	Spk. Daudt
Heintzeman	Lenczewski	Melin	Petersburg	Smith	
Hertaus	Lesch	Metsa	Peterson	Sundin	
Hilstrom	Liebling	Miller	Pierson	Swedzinski	
Hoppe	Lien	Moran	Pinto	Theis	

The bill was repassed, as amended by the Senate, and its title agreed to.

MOTION TO FIX TIME TO CONVENE

Peppin moved that when the House adjourns today it adjourn until 12:00 noon, Tuesday, March 8, 2016. The motion prevailed.

The following Conference Committee Report was received:

CONFERENCE COMMITTEE REPORT ON H. F. No. 303

A bill for an act relating to state government; appropriating money from the outdoor heritage fund, clean water fund, parks and trails fund, and arts and cultural heritage fund; establishing policy on milkweed; modifying provisions of Lessard-Sams Outdoor Heritage Council and Clean Water Council; modifying Water Law; modifying use of legacy funds; modifying previous appropriations; modifying certain grant eligibility; requiring a report; amending Minnesota Statutes 2014, sections 16B.24, by adding a subdivision; 85.53, subdivision 2; 97A.056, subdivisions 2, 8, 11, by adding subdivisions; 103A.206; 103B.101, by adding a subdivision; 103C.101, by adding a subdivision; 103C.401, subdivision 1; 103C.501, subdivision 5; 114D.30, subdivision 2; 114D.50, subdivision 4; 129D.17, subdivision 2; Laws 2012, chapter 264, article 1, section 2, subdivision 5; Laws 2013, chapter 137, article 2, section 6; article 3, section 4; Laws 2014, chapter 256, article 1, section 2, subdivision 5; Laws 2014, chapter 295, section 10, subdivision 12; proposing coding for new law in Minnesota Statutes, chapters 84; 103B.

May 17, 2015

The Honorable Kurt L. Daudt
Speaker of the House of Representatives

The Honorable Sandra L. Pappas
President of the Senate

We, the undersigned conferees for H. F. No. 303 report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 303 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1
OUTDOOR HERITAGE FUND

Section 1. **OUTDOOR HERITAGE APPROPRIATION.**

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 outdoor heritage fund for the fiscal year indicated for each purpose. The figures "2016" and "2017" used in this article mean that the appropriations listed under the figure are available for the fiscal year ending June 30, 2016, and June 30, 2017, respectively. The "first year" is fiscal year 2016. The "second year" is fiscal year 2017. The "biennium" is fiscal years 2016 and 2017, respectively. The appropriations in this article are onetime.

	<u>APPROPRIATIONS</u>	
	<u>Available for the Year</u>	
	<u>Ending June 30</u>	
	<u>2016</u>	<u>2017</u>
Sec. 2. <u>OUTDOOR HERITAGE FUND</u>		
Subdivision 1. <u>Total Appropriation</u>	<u>\$97,198,000</u>	<u>\$607,000</u>

This appropriation is from the outdoor heritage fund. The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. <u>Prairies</u>	<u>40,948,000</u>	<u>-0-</u>
<u>(a) DNR Wildlife Management Area and Scientific and Natural Area Acquisition - Phase VII</u>		

\$4,570,000 in the first year is to the commissioner of natural resources to acquire land in fee for wildlife management purposes under Minnesota Statutes, section 86A.05, subdivision 8, and to acquire land in fee for scientific and natural area purposes under Minnesota Statutes, section 86A.05, subdivision 5. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquisition of lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie. A list of proposed land and permanent conservation easement acquisitions must be provided as part of the required accomplishment plan.

(b) Accelerating Wildlife Management Area Acquisition - Phase VII

\$7,452,000 in the first year is to the commissioner of natural resources for an agreement with Pheasants Forever to acquire land in fee for wildlife management area purposes under Minnesota Statutes, section 86A.05, subdivision 8. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquisition of lands that are eligible for the native prairie bank

under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

(c) Minnesota Prairie Recovery Project - Phase VI

\$4,032,000 in the first year is to the commissioner of natural resources for an agreement with The Nature Conservancy to acquire native prairie, wetlands, and savanna and restore and enhance grasslands, wetlands, and savanna. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquisition of lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie. Annual income statements and balance sheets for income and expenses from land acquired with this appropriation must be submitted to the Lessard-Sams Outdoor Heritage Council no later than 180 days following the close of The Nature Conservancy's fiscal year. A list of proposed land acquisitions must be provided as part of the required accomplishment plan and must be consistent with the priorities identified in the Minnesota Prairie Conservation Plan.

(d) Northern Tallgrass Prairie National Wildlife Refuge Land Acquisition - Phase V

\$3,430,000 in the first year is to the commissioner of natural resources for an agreement with The Nature Conservancy in cooperation with the United States Fish and Wildlife Service to acquire land in fee or permanent conservation easements within the Northern Tallgrass Prairie Habitat Preservation Area in western Minnesota for addition to the Northern Tallgrass Prairie National Wildlife Refuge. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquisition of lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie. A list of proposed land acquisitions must be provided as part of the required accomplishment plan and must be consistent with the priorities in the Minnesota Prairie Conservation Plan.

(e) Accelerated Native Prairie Bank Protection - Phase IV

\$3,740,000 in the first year is to the commissioner of natural resources to implement the Minnesota Prairie Conservation Plan through the acquisition of permanent conservation easements to protect native prairie and grasslands. Up to \$165,000 is for establishing monitoring and enforcement funds as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquisition of lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie. A list of permanent conservation easements must be provided as part of the final report.

(f) Minnesota Buffers for Wildlife and Water - Phase V

\$4,544,000 in the first year is to the Board of Water and Soil Resources to acquire permanent conservation easements to protect and enhance habitat by expanding the clean water fund riparian buffer program for at least equal wildlife benefits from buffers on private land. Up to \$72,500 is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of permanent conservation easements must be provided as part of the final report.

(g) Cannon River Headwaters Habitat Complex - Phase V

\$1,380,000 in the first year is to the commissioner of natural resources for an agreement with The Trust for Public Land to acquire and restore lands in the Cannon River watershed for wildlife management purposes under Minnesota Statutes, section 86A.05, subdivision 8. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquisition of lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

(h) Prairie Chicken Habitat Partnership of the Southern Red River Valley

\$1,800,000 in the first year is to the commissioner of natural resources for an agreement with Pheasants Forever in cooperation with the Minnesota Prairie Chicken Society to acquire and restore lands in the southern Red River Valley for wildlife management purposes under Minnesota Statutes, section 86A.05, subdivision 8, or for designation and management as waterfowl production areas in Minnesota, in cooperation with the United States Fish and Wildlife Service. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

(i) Protecting and Restoring Minnesota's Important Bird Areas

\$1,730,000 in the first year is to the commissioner of natural resources for agreements to acquire conservation easements within important bird areas identified in the Minnesota Prairie Conservation Plan, to be used as follows: \$408,000 is to Audubon Minnesota and \$1,322,000 is to Minnesota Land Trust, of which up to \$100,000 is for establishing monitoring and enforcement funds as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of permanent conservation easements must be provided as part of the final report.

(j) Wild Rice River Corridor Habitat Restoration

\$2,270,000 in the first year is to the commissioner of natural resources for an agreement with the Wild Rice Watershed District to acquire land in fee and permanent conservation easement and to restore river and related habitat in the Wild Rice River corridor. A list of proposed acquisitions and restorations must be provided as part of the required accomplishment plan.

(k) Accelerated Prairie Restoration and Enhancement on DNR Lands - Phase VII

\$4,880,000 in the first year is to the commissioner of natural resources to accelerate the restoration and enhancement of prairie communities on wildlife management areas, scientific and natural areas, state forest land, and land under native prairie bank easements. A list of proposed land restorations and enhancements must be provided as part of the required accomplishment plan.

(l) Enhanced Public Land Grasslands - Phase II

\$1,120,000 in the first year is to the commissioner of natural resources for an agreement with Pheasants Forever to enhance and restore habitat on public lands. A list of proposed land restorations and enhancements must be provided as part of the final report.

Subd. 3. Forests12,634,000-0-**(a) Camp Ripley Partnership - Phase V**

\$1,500,000 in the first year is to the Board of Water and Soil Resources in cooperation with the Morrison County Soil and Water Conservation District to acquire permanent conservation easements within the boundaries of the Minnesota National Guard Compatible Use Buffer to protect forest wildlife habitat. Up to \$55,000 is for establishing a monitoring and enforcement fund, as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of permanent conservation easements must be provided as part of the final report.

(b) Southeast Minnesota Protection and Restoration - Phase III

\$2,910,000 in the first year is to the commissioner of natural resources for an agreement with The Nature Conservancy to acquire land in fee for wildlife management purposes under Minnesota Statutes, section 86A.05, subdivision 8; to acquire land in fee for scientific and natural areas under Minnesota Statutes, section 86A.05, subdivision 5; for state forest purposes under Minnesota Statutes, section 86A.05, subdivision 7; and to enhance grasslands, forest, and savanna. A list of proposed acquisitions must be provided as part of the required accomplishment plan.

(c) Protecting Pinelands Sands Aquifer Forestlands - Phase II

\$2,180,000 in the first year is to the commissioner of natural resources to acquire forest lands in Cass and Wadena Counties for wildlife management purposes under Minnesota Statutes, section 86A.05, subdivision 8, and to acquire land in fee for state forests under Minnesota Statutes, section 86A.05, subdivision 7. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

(d) Protect Key Forest Lands in Cass County - Phase VI

\$442,000 in the first year is to the commissioner of natural resources for an agreement with Cass County to acquire land in fee in Cass County for forest wildlife habitat or to prevent forest fragmentation. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

(e) Critical Shoreland Protection Program - Phase III

\$1,690,000 in the first year is to the commissioner of natural resources for an agreement with Minnesota Land Trust to acquire permanent conservation easements along rivers and lakes in the northern forest region. Up to \$220,000 is for establishing a monitoring and enforcement fund, as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of proposed permanent conservation easements must be provided as part of the required accomplishment plan.

(f) Mississippi Headwaters Habitat Partnership

\$3,002,000 in the first year is to the commissioner of natural resources to acquire lands in fee and for permanent conservation easements in the Mississippi Headwaters and for agreements as follows: \$1,217,000 to The Trust for Public Land; and \$824,000 to Minnesota Land Trust, of which up to \$80,000 is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of proposed acquisitions must be included as part of the required accomplishment plan.

(g) Southeast Forest Habitat Enhancement

\$910,000 in the first year is to the commissioner of natural resources to enhance forests in southeastern Minnesota. A list of proposed land enhancements must be provided as part of the required accomplishment plan.

Subd. 4. Wetlands20,390,000-0-**(a) Accelerating the Waterfowl Production Area Acquisition - Phase VII**

\$7,620,000 in the first year is to the commissioner of natural resources for an agreement with Pheasants Forever to acquire land in fee to be designated and managed as waterfowl production areas in Minnesota, in cooperation with the United States Fish and Wildlife Service. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

(b) Shallow Lake and Wetland Protection Program - Phase IV

\$9,040,000 in the first year is to the commissioner of natural resources for an agreement with Ducks Unlimited to acquire land in fee for wildlife management purposes under Minnesota Statutes, section 86A.05, subdivision 8. A list of proposed acquisitions must be provided as part of the required accomplishment plan.

(c) Wild Rice Shoreland Protection Program - Phase IV

\$131,000 in the first year is to the commissioner of natural resources for the acquisition of land in fee and \$1,469,000 is to the Board of Water and Soil Resources to acquire permanent conservation easements on wild rice lake shoreland habitat for native wild rice bed protection. Of this amount, up to \$90,000 to the Board of Water and Soil Resources is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of proposed fee land acquisitions must be included as part of the required accomplishment plan by the Department of Natural Resources and a list of permanent conservation easements must be provided as part of the final report by the Board of Water and Soil Resources.

(d) Accelerated Shallow Lakes and Wetlands Enhancement - Phase VII

\$2,130,000 in the first year is to the commissioner of natural resources to enhance and restore shallow lakes statewide. A list of proposed land restorations and enhancements must be provided as part of the required accomplishment plan.

Subd. 5. Habitats22,368,000-0-**(a) DNR Aquatic Habitat - Phase VII**

\$4,540,000 in the first year is to the commissioner of natural resources to acquire interests in land in fee and permanent conservation easements for aquatic management purposes under

Minnesota Statutes, sections 86A.05, subdivision 14, and 97C.02, to acquire interests in land in permanent conservation easements for fish and wildlife habitat under Minnesota Statutes, section 84.66, and to restore and enhance aquatic habitat. Up to \$130,000 is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of proposed land acquisitions and restorations and enhancements must be provided as part of the required accomplishment plan.

(b) Metro Big Rivers - Phase VI

\$2,000,000 in the first year is to the commissioner of natural resources for agreements to acquire land in fee and in permanent conservation easements and to restore and enhance natural systems associated with the Mississippi, Minnesota, and St. Croix Rivers as follows: \$475,000 to Minnesota Valley National Wildlife Refuge Trust, Inc.; \$275,000 to Friends of the Mississippi River; \$400,000 to Great River Greening; \$375,000 to Minnesota Land Trust; and \$475,000 to The Trust for Public Land. Up to \$60,000 to Minnesota Land Trust is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of proposed land acquisitions and permanent conservation easements must be provided as part of the required accomplishment plan.

(c) Minnesota Trout Unlimited Coldwater Fish Habitat Enhancement and Restoration - Phase VII

\$1,890,000 in the first year is to the commissioner of natural resources for an agreement with Minnesota Trout Unlimited to restore and enhance habitat for trout and other species in and along coldwater rivers and streams in Minnesota. A list of proposed restorations and enhancements must be provided as part of the required accomplishment plan.

(d) Lake Bemidji South Shore Restoration and Enhancement

\$1,650,000 in the first year is to the commissioner of natural resources for an agreement with the city of Bemidji to restore and enhance fish habitat on Lake Bemidji. A list of proposed restorations and enhancements must be provided as part of the required accomplishment plan.

(e) Sand Hill River Fish Passage

\$990,000 in the first year is to the commissioner of natural resources for an agreement with the Sand Hill River Watershed District to restore fish habitat in the Sand Hill River watershed. A list of proposed restorations must be provided as part of the required accomplishment plan.

(f) Shell Rock River Watershed Habitat Restoration Program - Phase IV

\$2,414,000 in the first year is to the commissioner of natural resources for an agreement with the Shell Rock River Watershed District to protect, restore, and enhance aquatic habitat in the Shell Rock River watershed. A list of proposed acquisitions, restorations, and enhancements must be provided as part of the required accomplishment plan.

(g) Lake Nokomis Integrated Habitat Enhancement

\$444,000 in the first year is to the commissioner of natural resources for an agreement with the Minneapolis Park and Recreation Board to enhance aquatic habitat on Lake Nokomis. A list of proposed enhancements must be provided as part of the required accomplishment plan.

(h) Conservation Partners Legacy Grant Program: Statewide and Metro Habitat - Phase VII

\$8,440,000 in the first year is to the commissioner of natural resources for a program to provide competitive, matching grants of up to \$400,000 to local, regional, state, and national organizations for enhancing, restoring, or protecting forests, wetlands, prairies, or habitat for fish, game, or wildlife in Minnesota. Of this amount, \$3,692,000 is for grants in the seven-county metropolitan area and cities with a population of 50,000 or greater. Grants shall not be made for activities required to fulfill the duties of owners of lands subject to conservation easements. Grants shall not be made from the appropriation in this paragraph for projects that have a total project cost exceeding \$575,000. Of this appropriation, \$596,000 may be spent for personnel costs and other direct and necessary administrative costs. Grantees may acquire land or interests in land. Easements must be permanent. Grants may not be used to establish easement stewardship accounts. Land acquired in fee must be open to hunting and fishing during the open season unless otherwise provided by law. The program must require a match of at least ten percent from nonstate sources for all grants. The match may be cash or in-kind resources. For grant applications of \$25,000 or less, the commissioner shall provide a separate, simplified application process. Subject to Minnesota Statutes, the commissioner of natural resources shall, when evaluating projects of equal value, give priority to organizations that have a history of receiving or a charter to receive private contributions for local conservation or habitat projects. If acquiring land or a conservation easement, priority must be given to projects associated with or within one mile of existing wildlife management areas under Minnesota Statutes, section 86A.05, subdivision 8; scientific and natural areas under Minnesota Statutes, sections 84.033 and 86A.05, subdivision 5; or aquatic management areas

under Minnesota Statutes, sections 86A.05, subdivision 14, and 97C.02. All restoration or enhancement projects must be on land permanently protected by a permanent covenant ensuring perpetual maintenance and protection of restored and enhanced habitat, by a conservation easement, or by public ownership or in public waters as defined in Minnesota Statutes, section 103G.005, subdivision 15. Priority must be given to restoration and enhancement projects on public lands. Minnesota Statutes, section 97A.056, subdivision 13, applies to grants awarded under this paragraph. This appropriation is available until June 30, 2018. No less than five percent of the amount of each grant must be held back from reimbursement until the grant recipient has completed a grant accomplishment report by the deadline and in the form prescribed by and satisfactory to the Lessard-Sams Outdoor Heritage Council. The commissioner shall provide notice of the grant program in the game and fish law summary prepared under Minnesota Statutes, section 97A.051, subdivision 2.

Subd. 6. Administration

858,000

607,000

(a) Contract Management

\$150,000 in the first year is to the commissioner of natural resources for contract management duties assigned in this section. The commissioner shall provide an accomplishment plan in the form specified by the Lessard-Sams Outdoor Heritage Council on the expenditure of this appropriation. The accomplishment plan must include a copy of the grant contract template and reimbursement manual. No money may be expended prior to the Lessard-Sams Outdoor Heritage Council's approval of the accomplishment plan.

(b) Legislative Coordinating Commission

\$608,000 in the first year and \$607,000 in the second year are to the Legislative Coordinating Commission for administrative expenses of the Lessard-Sams Outdoor Heritage Council and for compensation and expense reimbursement of council members. This appropriation is available until June 30, 2017. Minnesota Statutes, section 16A.281, applies to this appropriation.

(c) Technical Evaluation Panel

\$100,000 in the first year is to the commissioner of natural resources for a technical evaluation panel to conduct up to ten restoration evaluations under Minnesota Statutes, section 97A.056, subdivision 10.

(d) Land Acquisition Report

The staff of the Lessard-Sams Outdoor Heritage Council, in consultation with the commissioner of natural resources, shall prepare a report on outdoor heritage fund land acquisitions as of June 30, 2015, that includes:

(1) the total number of acres, by county and by type, acquired in fee and the percentage of land in each county acquired in fee;

(2) the average price paid per acre, by county, for lands acquired in fee;

(3) the total number of acres, by county, for land acquired in easement;

(4) the average price paid per acre, by county, for land acquired in easement;

(5) the total number of acres, by county, estimated to be acquired in fee and the total number of acres, by county, estimated to be acquired in easement over the life of the outdoor heritage fund if the current rate of acquisition continues;

(6) the number and percentage of sellers by category, including the number of corporate and other private sellers, nonprofit sellers, and public sellers;

(7) the total amount of property taxes paid during the five years prior to acquisition, including statewide business property taxes, if any, on the acres acquired in fee by county;

(8) the total of payment-in-lieu of tax payments made for lands acquired with outdoor heritage funds and the estimate of future payment-in-lieu of tax payments based on the estimated total number of acres acquired over the life of the outdoor heritage fund; and

(9) the total amount of land acquired in fee by the state, excluding lands acquired by the commissioner of transportation, with any funds over the last ten years.

The Lessard-Sams Outdoor Heritage Council must submit the report to the Legislative Coordinating Commission, and the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over the environment and natural resources, the outdoor heritage fund, and finance and the house of representatives Committee on Ways and Means by January 15, 2016. The report must be posted on the Web site required under Minnesota Statutes, section 3.303, subdivision 10.

Subd. 7. Availability of Appropriation

Money appropriated in this section may not be spent on activities unless they are directly related to and necessary for a specific appropriation and are specified in the accomplishment plan approved by the Lessard-Sams Outdoor Heritage Council. Money appropriated in this section must not be spent on indirect costs or other institutional overhead charges that are not directly related to and necessary for a specific appropriation. Unless otherwise provided, the amounts in this section are available until June 30, 2018. For acquisition of real property, the amounts in this section are available until June 30, 2019, if a binding agreement with a landowner or purchase agreement is entered into by June 30, 2018, and closed no later than June 30, 2019. Money for restoration or enhancement is available until June 30, 2020, or five years after acquisition, whichever is later, in order to complete initial restoration or enhancement work. If a project receives at least 15 percent of its funding from federal funds, the time period of the appropriation may be extended to equal the availability of federal funding to a maximum of six years, provided the federal funding was confirmed and included within the first draft accomplishment plan. Money appropriated for fee title acquisition of land may be used to restore, enhance, and provide for public use of the land acquired with the appropriation. Public use facilities must have a minimal impact on habitat in acquired lands.

Subd. 8. Payment Conditions and Capital Equipment Expenditures

All agreements referred to in this section must be administered on a reimbursement basis unless otherwise provided in this section. Notwithstanding Minnesota Statutes, section 16A.41, expenditures directly related to each appropriation's purpose made on or after July 1, 2015, or the date of accomplishment plan approval, whichever is later, are eligible for reimbursement unless otherwise provided in this section. For the purposes of administering appropriations and legislatively authorized agreements paid out of the outdoor heritage fund, an expense must be considered reimbursable by the administering agency when the recipient presents the agency with an invoice, or binding agreement with the landowner, and the recipient attests that the goods have been received or the landowner agreement is binding. Periodic reimbursement must be made upon receiving documentation that the items articulated in the accomplishment plan approved by the Lessard-Sams Outdoor Heritage Council have been achieved, including partial achievements as evidenced by progress reports approved by the Lessard-Sams Outdoor Heritage Council. Reasonable amounts may be advanced to projects to accommodate cash flow needs, support future management of acquired lands, or match a federal share. The advances must be approved as part of the accomplishment plan. Capital equipment expenditures for specific items in excess of \$10,000 must be itemized in and approved as part of the accomplishment plan.

Subd. 9. Mapping

Each direct recipient of money appropriated in this section, as well as each recipient of a grant awarded pursuant to this section, must provide geographic information to the Lessard-Sams Outdoor Heritage Council for mapping any lands acquired in fee with money appropriated in this section and open to public taking of fish and game. The commissioner of natural resources shall include the lands acquired in fee with money appropriated in this section on maps showing public recreation opportunities. Maps must include information on and acknowledgment of the outdoor heritage fund, including a notation of any restrictions.

Subd. 10. Disability Access

Where appropriate, grant recipients of the outdoor heritage fund, in consultation with the Council on Disability and other appropriate governor-appointed disability councils, boards, committees, and commissions, should make progress toward providing greater access to programs, print publications, and digital media for people with disabilities related to the programs the recipient funds using appropriations made in this article.

Subd. 11. Monarch Butterfly Habitat

When feasible, a recipient of funds appropriated in this section is encouraged to use conservation practices that promote monarch butterfly habitat, including planting and maintaining vegetation beneficial to monarchs and minimizing the use of pesticides.

Sec. 3. [84.974] MILKWEED.

When feasible, the commissioner of natural resources is encouraged to plant milkweed.

Sec. 4. Minnesota Statutes 2014, section 97A.056, subdivision 8, is amended to read:

Subd. 8. **Revenues.** (a) When a parcel of land that was previously purchased with money from the outdoor heritage funds fund is transferred to the state, the owner of the land shall disclose to the council and commissioner of natural resources:

(1) all revenues generated from activities on the land from the time the land was purchased with money from the outdoor heritage funds fund until the land was transferred to the state;

(2) all holding costs associated with managing the land between the time of purchase with money from the outdoor heritage funds fund and the time the land was transferred to the state; and

(3) the total net revenues as determined by subtracting the costs described in clause (2) from the revenues described in clause (1).

(b) The owner of the land shall submit the total net revenues determined under paragraph (a), clause (3), to the state no later than 60 days after the land is transferred to the state.

Sec. 5. Minnesota Statutes 2014, section 97A.056, is amended by adding a subdivision to read:

Subd. 20. **Donations.** A recipient shall not accept a monetary donation or payment from an owner of land that is acquired in fee in whole or in part with an appropriation from the outdoor heritage fund that exceeds the documented expenses that are directly related to and necessary for activities specified in the accomplishment plan approved by the Lessard-Sams Outdoor Heritage Council, unless expressly approved by the Lessard-Sams Outdoor Heritage Council in the accomplishment plan. This subdivision does not apply to donations that are not connected with the acquisition transaction or bargain sales, as defined by Code of Federal Regulations, title 26, section 1.1011-2, provided that the purchase price reimbursed by the state does not exceed the purchase price paid by the recipient.

EFFECTIVE DATE. This section is effective July 1, 2016, and applies to money appropriated on or after that date.

Sec. 6. Minnesota Statutes 2014, section 97A.056, is amended by adding a subdivision to read:

Subd. 21. **Haying and grazing.** Lands acquired with money appropriated from the outdoor heritage fund may not be used for emergency haying and grazing in response to federal or state disaster declarations. Conservation grazing under a management plan that is being implemented prior to the emergency declaration may continue.

Sec. 7. Laws 2012, chapter 264, article 1, section 2, subdivision 5, is amended to read:

Subd. 5. **Habitats** -0- 28,620,000

(a) **DNR Aquatic Habitat - Phase IV**

\$3,480,000 in the second year is to the commissioner of natural resources to acquire interests in land in fee or permanent conservation easements for aquatic management areas under Minnesota Statutes, sections 86A.05, subdivision 14, and 97C.02, and to restore and enhance aquatic habitat. A list of proposed land acquisitions must be provided as part of the required accomplishment plan. The accomplishment plan must include an easement stewardship plan. Up to \$25,000 is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. An annual financial report is required for any monitoring and enforcement fund established, including expenditures from the fund and a description of annual monitoring and enforcement activities.

(b) **Metro Big Rivers Habitat - Phase III**

\$3,680,000 in the second year is to the commissioner of natural resources for agreements to acquire interests in land in fee or permanent conservation easements and to restore and enhance natural systems associated with the Mississippi, Minnesota, and St. Croix Rivers as follows: \$1,000,000 to the Minnesota Valley National Wildlife Refuge Trust, Inc.; \$375,000 to the Friends of the Mississippi; \$375,000 to Great River Greening; \$930,000 to The Minnesota Land Trust; and \$1,000,000 to The Trust for Public

Land. A list of proposed acquisitions, restorations, and enhancements must be provided as part of the required accomplishment plan. The accomplishment plan must include an easement stewardship plan. Up to \$51,000 is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. An annual financial report is required for any monitoring and enforcement fund established, including expenditures from the fund and a description of annual monitoring and enforcement activities.

(c) Dakota County Riparian and Lakeshore Protection and Management - Phase III

\$480,000 in the second year is to the commissioner of natural resources for an agreement with Dakota County to acquire permanent conservation easements and restore and enhance habitats along the Mississippi, Cannon, and Vermillion Rivers. A list of proposed acquisitions, restorations, and enhancements must be provided as part of the required accomplishment plan. The accomplishment plan must include an easement stewardship plan. Up to \$20,000 is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. An annual financial report is required for any monitoring and enforcement fund established, including expenditures from the fund and a description of annual monitoring and enforcement activities.

(d) Lower St. Louis River Habitat Restoration

\$3,670,000 in the second year is to the commissioner of natural resources to restore habitat in the lower St. Louis River estuary. A list of proposed projects must be provided as part of the required accomplishment plan.

(e) Coldwater Fish Habitat Enhancement - Phase IV

\$2,120,000 in the second year is to the commissioner of natural resources for an agreement with Minnesota Trout Unlimited to restore and enhance coldwater fish lake, river, and stream habitats in Minnesota. A list of proposed restorations and enhancements must be provided as part of the required accomplishment plan.

(f) Grand Marais Creek Outlet Restoration

\$2,320,000 in the second year is to the commissioner of natural resources for an agreement with the Red Lake Watershed District to restore and enhance stream and related habitat in Grand Marais Creek. A list of proposed restorations and enhancements must be provided as part of the required accomplishment plan.

(g) Knife River Habitat Restoration

\$380,000 in the second year is to the commissioner of natural resources for an agreement with the Lake Superior Steelhead Association to restore trout habitat in the Upper Knife River Watershed. A list of proposed restorations must be provided as part of the required accomplishment plan. Notwithstanding rules of the commissioner of natural resources, restorations conducted pursuant to this paragraph may be accomplished by excavation.

(h) Protect Aquatic Habitat from ~~Asian~~ Invasive Carp

\$7,500,000 in the second year is to the commissioner of natural resources ~~to for design, construct, operate, and evaluate construction, including acquisition, operation, and evaluation of structural deterrents for Asian invasive carp to protect Minnesota's aquatic habitat.~~ Use of this money requires a one-to-one match for projects on state boundary waters.

(i) Outdoor Heritage Conservation Partners Grant Program - Phase IV

\$4,990,000 in the second year is to the commissioner of natural resources for a program to provide competitive, matching grants of up to \$400,000 to local, regional, state, and national organizations for enhancing, restoring, or protecting forests, wetlands, prairies, and habitat for fish, game, or wildlife in Minnesota. Grants shall not be made for activities required to fulfill the duties of owners of lands subject to conservation easements. Grants shall not be made from appropriations in this paragraph for projects that have a total project cost exceeding \$575,000. \$366,000 of this appropriation may be spent for personnel costs and other direct and necessary administrative costs. Grantees may acquire land or interests in land. Easements must be permanent. Land acquired in fee must be open to hunting and fishing during the open season unless otherwise provided by state law. The program shall require a match of at least ten percent from nonstate sources for all grants. The match may be cash or in-kind resources. For grant applications of \$25,000 or less, the commissioner shall provide a separate, simplified application process. Subject to Minnesota Statutes, the commissioner of natural resources shall, when evaluating projects of equal value, give priority to organizations that have a history of receiving or charter to receive private contributions for local conservation or habitat projects. If acquiring land or a conservation easement, priority shall be given to projects associated with existing wildlife management areas under Minnesota Statutes, section 86A.05, subdivision 8; scientific and natural areas under Minnesota Statutes, sections 84.033 and 86A.05, subdivision 5; and aquatic management areas under Minnesota Statutes, sections 86A.05, subdivision 14, and 97C.02. All restoration or enhancement projects must be on land

permanently protected by a conservation easement or public ownership or in public waters as defined in Minnesota Statutes, section 103G.005, subdivision 15. Priority shall be given to restoration and enhancement projects on public lands. Minnesota Statutes, section 97A.056, subdivision 13, applies to grants awarded under this paragraph. This appropriation is available until June 30, 2016. No less than five percent of the amount of each grant must be held back from reimbursement until the grant recipient has completed a grant accomplishment report by the deadline and in the form prescribed by and satisfactory to the Lessard-Sams Outdoor Heritage Council. The commissioner shall provide notice of the grant program in the game and fish law summaries that are prepared under Minnesota Statutes, section 97A.051, subdivision 2.

Sec. 8. Laws 2013, chapter 137, article 1, section 2, subdivision 10, is amended to read:

Subd. 10. Appropriations Carryforward; Fee Title Acquisition

The availability of the appropriation for the following project is extended to ~~July~~ September 1, 2015: Laws 2010, chapter 361, article 1, section 2, subdivision 5, paragraph (h), Washington County St. Croix River Land Protection, and the appropriation may be spent on acquisition of land in fee title to protect habitat associated with the St. Croix River Valley. A list of proposed acquisitions must be provided as part of the accomplishment plan.

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

Sec. 9. Laws 2014, chapter 256, article 1, section 2, subdivision 5, is amended to read:

Subd. 5. Habitats

-0-

30,890,000

(a) DNR Aquatic Habitat - Phase VI

\$2,560,000 in the second year is to the commissioner of natural resources to acquire interests in land in fee and permanent conservation easements for aquatic management purposes under Minnesota Statutes, sections 86A.05, subdivision 14, and 97C.02, and to restore and enhance aquatic habitat. Up to \$32,500 is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of proposed land acquisitions and restorations and enhancements must be provided as part of the required accomplishment plan.

(b) Fisheries Habitat Protection on Strategic North Central Minnesota Lakes

\$2,130,000 in the second year is to the commissioner of natural resources for agreements with the Leech Lake Area Watershed Foundation and Minnesota Land Trust to acquire land in fee and permanent conservation easements to sustain healthy fish habitat

on lakes in Aitkin, Cass, Crow Wing, and Hubbard Counties as follows: \$1,150,300 to Leech Lake Area Watershed Foundation; and \$979,700 to Minnesota Land Trust, of which up to \$120,000 to Minnesota Land Trust is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

(c) Habitat Protection in Dakota County - Phase V

\$1,190,000 in the second year is to the commissioner of natural resources for a contract with Dakota County to acquire permanent conservation easements and land in fee and to restore and enhance habitats in rivers and lake watersheds in Dakota County. Up to \$15,000 to Dakota County is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. Lands acquired or lands with easements acquired with this appropriation may not be used for emergency haying and grazing in response to federal or state disaster declarations. Conservation grazing under a management plan that is already being implemented may continue. A list of proposed land acquisitions and restorations and enhancements must be provided as part of the required accomplishment plan.

(d) Metro Big Rivers - Phase V

\$2,650,000 in the second year is to the commissioner of natural resources for agreements to acquire land in fee and permanent conservation easements and to restore and enhance natural systems associated with the Mississippi, Minnesota, and St. Croix Rivers as follows: \$600,000 to Minnesota Valley National Wildlife Refuge Trust, Inc.; \$160,000 to Friends of the Mississippi River; \$400,000 to Great River Greening; \$590,000 to Minnesota Land Trust, of which up to \$77,000 is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17; and \$900,000 to The Trust for Public Land. Lands acquired or lands with easements acquired with this appropriation may not be used for emergency haying and grazing in response to federal or state disaster declarations. Conservation grazing under a management plan that is already being implemented may continue. A list of proposed land acquisitions and permanent conservation easements must be provided as part of the required accomplishment plan.

(e) Mustinka River Fish and Wildlife Habitat Corridor Rehabilitation

\$2,440,000 in the second year is to the commissioner of natural resources for an agreement with the Bois de Sioux Watershed District to acquire land in fee and to restore natural systems associated with the Mustinka River located within the Bois de

Sioux Watershed. Lands acquired with this appropriation may not be used for emergency haying and grazing in response to federal or state disaster declarations. Conservation grazing under a management plan that is already being implemented may continue. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

(f) Minnesota Trout Unlimited Coldwater Fish Habitat Enhancement and Restoration - Phase VI

\$1,900,000 in the second year is to the commissioner of natural resources for an agreement with Minnesota Trout Unlimited to restore and enhance habitat for trout and other species in and along coldwater rivers and streams in Minnesota. A list of proposed land restorations and enhancements must be provided as part of the required accomplishment plan.

(g) St. Louis River Restoration Initiative - Phase II

\$2,290,000 in the second year is to the commissioner of natural resources to restore habitat in the lower St. Louis River estuary. Of this appropriation, up to \$500,000 is for an agreement with Minnesota Land Trust. A list of proposed restorations must be provided as part of the required accomplishment plan.

(h) Knife River Habitat Rehabilitation - Phase II

\$1,410,000 in the second year is to the commissioner of natural resources for an agreement with the Lake Superior Steelhead Association to enhance trout habitat in the Knife River watershed. A list of proposed enhancements must be provided as part of the required accomplishment plan.

(i) Restoration and Enhancement of Washington County Public Lands

\$430,000 in the second year is to the commissioner of natural resources for an agreement with Washington County to restore and enhance habitat on public lands in Washington County. A restoration and enhancement plan and a list of proposed land restorations and enhancements must be provided as part of the required accomplishment plan.

(j) Wirth Park Enhancements

\$600,000 in the second year is to the commissioner of natural resources for an agreement with the Minneapolis Park Board to enhance riparian and upland habitat within Wirth Park in Hennepin County. A restoration and enhancement plan and a list of proposed land restorations and enhancements must be provided as part of the required accomplishment plan.

(k) Evaluate Effectiveness of Aquatic Invasive Species Prevention Strategies

\$4,040,000 in the second year is to the commissioner of natural resources for an agreement with the Central Minnesota Initiative Fund to develop a series of pilot projects to enhance aquatic habitat by preventing the spread of aquatic invasive species, including pilot projects conducting education and outreach, inspection and decontamination, enforcement, and other activities. All pilot projects must be conducted on a reimbursement basis and require a match of nonoutdoor heritage fund dollars. A required evaluation of results must be funded with nonoutdoor heritage fund dollars. The required evaluation must evaluate the efficacy of inspection and decontamination activities utilized in any of the pilot projects in preventing the spread of aquatic invasive species. A list of pilot projects must be included in the required final report. This appropriation is available until June 30, 2019. The accomplishment plan must accelerate the start of the pilot project.

(l) Albert Lea Lake Management and Invasive Species Control Structure - Supplement

\$700,000 in the second year is added to the appropriation contained in Laws 2013, chapter 137, article 1, section 2, subdivision 5, paragraph (h), to the commissioner of natural resources for an agreement with the Shell Rock River Watershed District to construct structural deterrents and lake level controls.

(m) Conservation Partners Legacy Grant Program - Phase VI

\$4,550,000 in the second year is to the commissioner of natural resources for a program to provide competitive, matching grants of up to \$400,000 to local, regional, state, and national organizations for enhancing, restoring, or protecting forests, wetlands, prairies, or habitat for fish, game, or wildlife in Minnesota. Grants shall not be made for activities required to fulfill the duties of owners of lands subject to conservation easements. Grants shall not be made from the appropriation in this paragraph for projects that have a total project cost exceeding \$575,000. Of this appropriation, ~~\$460,000~~ \$265,000 may be spent for personnel costs and other direct and necessary administrative costs. Grantees may acquire land or interests in land. Easements must be permanent. Grants may not be used to establish easement stewardship accounts. Land acquired in fee must be open to hunting and fishing during the open season unless otherwise provided by law. Lands acquired or lands with easements acquired with this appropriation may not be used for emergency haying and grazing in response to federal or state disaster declarations. Conservation grazing under a management plan that is already being implemented may continue. The program shall require a match of at least ten percent from nonstate sources for all grants. The match may be cash or in-kind

resources. For grant applications of \$25,000 or less, the commissioner shall provide a separate, simplified application process. Subject to Minnesota Statutes, the commissioner of natural resources shall, when evaluating projects of equal value, give priority to organizations that have a history of receiving or charter to receive private contributions for local conservation or habitat projects. If acquiring land or a conservation easement, priority shall be given to projects associated with or within one mile of existing wildlife management areas under Minnesota Statutes, section 86A.05, subdivision 8; scientific and natural areas under Minnesota Statutes, sections 84.033 and 86A.05, subdivision 5; or aquatic management areas under Minnesota Statutes, sections 86A.05, subdivision 14, and 97C.02. All restoration or enhancement projects must be on land permanently protected by a permanent covenant ensuring perpetual maintenance and protection of restored and enhanced habitat, by a conservation easement, or by public ownership or in public waters as defined in Minnesota Statutes, section 103G.005, subdivision 15. Priority shall be given to restoration and enhancement projects on public lands. Minnesota Statutes, section 97A.056, subdivision 13, applies to grants awarded under this paragraph. This appropriation is available until June 30, 2018. No less than five percent of the amount of each grant must be held back from reimbursement until the grant recipient has completed a grant accomplishment report by the deadline and in the form prescribed by and satisfactory to the Lessard-Sams Outdoor Heritage Council. The commissioner shall provide notice of the grant program in the game and fish law summary prepared under Minnesota Statutes, section 97A.051, subdivision 2.

(n) Conservation Partners Legacy Metro Grant Program

\$4,000,000 in the second year is to the commissioner of natural resources for a program to provide competitive, matching grants of up to \$400,000 to local, regional, state, and national organizations for enhancing, restoring, or protecting forests, wetlands, prairies, or habitat for fish, game, or wildlife in the seven-county metropolitan area and cities with a population of 50,000 or greater. Grants shall not be made for activities required to fulfill the duties of owners of lands subject to conservation easements. Grants shall not be made from the appropriation in this paragraph for projects that have a total project cost exceeding \$575,000. Of this appropriation, ~~\$70,000~~ \$250,000 may be spent for personnel costs and other direct and necessary administrative costs. Grantees may acquire land or interests in land. Easements must be permanent. Grants may not be used to establish easement stewardship accounts. Land acquired in fee must be open to hunting and fishing during the open season unless otherwise provided by law. Lands acquired or lands with easements acquired with this appropriation may not be used for emergency haying and grazing in response to federal or state disaster declarations. Conservation

grazing under a management plan that is already being implemented may continue. The program shall require a match of at least ten percent from nonstate sources for all grants. The match may be cash or in-kind resources. For grant applications of \$25,000 or less, the commissioner shall provide a separate, simplified application process. Subject to Minnesota Statutes, the commissioner of natural resources shall, when evaluating projects of equal value, give priority to organizations that have a history of receiving or charter to receive private contributions for local conservation or habitat projects. If acquiring land or a conservation easement, priority shall be given to projects associated with or within one mile of existing wildlife management areas under Minnesota Statutes, section 86A.05, subdivision 8; scientific and natural areas under Minnesota Statutes, sections 84.033 and 86A.05, subdivision 5; or aquatic management areas under Minnesota Statutes, sections 86A.05, subdivision 14, and 97C.02. All restoration or enhancement projects must be on land permanently protected by a permanent covenant ensuring perpetual maintenance and protection of restored and enhanced habitat, by a conservation easement, or by public ownership or in public waters as defined in Minnesota Statutes, section 103G.005, subdivision 15. Priority shall be given to restoration and enhancement projects on public lands. Minnesota Statutes, section 97A.056, subdivision 13, applies to grants awarded under this paragraph. This appropriation is available until June 30, 2018. No less than five percent of the amount of each grant must be held back from reimbursement until the grant recipient has completed a grant accomplishment report by the deadline and in the form prescribed by and satisfactory to the Lessard-Sams Outdoor Heritage Council. The commissioner shall provide notice of the grant program in the game and fish law summary prepared under Minnesota Statutes, section 97A.051, subdivision 2.

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

Sec. 10. **PAYMENT-IN-LIEU OF TAX ALTERNATIVES; RECOMMENDATIONS.**

The commissioner of management and budget, in consultation with the commissioners of natural resources and revenue, the Association of Minnesota Counties, and the Minnesota Association of Townships, shall examine alternatives to payment-in-lieu of tax payments under Minnesota Statutes, sections 477A.10 to 477A.14, including a trust fund approach, that would apply to land acquired with money from the outdoor heritage fund and other dedicated funds. The examination must take into account the ongoing costs to the state and local units of government associated with the acquisition of the land and any constitutional constraints. The commissioner of management and budget shall submit recommendations to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over the environment and natural resources, legacy funds, and taxes no later than January 15, 2016.

ARTICLE 2
CLEAN WATER FUND

Section 1. **CLEAN WATER FUND 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 clean water fund and are available for the fiscal years indicated for allowable activities under the Minnesota Constitution, article XI, section 15. The figures "2016" and

"2017" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2016, or June 30, 2017, respectively. "The first year" is fiscal year 2016. "The second year" is fiscal year 2017. "The biennium" is fiscal years 2016 and 2017. The appropriations in this article are onetime.

APPROPRIATIONS
Available for the Year
Ending June 30
2016 2017

Sec. 2. **CLEAN WATER**

Subdivision 1. **Total Appropriation**

\$116,263,000

\$112,039,000

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

Subd. 2. **Availability of Appropriation**

Money appropriated in this article may not be spent on activities unless they are directly related to and necessary for a specific appropriation. Money appropriated in this article must be spent in accordance with Minnesota Management and Budget's Guidance to Agencies on Legacy Fund Expenditure. Notwithstanding Minnesota Statutes, section 16A.28, and unless otherwise specified in this article, fiscal year 2016 appropriations are available until June 30, 2017, and fiscal year 2017 appropriations are available until June 30, 2018. If a project receives federal funds, the time period of the appropriation is extended to equal the availability of federal funding.

Subd. 3. **Disability Access**

Where appropriate, grant recipients of clean water funds, in consultation with the Council on Disability and other appropriate governor-appointed disability councils, boards, committees, and commissions, should make progress toward providing greater access to programs, print publications, and digital media for people with disabilities related to the programs the recipient funds using appropriations made in this article.

Sec. 3. **DEPARTMENT OF AGRICULTURE**

\$8,584,000

\$5,082,000

(a) \$350,000 the first year and \$350,000 the second year are to increase monitoring for pesticides and pesticide degradates in surface water and groundwater and to use data collected to assess pesticide use practices.

(b) \$2,586,000 the first year and \$2,585,000 the second year are for monitoring and evaluating trends in the concentration of nitrate in groundwater in areas vulnerable to groundwater degradation; monitoring for pesticides when nitrate is detected; promoting, developing, and evaluating regional and crop-specific nutrient best

management practices; assessing best management practice adoption; education and technical support from University of Minnesota Extension; and other actions to protect groundwater from degradation from nitrate. This appropriation is available until June 30, 2018.

(c) \$75,000 the first year and \$75,000 the second year are for administering clean water funds managed through the agriculture best management practices loan program. Any unencumbered balance at the end of the second year shall be added to the corpus of the loan fund.

(d) \$1,125,000 the first year and \$1,125,000 the second year are for technical assistance, research, and demonstration projects on proper implementation of best management practices and more precise information on nonpoint contributions to impaired waters. This appropriation is available until June 30, 2020.

(e) \$788,000 the first year and \$787,000 the second year are for research to quantify and reduce agricultural contributions to impaired waters and for development and evaluation of best management practices to protect and restore water resources. This appropriation is available until June 30, 2020.

(f) \$50,000 the first year and \$50,000 the second year are for a research inventory database containing water-related research activities. Costs for information technology development or support for this research inventory database may be paid to the Office of MN.IT Services. This appropriation is available until June 30, 2018.

(g) \$2,500,000 the first year is to implement the Minnesota agricultural water quality certification program statewide. The commissioner of agriculture shall consult with the United States Department of Agriculture to determine whether other state spending would qualify as a match for the agricultural water quality certification program funds available from the federal government. By January 1, 2016, the commissioner shall submit a report on funding recommendations to the Clean Water Council and the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over agriculture, the environment and natural resources, and the clean water fund. Funds appropriated in this article are available until June 30, 2016, and the commissioner may request additional funding for this program for fiscal year 2017. This appropriation is available until June 30, 2020.

(h) \$110,000 the first year and \$110,000 the second year are to provide funding for a regional irrigation water quality specialist through University of Minnesota Extension.

(i) \$1,000,000 the first year is for grants to the Board of Regents of the University of Minnesota to fund the Forever Green Agriculture Initiative and to protect the state's natural resources while increasing the efficiency, profitability, and productivity of Minnesota farmers by incorporating perennial and winter-annual crops into existing agricultural practices.

(j) A portion of the funds in this section may be used for programs to train state and local outreach staff in the intersection between agricultural economics and agricultural conservation.

Sec. 4. **PUBLIC FACILITIES AUTHORITY**

\$9,250,000

\$9,250,000

(a) \$9,000,000 the first year and \$9,000,000 the second year are for the point source implementation grants program under Minnesota Statutes, section 446A.073. This appropriation is available until June 30, 2020.

(b) \$250,000 the first year and \$250,000 the second year are for small community wastewater treatment grants and loans under Minnesota Statutes, section 446A.075. This appropriation is available until June 30, 2020.

(c) If there are any uncommitted funds at the end of each fiscal year under paragraph (a) or (b), the Public Facilities Authority may transfer the remaining funds to eligible projects under any of the programs listed in this section based on their priority rank on the Pollution Control Agency's project priority list.

Sec. 5. **POLLUTION CONTROL AGENCY**

\$27,350,000

\$27,348,000

(a) \$8,350,000 the first year and \$8,350,000 the second year are for completion of 20 percent of the needed statewide assessments of surface water quality and trends. Of this amount, \$100,000 each year is for grants to the Red River Watershed Management Board to enhance and expand the existing water quality and watershed monitoring river watch activities in the schools along the Red River of the North. The Red River Watershed Management Board shall provide a report to the commissioner of the Pollution Control Agency and the legislative committees and divisions with jurisdiction over environment and natural resources finance and policy and the clean water fund by February 15, 2017, on the expenditure of this appropriation. If the amount in the first year is insufficient, the amount in the second year is available in the first year.

(b) \$9,795,000 the first year and \$9,795,000 the second year are to develop watershed restoration and protection strategies (WRAPS), which include total maximum daily load (TMDL) studies and TMDL implementation plans for waters listed on the United States Environmental Protection Agency approved impaired waters list in accordance with Minnesota Statutes, chapter 114D. The agency shall complete an average of ten percent of the TMDLs each year over the biennium.

(c) \$1,182,000 the first year and \$1,181,000 the second year are for groundwater assessment, including enhancing the ambient monitoring network, modeling, and evaluating trends, including the reassessment of groundwater that was assessed ten to 15 years ago and found to be contaminated.

(d) \$750,000 the first year and \$750,000 the second year are for implementation of the St. Louis River System Area of Concern Remedial Action Plan. This appropriation must be matched at a rate of 65 percent nonstate money to 35 percent state money.

(e) \$275,000 the first year and \$275,000 the second year are for storm water research and guidance.

(f) \$1,150,000 the first year and \$1,150,000 the second year are for TMDL research and database development.

(g) \$900,000 the first year and \$900,000 the second year are for national pollutant discharge elimination system wastewater and storm water TMDL implementation efforts.

(h) \$3,623,000 the first year and \$3,622,000 the second year are for enhancing the county-level delivery systems for subsurface sewage treatment system (SSTS) activities necessary to implement Minnesota Statutes, sections 115.55 and 115.56, for protection of groundwater, including base grants for all counties with SSTS programs and competitive grants to counties with specific plans to significantly reduce water pollution by reducing the number of systems that are an imminent threat to public health or safety or are otherwise failing. Counties that receive base grants must report the number of sewage noncompliant properties upgraded through SSTS replacement, connection to a centralized sewer system, or other means, including property abandonment or buy-out. Counties also must report the number of existing SSTS compliance inspections conducted in areas under county jurisdiction. These required reports are to be part of established annual reporting for SSTS programs. Counties that conduct SSTS inventories or those with an ordinance in place that requires an SSTS to be inspected as a condition of transferring property or as a condition of obtaining a local permit must be given priority for competitive grants under this paragraph. Of this amount, \$750,000 each year is available to counties for grants to low-income landowners to address systems that pose an imminent threat to public health or safety or fail to protect groundwater. A grant awarded under this paragraph may not exceed \$500,000 for the biennium. A county receiving a grant under this paragraph must submit a report to the agency listing the projects funded, including an account of the expenditures.

(i) \$275,000 the first year and \$275,000 the second year are for a storm water best management practice performance evaluation and technology transfer program to enhance data and information

management of storm water best management practices; evaluate best management performance and effectiveness to support meeting total maximum daily loads; develop standards and incorporate state of the art guidance using minimal impact design standards as the model; and implement a knowledge and technology transfer system across local government, industry, and regulatory sectors for pass-through to the University of Minnesota. This appropriation is available until June 30, 2018.

(j) \$50,000 the first year and \$50,000 the second year are to support activities of the Clean Water Council according to Minnesota Statutes, section 114D.30, subdivision 1.

(k) \$1,000,000 the first year and \$1,000,000 the second year are for a grant program for sanitary sewer projects that are included in the draft or any updated Voyageurs National Park Clean Water Project Comprehensive Plan to restore the water quality of waters within Voyageurs National Park. Grants must be awarded to local government units for projects approved by the Voyageurs National Park Clean Water Joint Powers Board and must be matched by at least 25 percent from sources other than the clean water fund.

(l) Notwithstanding Minnesota Statutes, section 16A.28, the appropriations in this section encumbered on or before June 30, 2017, as grants or contracts are available until June 30, 2020.

Sec. 6. **DEPARTMENT OF NATURAL RESOURCES**

\$9,000,000

\$9,000,000

(a) \$2,000,000 the first year and \$2,000,000 the second year are for stream flow monitoring.

(b) \$1,300,000 the first year and \$1,300,000 the second year are for lake Index of Biological Integrity (IBI) assessments.

(c) \$135,000 the first year and \$135,000 the second year are for assessing mercury and other contaminants of fish, including monitoring to track the status of impaired waters over time.

(d) \$1,940,000 the first year and \$1,940,000 the second year are for developing targeted, science-based watershed restoration and protection strategies.

(e) \$1,375,000 the first year and \$1,375,000 the second year are for water supply planning, aquifer protection, and monitoring activities.

(f) \$1,000,000 the first year and \$1,000,000 the second year are for technical assistance to support local implementation of nonpoint source restoration and protection activities.

(g) \$675,000 the first year and \$675,000 the second year are for applied research and tools, including watershed hydrologic modeling; maintaining and updating spatial data for watershed boundaries, streams, and water bodies and integrating high-resolution digital elevation data; assessing effectiveness of forestry best management practices for water quality; and developing a biomonitoring database.

(h) \$250,000 the first year and \$250,000 the second year are for developing county geologic atlases.

(i) \$325,000 the first year and \$325,000 the second year are for analysis and mapping in each county related to compliance with riparian buffer or alternate practice requirements and to provide statewide coordination and guidance to local units of government for implementation of buffer requirements. Maps must be provided to local units of government and made available to landowners on the Department of Natural Resources' Web site.

Sec. 7. **BOARD OF WATER AND SOIL RESOURCES**

\$56,841,000

\$56,322,000

(a) \$4,875,000 the first year and \$4,875,000 the second year are for grants to local government units organized for the management of water in a watershed or subwatershed that have multiyear plans that will result in a significant reduction in water pollution in a selected subwatershed. The grants may be used for establishment of riparian buffers; practices to store water for natural treatment and infiltration, including rain gardens; capturing storm water for reuse; stream bank, shoreland, and ravine stabilization; enforcement activities; and implementation of best management practices for feedlots within riparian areas and other practices demonstrated to be most effective in protecting, enhancing, and restoring water quality in lakes, rivers, and streams and protecting groundwater from degradation. Grant recipients must identify a nonstate match and may use other legacy funds to supplement projects funded under this paragraph. Grants awarded under this paragraph are available for four years and priority must be given to the best designed plans each year.

(b) \$10,187,000 the first year and \$10,188,000 the second year are for grants to protect and restore surface water and drinking water; to keep water on the land; to protect, enhance, and restore water quality in lakes, rivers, and streams; and to protect groundwater and drinking water, including feedlot water quality and subsurface sewage treatment system projects and stream bank, stream channel, shoreline restoration, and ravine stabilization projects. The projects must use practices demonstrated to be effective, be of long-lasting public benefit, include a match, and be consistent with total maximum daily load (TMDL) implementation plans, watershed restoration and protection strategies (WRAPS), or local water management plans or their equivalents. A portion of these funds may be used to seek administrative efficiencies through shared resources by multiple local governmental units.

(c) \$6,000,000 the first year and \$6,000,000 the second year are for targeted local resource protection and enhancement grants and statewide program enhancements for technical assistance, citizen and community outreach, and training and certification, as well as projects, practices, and programs that supplement or otherwise exceed current state standards for protection, enhancement, and restoration of water quality in lakes, rivers, and streams or that protect groundwater from degradation, including compliance.

(d) \$950,000 the first year and \$950,000 the second year are to provide state oversight and accountability, evaluate results, provide implementation tools, and measure the value of conservation program implementation by local governments, including submission to the legislature by March 1 each even-numbered year a biennial report prepared by the board, in consultation with the commissioners of natural resources, health, agriculture, and the Pollution Control Agency, detailing the recipients, the projects funded under this section, and the amount of pollution reduced.

(e) \$2,500,000 the first year and \$2,500,000 the second year are for grants to local units of government to enhance compliance with riparian buffer or alternate practice requirements.

(f) \$4,875,000 the first year and \$4,875,000 the second year are to restore or preserve permanent conservation on riparian buffers adjacent to lakes, rivers, streams, and tributaries, to keep water on the land in order to decrease sediment, pollutant, and nutrient transport; reduce hydrologic impacts to surface waters; and increase infiltration for groundwater recharge. This appropriation may be used for restoration of riparian buffers permanently protected by easements purchased with this appropriation or contracts to achieve permanent protection for riparian buffers or stream bank restorations when the riparian buffers have been restored. Up to \$344,000 is for deposit in a monitoring and enforcement account.

(g) \$1,750,000 the first year and \$1,750,000 the second year are for permanent conservation easements on wellhead protection areas under Minnesota Statutes, section 103F.515, subdivision 2, paragraph (d), or for grants to local units of government for fee title acquisition to permanently protect groundwater supply sources on wellhead protection areas or for otherwise assuring long-term protection of groundwater supply sources as described under alternative management tools in the Department of Agriculture's Nitrogen Fertilizer Management Plan, including low nitrogen cropping systems or implementing nitrogen fertilizer best management practices. Priority must be placed on land that is located where the vulnerability of the drinking water supply is designated as high or very high by the commissioner of health, where drinking water protection plans have identified specific activities that will achieve long-term protection, and on lands with expiring Conservation Reserve Program contracts. Up to \$52,500 is for deposit in a monitoring and enforcement account.

(h) \$750,000 the first year and \$750,000 the second year are for community partner grants to local units of government for: (1) structural or vegetative management practices that reduce storm water runoff from developed or disturbed lands to reduce the movement of sediment, nutrients, and pollutants for restoration, protection, or enhancement of water quality in lakes, rivers, and streams and to protect groundwater and drinking water; and (2) installation of proven and effective water retention practices including, but not limited to, rain gardens and other vegetated infiltration basins and sediment control basins in order to keep water on the land. The projects must be of long-lasting public benefit, include a local match, and be consistent with TMDL implementation plans, watershed restoration and protection strategies (WRAPS), or local water management plans or their equivalents. Local government unit costs may be used as a match.

(i) \$84,000 the first year and \$84,000 the second year are for a technical evaluation panel to conduct ten restoration evaluations under Minnesota Statutes, section 114D.50, subdivision 6.

(j) \$2,100,000 the first year and \$2,100,000 the second year are for assistance, oversight, and grants to local governments to transition local water management plans to a watershed approach as provided for in Minnesota Statutes, chapters 103B, 103C, 103D, and 114D.

(k) \$750,000 the first year and \$750,000 the second year are for technical assistance and grants for the conservation drainage program in consultation with the Drainage Work Group, coordinated under Minnesota Statutes, section 103B.101, subdivision 13, that includes projects to improve multipurpose water management under Minnesota Statutes, section 103E.015.

(l) \$9,000,000 the first year and \$9,000,000 the second year are to purchase and restore permanent conservation sites via easements or contracts to treat and store water on the land for water quality improvement purposes and related technical assistance. This work may be done in cooperation with the United States Department of Agriculture with a first priority use to accomplish a conservation reserve enhancement program, or equivalent, in the state. Up to \$1,285,000 is for deposit in a monitoring and enforcement account.

(m) \$1,000,000 the first year and \$1,000,000 the second year are to purchase permanent conservation easements to protect lands adjacent to public waters with good water quality but threatened with degradation. Up to \$190,000 is for deposit in a monitoring and enforcement account.

(n) \$500,000 the first year and \$500,000 the second year are for a program to systematically collect data and produce county, watershed, and statewide estimates of soil erosion caused by water and wind along with tracking adoption of conservation measures to address erosion.

(o) \$11,000,000 the first year and \$11,000,000 the second year are for payments to soil and water conservation districts for the purposes of Minnesota Statutes, sections 103C.321 and 103C.331. From this appropriation, each soil and water conservation district shall receive an increase in its base funding of \$100,000 per year. Money remaining after the base increase is available for matching grants to soil and water conservation districts based on county allocations to soil and water conservation districts. The board and other agencies may reduce the amount of grants to a county by an amount equal to any reduction in the county's allocation to a soil and water conservation district from the county's previous-year allocation when the board determines that the reduction was disproportionate. The second-year appropriation cancels if new buffer requirements are not enacted in 2015.

(p) \$520,000 the first year is for a grant to Washington County for a water quality improvement project that will improve water quality and restore an essential backwater aquatic area by reconnecting Grey Cloud Slough to the main channel of the Mississippi River Area. This appropriation is not available until at least an equal amount is committed from nonstate sources.

(q) The Board of Water and Soil Resources must consider the inclusion of environmentally suitable annuals the next time the board establishes or revises vegetation establishment and enhancement guidelines for the purposes of riparian buffers.

(r) The board shall contract for delivery of services with Conservation Corps Minnesota for restoration, maintenance, and other activities under this section for up to \$500,000 the first year and up to \$500,000 the second year.

(s) The board may shift grant or cost-share funds in this section and may adjust the technical and administrative assistance portion of the funds to leverage federal or other nonstate funds or to address oversight responsibilities or high-priority needs identified in local water management plans.

(t) The board shall require grantees to specify the outcomes that will be achieved by the grants prior to any grant awards.

(u) The appropriations in this section are available until June 30, 2020. Returned grant funds are available until expended and shall be regranted consistent with the purposes of this section.

Sec. 8. **DEPARTMENT OF HEALTH**

\$4,013,000

\$3,812,000

(a) \$1,100,000 the first year and \$1,100,000 the second year are for addressing public health concerns related to contaminants found in Minnesota drinking water for which no health-based drinking water standards exist, including accelerating the development of

health risk limits and improving the capacity of the department's laboratory to analyze unregulated contaminants. The commissioner shall contract with the Board of Regents of the University of Minnesota to provide an independent review of the department's drinking water contaminants of emerging concern program. The review must include an assessment of the process used by the department to rank contaminants that are threats to drinking water supplies and include a comparison of efforts at the department with efforts by other states and the United States Environmental Protection Agency. The review must be submitted to the Clean Water Council and the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over environment and natural resources by June 1, 2016.

(b) \$1,900,000 the first year and \$1,900,000 the second year are for protection of drinking water sources.

(c) \$113,000 the first year and \$112,000 the second year are for cost-share assistance to public and private well owners for up to 50 percent of the cost of sealing unused wells.

(d) \$125,000 the first year and \$125,000 the second year are to develop and deliver groundwater restoration and protection strategies for use on a watershed scale for use in local water planning efforts and to provide resources to local governments for drinking water source protection activities.

(e) \$325,000 the first year and \$325,000 the second year are for studying the occurrence and magnitude of contaminants in private wells and developing guidance to ensure that new well placement minimizes the potential for risks, in cooperation with the commissioner of agriculture.

(f) \$275,000 the first year and \$75,000 the second year are for development and implementation of a groundwater virus monitoring plan, including an epidemiological study to determine the association between groundwater virus concentration and community illness rates.

(g) \$175,000 the first year and \$175,000 the second year are to prepare a comprehensive study of and recommendations for regulatory and nonregulatory approaches to water reuse for use in the development of state policy for water reuse in Minnesota.

(h) Unless otherwise specified, the appropriations in this section are available until June 30, 2019.

Sec. 9. **METROPOLITAN COUNCIL****\$1,225,000****\$1,225,000**

(a) \$975,000 the first year and \$975,000 the second year are to implement projects that address emerging drinking water supply threats, provide cost-effective regional solutions, leverage interjurisdictional coordination, support local implementation of water supply reliability projects, and prevent degradation of groundwater resources in the metropolitan area. These projects will provide to communities:

(1) potential solutions to leverage regional water use through utilization of surface water, storm water, wastewater, and groundwater;

(2) an analysis of infrastructure requirements for different alternatives;

(3) development of planning level cost estimates, including capital cost and operation cost;

(4) identification of funding mechanisms and an equitable cost-sharing structure for regionally beneficial water supply development projects; and

(5) development of subregional groundwater models.

(b) \$250,000 the first year and \$250,000 the second year are for the water demand reduction grant program to encourage implementation of water demand reduction measures by municipalities in the metropolitan area to ensure the reliability and protection of drinking water supplies.

Sec. 10. Minnesota Statutes 2014, section 103A.206, is amended to read:

103A.206 SOIL AND WATER CONSERVATION POLICY.

Maintaining and enhancing the quality of soil and water for the environmental and economic benefits they produce, preventing degradation, and restoring degraded soil and water resources of this state contribute greatly to the health, safety, economic well-being, and general welfare of this state and its citizens. Land occupiers have the responsibility to implement practices that conserve the soil and water resources of the state. Soil and water conservation measures implemented on private lands in this state provide benefits to the general public by reducing erosion, sedimentation, siltation, water pollution, and damages caused by floods. The soil and water conservation policy of the state is to encourage land occupiers to conserve soil, water, and the natural resources they support through the implementation of practices that:

(1) control or prevent erosion, sedimentation, siltation, and related pollution in order to preserve natural resources;

(2) ensure continued soil health, as defined under section 103C.101, subdivision 10a, and soil productivity;

(3) protect water quality;

- (4) prevent impairment of dams and reservoirs;
- (5) reduce damages caused by floods;
- (6) preserve wildlife;
- (7) protect the tax base; and
- (8) protect public lands and waters.

Sec. 11. Minnesota Statutes 2014, section 103B.101, is amended by adding a subdivision to read:

Subd. 16. **Water quality practices; standardized specifications.** The Board of Water and Soil Resources shall work with state and federal agencies, academic institutions, local governments, practitioners, and stakeholders to foster mutual understanding and provide recommendations for standardized specifications for water quality and soil conservation protection and improvement practices and projects. The board may convene working groups or work teams to develop information, education, and recommendations.

Sec. 12. **[103B.801] COMPREHENSIVE WATERSHED MANAGEMENT PLANNING PROGRAM.**

Subdivision 1. **Definitions.** The definitions under section 103B.3363, subdivisions 2 to 4, apply to this section.

Subd. 2. **Program purposes.** The purposes of the comprehensive watershed management plan program under section 103B.101, subdivision 14, paragraph (a), are to:

(1) align local water planning purposes and procedures under chapters 103B, 103C, and 103D on watershed boundaries to create a systematic, watershed-wide, science-based approach to watershed management;

(2) acknowledge and build off existing local government structure, water plan services, and local capacity;

(3) incorporate and make use of data and information, including watershed restoration and protection strategies under section 114D.26;

(4) solicit input and engage experts from agencies, citizens, and stakeholder groups;

(5) focus on implementation of prioritized and targeted actions capable of achieving measurable progress; and

(6) serve as a substitute for a comprehensive plan, local water management plan, or watershed management plan developed or amended, approved, and adopted, according to chapter 103B, 103C, or 103D.

Subd. 3. **Coordination.** The board shall develop policies for coordination and development of comprehensive watershed management plans. To ensure effectiveness and accountability in meeting the purposes of subdivision 2, these policies must address, at a minimum:

(1) a boundary framework consistent with section 103B.101, subdivision 14, paragraph (a), and procedures, requirements, and criteria for establishing or modifying the framework consistent with the goals of section 103A.212. The metropolitan area, as defined under section 473.121, subdivision 2, may be considered for inclusion in the boundary framework. If included, the metropolitan area is not excluded from the water management programs under sections 103B.201 to 103B.255;

(2) requirements for coordination, participation, and commitment between local government units in the development, approval, adoption, and implementation of comprehensive watershed management plans within planning boundaries identified according to this subdivision;

(3) requirements for consistency with state agency-adopted water and natural resources-related plans and documents required by chapters 103A, 103B, 103C, 103D, 103E, 103F, 103G, and 114D; and

(4) procedures for plan development, review, and approval consistent with the intent of sections 103B.201, 103B.255, 103B.311, 103B.321, 103D.401, and 103D.405. If the procedures in these sections are contradictory as applied to a specific proceeding, the board must establish a forum where the public interest conflicts involved can be presented and, by consideration of the whole body of water law, the controlling policy can be determined and apparent inconsistencies resolved.

Subd. 4. **Plan content.** The board shall develop policies for required comprehensive watershed management plan content consistent with comprehensive local water management planning. To ensure effectiveness and accountability in meeting the purposes of subdivision 2, plan content must include, at a minimum:

(1) an analysis and prioritization of issues and resource concerns;

(2) measurable goals to address the issues and concerns, including but not limited to:

(i) restoration, protection, and preservation of natural surface water and groundwater storage and retention systems;

(ii) minimization of public capital expenditures needed to correct flooding and water quality problems;

(iii) restoration, protection, and improvement of surface water and groundwater quality;

(iv) establishment of more uniform local policies and official controls for surface water and groundwater management;

(v) identification of priority areas for wetland enhancement, restoration, and establishment;

(vi) identification of priority areas for riparian zone management and buffers;

(vii) prevention of erosion and soil transport into surface water systems;

(viii) promotion of groundwater recharge;

(ix) protection and enhancement of fish and wildlife habitat and water recreational facilities; and

(x) securing other benefits associated with the proper management of surface water and groundwater;

(3) a targeted implementation schedule describing at a minimum the actions, locations, timeline, estimated costs, method of measurement, and identification of roles and responsible government units;

(4) a description of implementation programs, including how the implementation schedule will be achieved and how the plan will be administered and coordinated between local water management responsibilities; and

(5) a land and water resource inventory.

Subd. 5. **Timelines; administration.** (a) The board shall develop and adopt, by June 30, 2016, a transition plan for development, approval, adoption, and coordination of plans consistent with section 103A.212. The transition plan must include a goal of completing statewide transition to comprehensive watershed management plans by 2025. The metropolitan area may be considered for inclusion in the transition plan.

(b) The board may use the authority under section 103B.3369, subdivision 9, to support development or implementation of a comprehensive watershed management plan under this section.

Subd. 6. **Authority.** Notwithstanding any laws to the contrary, the authorities granted to local government through chapters 103B, 103C, and 103D are retained when a comprehensive watershed management plan is adopted as a substitute for a watershed management plan required under section 103B.231, a county groundwater plan authorized under section 103B.255, a county water plan authorized under section 103B.311, a comprehensive plan authorized under section 103C.331, or a watershed management plan required under section 103D.401 or 103D.405.

Sec. 13. Minnesota Statutes 2014, section 103C.101, is amended by adding a subdivision to read:

Subd. 10a. **Soil health.** "Soil health" means the continued capacity of soil to function as a vital living system that sustains plants, animals, and humans. Indicators of soil health include water infiltration capacity; organic matter content; water holding capacity; biological capacity to break down plant residue and other substances and to maintain soil aggregation; nutrient sequestration and cycling capacity; carbon sequestration; and soil resistance.

Sec. 14. Minnesota Statutes 2014, section 103C.401, subdivision 1, is amended to read:

Subdivision 1. **Powers and duties.** In addition to the powers and duties of the state board provided by other law, the state board shall:

- (1) offer to assist the district boards to implement their programs;
- (2) keep the district boards of the state informed of the activities and experience of other districts and facilitate cooperation and an interchange of advice and experience among the districts;
- (3) coordinate the programs and activities of the districts with appropriate agencies by advice and consultation;
- (4) approve or disapprove the plans or programs of districts relating to the use of state funds administered by the state board;
- (5) secure the cooperation and assistance of agencies in the work of the districts and develop a program to advise and assist appropriate agencies in obtaining state and federal funds for erosion, sedimentation, flooding, and agriculturally related pollution control programs;
- (6) develop and implement a public information program concerning the districts' activities and programs, the problems and preventive practices relating to erosion control, sedimentation, agriculturally related pollution, flood prevention, and the advantages of formation of districts in areas where their organization is desirable;
- (7) consolidate districts without a hearing or a referendum;
- (8) assist the statewide program to inventory and classify the types of soils in the state as determined by the Minnesota Cooperative Soil Survey;

(9) identify research needs and cooperate with other public agencies in research concerning the nature and extent of erosion, sedimentation, flooding and agriculturally related pollution, the amounts and sources of sediment and pollutants delivered to the waters of the state, and long-term soil productivity;

(10) develop structural, land use management practice, and other programs to reduce or prevent soil erosion, sedimentation, flooding, and agriculturally related pollution;

(11) develop a system of priorities to identify the erosion, flooding, sediment, and agriculturally related pollution problem areas that most need control systems;

(12) ensure compliance with statewide programs and policies established by the state board by advice, consultation, and approval of grant agreements with the districts; ~~and~~

(13) service requests from districts to consolidate districts across county boundaries and facilitate other agreed-to reorganizations of districts with other districts or other local units of government, including making grants, within the limits of available funds, to offset the cost of consolidation or reorganization; and

(14) develop and implement a state-led technical training and certification program.

Sec. 15. Minnesota Statutes 2014, section 103C.501, subdivision 5, is amended to read:

Subd. 5. **Contracts by districts.** (a) A district board may contract on a cost-share basis to furnish financial aid to a land occupier or to a state agency for permanent systems for erosion or sedimentation control or water quality or water quantity improvements that are consistent with the district's comprehensive and annual work plans.

(b) A district board, with approval from the state board and consistent with state board rules and policies, may contract on a cost-share basis to furnish financial aid to a land occupier for nonstructural land management practices that are part of a planned erosion control or water quality improvement plan.

~~(c)~~ (c) The duration of the contract must, at a minimum, be the time required to complete the planned systems. A contract must specify that the land occupier is liable for monetary damages and penalties in an amount up to 150 percent of the financial assistance received from the district, for failure to complete the systems or practices in a timely manner or maintain the systems or practices as specified in the contract.

~~(d)~~ (d) A contract may provide for cooperation or funding with federal agencies. A land occupier or state agency may provide the cost-sharing portion of the contract through services in kind.

~~(e)~~ (e) The state board or the district board may not furnish any financial aid for practices designed only to increase land productivity.

~~(f)~~ (f) When a district board determines that long-term maintenance of a system or practice is desirable, the board may require that maintenance be made a covenant upon the land for the effective life of the practice. A covenant under this subdivision shall be construed in the same manner as a conservation restriction under section 84.65.

Sec. 16. Minnesota Statutes 2014, section 114D.30, subdivision 2, is amended to read:

Subd. 2. **Membership; appointment.** (a) The commissioners of natural resources, agriculture, health, and the Pollution Control Agency, ~~and~~ the executive director of the Board of Water and Soil Resources, the Board of Regents of the University of Minnesota, and the Metropolitan Council shall each appoint one person from their respective ~~agency entity~~ to serve as a nonvoting member of the council. Two members of the house of representatives, including one member from the majority party and one member from the minority party, appointed

by the speaker and two senators, including one member from the majority party and one member from the minority party, appointed according to the rules of the senate shall serve at the pleasure of the appointing authority as nonvoting members of the council. ~~Agency and legislative~~ Members appointed under this paragraph serve as nonvoting members of the council.

(b) ~~Nineteen~~ Seventeen voting members of the council shall be appointed by the governor as follows:

- (1) two members representing statewide farm organizations;
- (2) two members representing business organizations;
- (3) two members representing environmental organizations;
- (4) one member representing soil and water conservation districts;
- (5) one member representing watershed districts;
- (6) one member representing nonprofit organizations focused on improvement of Minnesota lakes or streams;
- (7) two members representing organizations of county governments, one member representing the interests of rural counties and one member representing the interests of counties in the seven-county metropolitan area;
- (8) two members representing organizations of city governments;
- ~~(9) one member representing the Metropolitan Council established under section 473.123;~~
- ~~(10)~~ (9) one member representing township officers;
- ~~(11)~~ (10) one member representing the interests of tribal governments;
- ~~(12)~~ (11) one member representing statewide hunting organizations; and
- ~~(13) one member representing the University of Minnesota or a Minnesota state university; and~~
- ~~(14)~~ (12) one member representing statewide fishing organizations.

Members appointed under this paragraph must not be registered lobbyists or legislators. In making appointments, the governor must attempt to provide for geographic balance. The members of the council appointed by the governor are subject to the advice and consent of the senate.

Sec. 17. Laws 2013, chapter 137, article 2, section 6, is amended to read:

	\$ 12,635,000	\$ 9,450,000
Sec. 6. DEPARTMENT OF NATURAL RESOURCES	<u>12,135,000</u>	<u>8,950,000</u>

(a) \$2,000,000 the first year and \$2,000,000 the second year are for stream flow monitoring, including the installation of additional monitoring gauges, and monitoring necessary to determine the relationship between stream flow and groundwater.

(b) \$1,300,000 the first year and \$1,300,000 the second year are for lake Index of Biological Integrity (IBI) assessments.

(c) \$135,000 the first year and \$135,000 the second year are for assessing mercury ~~contamination~~ and other contaminants of fish, including monitoring to track the status of waters impaired by mercury and mercury reduction efforts over time.

(d) \$1,850,000 the first year and \$1,850,000 the second year are for developing targeted, science-based watershed restoration and protection strategies, including regional technical assistance for TMDL plans and development of a watershed assessment tool, in cooperation with the commissioner of the Pollution Control Agency. By January 15, 2016, the commissioner shall submit a report to the chairs and ranking minority members of the senate and house of representatives committees and divisions with jurisdiction over environment and natural resources policy and finance providing the outcomes to lakes, rivers, streams, and groundwater achieved with this appropriation and recommendations.

(e) \$1,375,000 the first year and \$1,375,000 the second year are for water supply planning, aquifer protection, and monitoring activities.

(f) \$1,000,000 the first year and \$1,000,000 the second year are for technical assistance to support local implementation of nonpoint source restoration and protection activities, including water quality protection in forested watersheds.

(g) \$675,000 the first year and \$675,000 the second year are for applied research and tools, including watershed hydrologic modeling; maintaining and updating spatial data for watershed boundaries, streams, and water bodies and integrating high-resolution digital elevation data; assessing effectiveness of forestry best management practices for water quality; and developing an ecological monitoring database.

(h) \$615,000 the first year and \$615,000 the second year are for developing county geologic atlases.

(i) \$85,000 the first year is to develop design standards and best management practices for public water access sites to maintain and improve water quality by avoiding shoreline erosion and runoff.

(j) \$3,000,000 the first year is for beginning to develop and designate groundwater management areas under Minnesota Statutes, section 103G.287, subdivision 4. The commissioner, in consultation with the commissioners of the Pollution Control Agency, health, and agriculture, shall establish a uniform statewide hydrogeologic mapping system that will include designated

groundwater management areas. The mapping system must include wellhead protection areas, special well construction areas, groundwater provinces, groundwater recharge areas, and other designated or geographical areas related to groundwater. This mapping system shall be used to implement all groundwater-related laws and for reporting and evaluations. This appropriation is available until June 30, 2017.

~~(k) \$500,000 the first year and \$500,000 the second year are for grants to counties and other local units of government to adopt and implement advanced shoreland protection measures. The grants awarded under this paragraph shall be for up to \$100,000 and must be used to restore and enhance riparian areas to protect, enhance, and restore water quality in lakes, rivers, and streams. Grant recipients must submit a report to the commissioner on the outcomes achieved with the grant. To be eligible for a grant under this paragraph, a county or other local unit of government must be adopting or have adopted an ordinance for the subdivision, use, redevelopment, and development of shoreland that has been approved by the commissioner of natural resources as having advanced shoreland protection measures. An ordinance must meet or exceed the following standards:~~

~~(1) requires new sewage treatment systems to be set back at least 100 feet from the ordinary high water level for recreational development shorelands and 75 feet for general development lake shorelands;~~

~~(2) requires redevelopment and new development on shoreland to have at least a 50-foot vegetative buffer. An access path and recreational use area may be allowed;~~

~~(3) requires mitigation when any variance to standards designed to protect lakes, rivers, and streams is granted;~~

~~(4) requires best management practices to be used to control storm water and sediment as part of a land alteration;~~

~~(5) includes other criteria developed by the commissioner; and~~

~~(6) has been adopted by July 1, 2015.~~

~~An ordinance that does not exceed all the standards in clauses (1) to (5) is considered to meet the requirement if the commissioner determines that the ordinance provides significantly greater protection for both waters and shoreland than those standards.~~

~~The commissioner of natural resources may develop additional criteria for the grants awarded under this paragraph. In developing the criteria, the commissioner shall consider the proposed changes to the department's shoreland rules discussed during the~~

~~rulemaking process authorized under Laws 2007, chapter 57, article 1, section 4, subdivision 3. This appropriation is available until spent.~~

(4) (k) \$100,000 the first year is for the commissioner of natural resources for rulemaking under Minnesota Statutes, section 116G.15, subdivision 7.

Sec. 18. Laws 2014, chapter 312, article 14, section 7, is amended to read:

Sec. 7. REPURPOSE OF 2011 APPROPRIATION.

The remaining balance of the appropriation in Laws 2011, First Special Session chapter 6, article 2, section 6, paragraph (g), to the commissioner of natural resources for shoreland stewardship, TMDL implementation coordination, providing technical assistance, and maintaining and updating data may be used for stream flow and groundwater monitoring, including the installation of additional monitoring gauges, and monitoring necessary to determine the relationship between stream flow and groundwater, and is available until June 30, ~~2015~~ 2016.

Sec. 19. CANCELLATION OF PRIOR APPROPRIATIONS.

(a) The unspent balance of the appropriation to the Public Facilities Authority for the clean water legacy phosphorus reduction grant program under Minnesota Statutes 2012, section 446A.074, in Laws 2009, chapter 172, article 2, section 3, paragraph (b), is canceled.

(b) The unspent balance of the appropriation to the Public Facilities Authority for the clean water legacy phosphorus reduction grant program under Minnesota Statutes 2012, section 446A.074, in Laws 2011, First Special Session chapter 6, article 2, section 4, paragraph (b), is canceled.

(c) \$1,000,000 of the appropriation to the Board of Water and Soil Resources in Laws 2013, chapter 137, article 2, section 7, paragraph (e), is canceled.

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

ARTICLE 3
PARKS AND TRAILS FUND

Section 1. **PARKS AND TRAILS FUND 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 parks and trails fund and are available for the fiscal years indicated for each purpose. The figures "2016" and "2017" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2016, or June 30, 2017, respectively. "The first year" is fiscal year 2016. "The second year" is fiscal year 2017. "The biennium" is fiscal years 2016 and 2017. All appropriations in this article are onetime.

	<u>APPROPRIATIONS</u> <u>Available for the Year</u> <u>Ending June 30</u>	
	<u>2016</u>	<u>2017</u>
Sec. 2. <u>PARKS AND TRAILS</u>		
Subdivision 1. <u>Total Appropriation</u>	<u>\$43,628,000</u>	<u>\$45,722,000</u>

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

Subd. 2. Availability of Appropriation

Money appropriated in this article may not be spent on activities unless they are directly related to and necessary for a specific appropriation. Money appropriated in this article must be spent in accordance with Minnesota Management and Budget's Guidance to Agencies on Legacy Fund Expenditure. Notwithstanding Minnesota Statutes, section 16A.28, and unless otherwise specified in this article, fiscal year 2016 appropriations are available until June 30, 2018, and fiscal year 2017 appropriations are available until June 30, 2019. If a project receives federal funds, the time period of the appropriation is extended to equal the availability of federal funding.

Subd. 3. Disability Access

Where appropriate, grant recipients of parks and trails funds, in consultation with the Council on Disability and other appropriate governor-appointed disability councils, boards, committees, and commissions, should make progress toward providing greater access to programs, print publications, and digital media for people with disabilities related to the programs the recipient funds using appropriations made in this article.

Sec. 3. DEPARTMENT OF NATURAL RESOURCES**\$26,391,000****\$27,655,000**

(a) \$17,237,000 the first year and \$18,067,000 the second year are for state parks, recreation areas, and trails to:

(1) connect people to the outdoors;

(2) acquire land and create opportunities;

(3) maintain existing holdings; and

(4) improve cooperation by coordinating with partners to implement the 25-year long-range parks and trails legacy plan.

(b) \$8,782,000 the first year and \$8,782,000 the second year are for grants for parks and trails of regional significance outside the seven-county metropolitan area under Minnesota Statutes, section 85.535. The grants must be based on the recommendations to the commissioner from the Greater Minnesota Regional Parks and Trails Commission established under Minnesota Statutes, section 85.536. The second year appropriation in this paragraph includes money for: a grant to the St. Louis and Lake Counties Regional Railroad Authority to design, engineer, acquire right-of-way, and construct a segment of the Mesabi Trail from Embarrass to near the intersection of County Road 26, Whalston Road, and Trunk Highway 135 toward Tower; and up to \$400,000 for a grant to the

city of La Crescent to design, engineer, acquire right-of-way, and construct a segment of the Wagon Wheel Trail. Grants funded under this paragraph must support parks and trails of regional or statewide significance that meet the applicable definitions and criteria for regional parks and trails contained in the Greater Minnesota Regional Parks and Trails Strategic Plan adopted by the Greater Minnesota Regional Parks and Trails Commission on April 22, 2015. Grant recipients identified under this paragraph must submit a grant application to the commissioner of natural resources. Up to 2.5 percent of the appropriation may be used by the commissioner for the actual cost of issuing and monitoring the grants for the commission. Of the amount appropriated, \$356,000 in fiscal year 2016 and \$362,000 in fiscal year 2017 are for the Greater Minnesota Regional Parks and Trails Commission to carry out its duties under Minnesota Statutes, section 85.536, including the continued development of a statewide system plan for regional parks and trails outside the seven-county metropolitan area.

(c) By January 15, 2016, the Greater Minnesota Regional Parks and Trails Commission shall submit a list of projects, ranked in priority order, that contains the commission's recommendations for funding from the parks and trails fund for fiscal year 2017 to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over the environment and natural resources and the parks and trails fund.

(d) By January 15, 2016, the Greater Minnesota Regional Parks and Trails Commission shall submit a report that contains the commission's criteria for funding from the parks and trails fund, including the criteria used to determine if a park or trail is of regional significance, to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over the environment and natural resources and the parks and trails fund.

(e) \$536,000 the first year and \$555,000 the second year are for coordination and projects between the department, the Metropolitan Council, and the Greater Minnesota Regional Parks and Trails Commission; enhanced Web-based information for park and trail users; and support of activities of the Parks and Trails Legacy Advisory Committee. Of this amount, \$260,000 the first year shall be used for a grant to the University of Minnesota Center for Changing Landscapes to complete a legacy tracking project and to implement a survey on use patterns, user needs, and perceptions related to parks and trails in Minnesota. The tracking project and survey work must be done in collaboration with the Department of Natural Resources, Metropolitan Council, and Greater Minnesota Regional Parks and Trails Commission.

(f) The commissioner shall contract for services with Conservation Corps Minnesota for restoration, maintenance, and other activities under this section for at least \$1,000,000 the first year and \$1,000,000 the second year.

(g) The implementing agencies receiving appropriations under this section shall give consideration to contracting with Conservation Corps Minnesota for restoration, maintenance, and other activities.

Sec. 4. **METROPOLITAN COUNCIL**

\$17,237,000

\$18,067,000

(a) \$17,237,000 the first year and \$18,067,000 the second year are for distribution according to Minnesota Statutes, section 85.53, subdivision 3.

(b) Money appropriated under this section and distributed to implementing agencies must be used to fund the list of recommended projects in the report submitted pursuant to Laws 2013, chapter 137, article 3, section 4, paragraph (o). Projects funded by the money appropriated under this section must be substantially consistent with the project descriptions and dollar amounts in the report. Any funds remaining after completion of the listed projects may be spent by the implementing agencies on projects to support parks and trails.

(c) Grant agreements entered into by the Metropolitan Council and recipients of money appropriated under this section must ensure that the funds are used to supplement and not substitute for traditional sources of funding.

(d) The implementing agencies receiving appropriations under this section shall give consideration to contracting with Conservation Corps Minnesota for restoration, maintenance, and other activities.

Sec. 5. Laws 2013, chapter 137, article 3, section 4, is amended to read:

Sec. 4. **METROPOLITAN COUNCIL**

\$16,821,000

\$16,953,000

(a) \$16,821,000 the first year and \$16,953,000 the second year are for parks and trails of regional or statewide significance in the metropolitan area, distributed according to paragraphs (b) to (1). Any funds remaining after completion of the listed project may be spent on projects to support parks and trails by the implementing agency.

(b) \$1,443,000 the first year and \$1,455,000 the second year are for grants to Anoka County for:

(1) a trail connection for Bunker Hills Regional Park from Avocet Street;

- (2) restoration, including erosion repair, along Pleasure Creek and the Mississippi River Regional Trail at the Coon Rapids Dam Regional Park;
 - (3) a new playground and surfacing at Lake George Regional Park;
 - (4) land acquisition for the Rice Creek Chain of Lakes Park Reserve;
 - (5) improvements at the Rice Creek Chain of Lakes Park Reserve, including maintenance shop rehabilitation, road and parking construction, fencing, beach improvements, and roof repairs;
 - (6) trail reconstruction under East River Road on the Rice Creek West Regional Trail;
 - (7) contracts with Conservation Corps Minnesota;
 - (8) a volunteer or resource coordinator position;
 - (9) a landscape designer or architect;
 - (10) design, engineering, and construction of the Central Anoka County Regional Trail;
 - (11) road rehabilitation at Lake George Regional Park;
 - (12) reconstruction of a retaining wall on the Mississippi River Regional Trail;
 - (13) a trail connection on the Mississippi River Regional Trail to connect Mississippi West Regional Park to the city of Ramsey;
 - (14) improvements of the Heritage Laboratory/Day Camp at the Rice Creek Chain of Lakes Park Reserve; and
 - (15) trail reconstruction on the Rice Creek North Regional Trail from Lexington Avenue to Golden Lake Elementary School.
- (c) \$289,000 the first year and \$292,000 the second year are for grants to the city of Bloomington to reconstruct parking lots at the Hyland-Bush-Anderson Lakes Park Reserve.
- (d) \$294,000 the first year and \$297,000 the second year are for grants to Carver County to connect the Minnesota River Bluffs Regional Trail and Southwest Regional Trail and for trail and bridge construction on the Minnesota River Bluff Regional Trail.
- (e) \$1,174,000 the first year and \$1,183,000 the second year are for grants to Dakota County for:

(1) engineering to extend the Mississippi River Regional Trail and Big Rivers Regional Trails, including extensions to St. Paul, and to provide a connection to Lilydale Regional Trail;

(2) a trail connection for the Mississippi River Regional Trail to connect St. Paul and to construct a bridge over railroad tracks;

(3) engineering and construction of regional trail segments throughout the county;

(4) engineering and construction of a bridge and trails through the Minnesota Zoological Garden on the North Creek Regional Greenway; and

(5) resource management of the county's parks and trails system.

(f) \$3,221,000 the first year and \$3,246,000 the second are for grants to the Minneapolis Park and Recreation Board for:

(1) design and construction of trail loops, river access areas, landscapes, and storm water management improvements at Above the Falls Regional Park;

(2) land acquisition at Above the Falls Regional Park;

(3) a master plan and trail design for Central Mississippi Riverfront Regional Park;

(4) planning and design for the Central Riverfront including the water works and the Mississippi Whitewater Park sites;

(5) trail, path, and shoreline improvements and play area rehabilitation at Nokomis-Hiawatha Regional Park;

(6) trail, shoreline, water access, picnic, sailboat facility, and concession improvements at Minneapolis Chain of Lakes Regional Park;

(7) a bird sanctuary, trail stabilization, habitat restoration, accessibility improvements, and construction of new entrances at Minneapolis Chain of Lakes Regional Park;

(8) a trail connection for the Minnehaha Parkway Regional Trail below Lyndale Avenue; and

(9) trail work at Theodore Wirth Regional Park.

(g) \$1,299,000 the first year and \$1,309,000 the second year are for grants to Ramsey County for:

- (1) wayfinding for cross-country ski trails at Battle Creek Regional Park, Tamarack Nature Center, and Grass-Vadnais-Snail Lakes Regional Park;
 - (2) contracts with Conservation Corps Minnesota;
 - (3) design and construction of an early learning center at Tamarack Nature Center and pedestrian connections, landscape restoration, signage, and other site amenities at Bald Eagle-Otter Lakes Regional Park;
 - (4) improvements to Tamarack Nature Center;
 - (5) building and supporting a volunteer corps for Tamarack Nature Center and Discovery Hollow;
 - (6) trail development to connect Tamarack Nature Center to the Otter Lake boat launch;
 - (7) a trail on Vadnais Lake, storm water management improvements, and site amenities at Grass-Vadnais-Snail Lakes Regional Park;
 - (8) trail development and connection, storm water management improvements, and site amenities at Rice Creek North Regional Trail; and
 - (9) the Bruce Vento Regional Trail.
- (h) \$2,378,000 the first year and \$2,397,000 the second year are for grants to the city of Saint Paul for:
- (1) an education coordinator;
 - (2) a volunteer coordinator;
 - (3) Como Regional Park shuttle operation;
 - (4) a trail connection to connect Harriet Island to the Mississippi Regional Trail;
 - (5) Estabrook Road reconstruction and lighting upgrades at Como Regional Park; and
 - (6) a trail connection and railroad bridge reconstruction at Lilydale Regional Park.
- (i) \$550,000 the first year and \$554,000 the second year are for grants to Scott County for construction at Cedar Lake Farm Regional Park.

(j) \$3,669,000 the first year and \$3,697,000 the second year are for grants to Three Rivers Park District for:

(1) a trail connection to connect Grand Rounds to Nine Mile Creek Trail;

(2) a ~~trail bridge over~~ safe trail crossing of County State-Aid Highway 19 for the Lake Minnetonka LRT Regional Trail;

(3) trail construction on the Crystal Lake Regional Trail;

(4) trail construction on the Bassett Creek Regional Trail;

(5) trail construction on the Twin Lakes Regional Trail; and

(6) trail construction on the Nine Mile Creek Regional Trail.

(k) \$821,000 the first year and \$827,000 the second year are for grants to Washington County for:

(1) parking, buildings, and other improvements at the Swim Pond in Lake Elmo Park Reserve;

(2) design and construction of the Point Douglas Regional Trail, which connects to Wisconsin; and

(3) paving improvements to Hardwood Creek Regional Trail, which may include new trail sections toward Bald Eagle Regional Park.

(l) \$1,682,000 the first year and \$1,695,000 the second year are for grants to implementing agencies for land acquisition within Metropolitan Council approved regional parks and trails master plan boundaries as provided under Minnesota Statutes, section 85.53, subdivision 3, clause (4).

(m) A recipient of a grant awarded under this section must give consideration to Conservation Corps Minnesota for possible use of corps services to contract for restoration and enhancement services.

(n) For projects with the potential to need historic preservation services, a recipient of a grant awarded under this section must give consideration to the Northern Bedrock Conservation Corps for possible use of the corps' services.

(o) By January 15, 2015, the council shall submit a list of projects, ranked in priority order, that contains the council's recommendations for funding from the parks and trails fund for the 2016 and 2017 biennium to the chairs and ranking minority members of the senate and house of representatives committees and divisions with jurisdiction over the environment and natural resources and the parks and trails fund.

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

Sec. 6. **MESABI TRAIL GRANT EXTENSION.**

Notwithstanding Minnesota Statutes, section 16A.28, or other law to the contrary, \$512,000 of the money appropriated in fiscal year 2013 under Laws 2011, First Special Session chapter 6, article 3, section 3, paragraph (c), clause (1), for grants under Minnesota Statutes, section 85.535, is available until June 30, 2017. The commissioner of natural resources shall extend the \$512,000 grant to the St. Louis and Lake Counties Regional Railroad Authority for extension of the Mesabi Trail to June 30, 2017.

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

ARTICLE 4
ARTS AND CULTURAL HERITAGE FUND

Section 1. **ARTS AND CULTURAL HERITAGE FUND APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the entities and for the purposes specified in this article. The appropriations are from the arts and cultural heritage fund and are available for the fiscal years indicated for allowable activities under the Minnesota Constitution, article XI, section 15. The figures "2016" and "2017" used in this article mean that the appropriations listed under the figure are available for the fiscal year ending June 30, 2016, and June 30, 2017, respectively. "The first year" is fiscal year 2016. "The second year" is fiscal year 2017. "The biennium" is fiscal years 2016 and 2017. All appropriations in this article are onetime.

<u>APPROPRIATIONS</u>	
<u>Available for the Year</u>	
<u>Ending June 30</u>	
<u>2016</u>	<u>2017</u>

Sec. 2. **ARTS AND CULTURAL HERITAGE**

<u>Subdivision 1. Total Appropriation</u>	<u>\$61,542,000</u>	<u>\$63,262,000</u>
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The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. **Availability of Appropriation**

Money appropriated in this article may not be spent on activities unless they are directly related to and necessary for a specific appropriation. Money appropriated in this article must not be spent on indirect costs or other institutional overhead charges that are not directly related to and necessary for a specific appropriation. Money appropriated in this article must be spent in accordance with the Minnesota Management and Budget's Guidance to Agencies on Legacy Fund Expenditures. Notwithstanding Minnesota Statutes, section 16A.28, and unless otherwise specified in this article, fiscal year 2016 appropriations are available until June 30, 2017, and fiscal year 2017 appropriations are available until June 30, 2018. If a project receives federal funds, the time period of the appropriation is extended to equal the availability of federal funding.

Subd. 3. Minnesota State Arts Board26,819,00031,312,000

(a) These amounts are appropriated to the Minnesota State Arts Board for arts, arts education, arts preservation, and arts access. Grant agreements entered into by the Minnesota State Arts Board and other recipients of appropriations in this subdivision must ensure that these funds are used to supplement and not substitute for traditional sources of funding. Each grant program established within this appropriation must be separately administered from other state appropriations for program planning and outcome measurements, but may take into consideration other state resources awarded in the selection of applicants and grant award size.

(b) Arts and Arts Access Initiatives

\$21,155,000 the first year and \$25,350,000 the second year are to support Minnesota artists and arts organizations in creating, producing, and presenting high-quality arts activities; to overcome barriers to accessing high-quality arts activities; and to instill the arts into the community and public life in this state.

(c) Arts Education

\$4,248,000 the first year and \$4,472,000 the second year are for high-quality, age-appropriate arts education for Minnesotans of all ages to develop knowledge, skills, and understanding of the arts.

(d) Arts and Cultural Heritage

\$1,416,000 the first year and \$1,490,000 the second year are for events and activities that represent the diverse cultural arts traditions, including folk and traditional artists and art organizations, represented in this state.

(e) Up to 4.5 percent of the funds appropriated in paragraphs (b) to (d) may be used by the board for administering grant programs, delivering technical services, providing fiscal oversight for the statewide system, and ensuring accountability.

(f) Up to thirty percent of the remaining total appropriation to each of the categories listed in paragraphs (b) to (d) is for grants to the regional arts councils. Notwithstanding any other provision of law, regional arts council grants or other arts council grants for touring programs, projects, or exhibits must ensure the programs, projects, or exhibits are able to tour in their own region as well as all other regions of the state.

(g) Any unencumbered balance remaining under this section in the first year does not cancel, but is available for the second year of the biennium.

Subd. 4. Minnesota Historical Society13,985,00015,015,000

(a) These amounts are appropriated to the governing board of the Minnesota Historical Society to preserve and enhance access to Minnesota's history and its cultural and historical resources. Grant agreements entered into by the Minnesota Historical Society and other recipients of appropriations in this subdivision must ensure that these funds are used to supplement and not substitute for traditional sources of funding. Funds directly appropriated to the Minnesota Historical Society must be used to supplement and not substitute for traditional sources of funding. Notwithstanding Minnesota Statutes, section 16A.28, for historic preservation projects that improve historic structures, the amounts are available until June 30, 2019. The Minnesota Historical Society or grant recipients of the Minnesota Historical Society using arts and cultural heritage funds under this subdivision must give consideration to Conservation Corps Minnesota and Northern Bedrock Historic Preservation Corps, or an organization carrying out similar work, for projects with the potential to need historic preservation services.

(b) Historical Grants and Programs**(1) Statewide Historic and Cultural Grants**

\$5,525,000 the first year and \$6,000,000 the second year are for history programs and projects operated or conducted by or through local, county, regional, or other historical or cultural organizations or for activities to preserve significant historic and cultural resources. Funds are to be distributed through a competitive grant process. The Minnesota Historical Society shall administer these funds using established grant mechanisms, with assistance from the advisory committee created under Laws 2009, chapter 172, article 4, section 2, subdivision 4, paragraph (b), item (ii).

(2) Statewide History Programs

\$5,525,000 the first year and \$6,000,000 the second year are for programs and purposes related to the historical and cultural heritage of the state of Minnesota conducted by the Minnesota Historical Society.

(3) History Partnerships

\$2,060,000 the first year and \$2,140,000 the second year are for partnerships involving multiple organizations, which may include the Minnesota Historical Society, to preserve and enhance access to Minnesota's history and cultural heritage in all regions of the state.

(4) Statewide Survey of Historical and Archaeological Sites

\$300,000 the first year and \$300,000 the second year are for a contract or contracts to be awarded on a competitive basis to conduct statewide surveys of Minnesota's sites of historical, archaeological, and cultural significance. Results of the surveys must be published in a searchable form and available to the public on a cost-free basis. The Minnesota Historical Society, the Office of the State Archaeologist, and the Indian Affairs Council shall each appoint a representative to an oversight board to select contractors and direct the conduct of the surveys. The oversight board shall consult with the Departments of Transportation and Natural Resources.

(5) Digital Library

\$300,000 the first year and \$300,000 the second year are for a digital library project to preserve, digitize, and share Minnesota images, documents, and historical materials. The Minnesota Historical Society shall cooperate with the Minitex interlibrary loan system and shall jointly share this appropriation for these purposes.

(6) Historic Recognition Grants Program

\$275,000 the first year and \$275,000 the second year are for a competitive grants program to provide grants for projects carried out by nonprofit organizations or public entities that preserve, recognize, and promote the historic legacy of Minnesota, with a focus on commemoration of Minnesota's role in the American Civil War. The Minnesota Historical Society shall work collaboratively with the Governor's Civil War Commemorative Task Force to determine project priorities. Funds may be used for projects administered or delivered by the Minnesota Historical Society in cooperation with the task force.

Subd. 5. Department of Education2,200,0002,200,000

These amounts are appropriated to the commissioner of education for grants to the 12 Minnesota regional library systems to provide educational opportunities in the arts, history, literary arts, and cultural heritage of Minnesota. These funds must be allocated using the formulas in Minnesota Statutes, section 134.355, subdivisions 3, 4, and 5, with the remaining 25 percent to be distributed to all qualifying systems in an amount proportionate to the number of qualifying system entities in each system. For purposes of this subdivision, "qualifying system entity" means a public library, a regional library system, a regional library system headquarters, a county, or an outreach service program. These funds may be used to sponsor programs provided by regional libraries or to provide grants to local arts and cultural heritage

programs for programs in partnership with regional libraries. These funds must be distributed in ten equal payments per year. Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered on or before June 30, 2017, as grants or contracts in this subdivision are available until June 30, 2019.

Subd. 6. Department of Administration

12,398,000

8,785,000

(a) These amounts are appropriated to the commissioner of administration for grants to the named organizations for the purposes specified in this subdivision. The commissioner of administration may use a portion of this appropriation for costs that are directly related to and necessary to the administration of grants in this section.

(b) Grant agreements entered into by the commissioner and recipients of appropriations under this subdivision must ensure that money appropriated in this subdivision is used to supplement and not substitute for traditional sources of funding.

(c) Veterans Rest Camp

\$113,000 the first year is for the Disabled Veterans Rest Camp Association for the veterans rest camp on Big Marine Lake for parks, trails, and recreation areas.

(d) Minnesota Public Radio

\$1,600,000 each year is for Minnesota Public Radio to create programming and expand news service on Minnesota's cultural heritage and history.

(e) Association of Minnesota Public Educational Radio Stations

\$1,600,000 each year is appropriated for a grant to the Association of Minnesota Public Educational Radio Stations for production and acquisition grants in accordance with Minnesota Statutes, section 129D.19.

(f) Public Television

\$3,700,000 the first year and \$3,700,000 the second year are for grants to the Minnesota Public Television Association for production and acquisition grants according to Minnesota Statutes, section 129D.18.

(g) Wilderness Inquiry

\$200,000 each year is for grants to Wilderness Inquiry to preserve Minnesota's outdoor history, culture, and heritage by connecting Minnesota youth to natural resources.

(h) Como Park Zoo

\$1,000,000 each year is for the Como Park Zoo for program development that features education programs and habitat enhancement, special exhibits, music appreciation programs, and historical garden access and preservation.

(i) Science Museum of Minnesota

\$600,000 each year is for arts, arts education, and arts access and to preserve Minnesota's history and cultural heritage, including student and teacher outreach and expansion of the museum's American Indian initiatives programs.

(j) Lake Superior Center Authority

\$250,000 the first year is for development, preparation, and construction of an exhibit on the unsalted seas to preserve Minnesota's history and cultural heritage related to fresh water lakes.

(k) Capitol Art Preservation

\$3,250,000 the first year is for restoration and preservation of the fine art located in the State Capitol complex.

(l) Lake Superior Zoo

\$75,000 each year is for development of educational exhibits using animals and the environment.

(m) Minnesota State Band

\$10,000 each year is for a grant to the Minnesota State Band to promote and increase public performances across Minnesota.

Subd. 7. Minnesota Zoo1,750,0001,750,000

These amounts are appropriated to the Minnesota Zoological Board for programs and development of the Minnesota Zoological Garden and to provide access and education related to programs on the cultural heritage of Minnesota.

Subd. 8. Minnesota Humanities Center2,465,0002,075,000

(a) These amounts are appropriated to the Board of Directors of the Minnesota Humanities Center for the purposes specified in this subdivision. The Minnesota Humanities Center may use up to 4.5 percent of the following grants to cover the cost of administering, planning, evaluating, and reporting these grants. The Minnesota Humanities Center must develop a written plan to issue the grants

in this subdivision and shall submit the plan for review and approval by the Department of Administration. The written plan must require the Humanities Center to create and adhere to grant policies that are similar to those established pursuant to Minnesota Statutes, section 16B.97, subdivision (4), paragraph (a), clause (1).

No grants awarded in this subdivision may be used for travel outside the state of Minnesota. The grant agreement must specify the repercussions for failing to comply with the grant agreement.

(b) Programs and Purposes

\$850,000 each year is for programs and purposes of the Minnesota Humanities Center. Of this amount, \$100,000 each year may be used for the veterans' voices program.

The Minnesota Humanities Center may consider museums and organizations celebrating the identities of Minnesotans for grants from these funds.

(c) Heritage Grants Program

\$300,000 the first year is for a competitive grants program to provide grants to preserve and promote the cultural heritage of Minnesota.

Of this amount, \$50,000 in the first year is for a grant to the city of St. Paul to plan and design a garden to commemorate unrepresented cultural gardens in Phalen Park in the city of St. Paul and \$150,000 in the first year is for a grant to Ramsey County to develop and install activity facilities in Ramsey County parks for culturally relevant games that are reflective of the current demographics in Ramsey County.

The Minnesota Humanities Center shall operate a competitive grants program to provide grants for programs, including but not limited to: music, film, television, radio, recreation, or the design and use of public spaces that preserves and honors the cultural heritage of Minnesota. Grants made under this paragraph must not be used for travel costs inside or outside of the state.

(d) Children's Museum Grants

\$950,000 each year is for arts and cultural heritage grants to children's museums.

Of this amount, \$500,000 each year is for the Minnesota Children's Museum, including the Minnesota Children's Museum in Rochester; \$150,000 each year is for the Duluth Children's Museum; \$150,000 each year is for the Grand Rapids Children's Museum; and \$150,000 each year is for the Southern Minnesota Children's Museum.

(e) Civics Programs

\$150,000 each year is for grants to the Minnesota Civic Education Coalition: Kids Voting St. Paul, the Learning Law and Democracy Foundation, and YMCA Youth in Government to conduct civics education programs for the civic and cultural development of Minnesota youth. Civics education is the study of constitutional principles and the democratic foundation of our national, state, and local institutions and the study of political processes and structures of government, grounded in the understanding of constitutional government under the rule of law.

(f) Ka Joog Fanka Program

\$125,000 each year is for a grant to Ka Joog for the Fanka Program to provide arts education and workshops, mentor programs, and community engagement events throughout Minnesota.

(g) Council on Disability

\$90,000 the first year is for a grant to the Minnesota State Council on Disability to produce and broadcast programs to preserve Minnesota's disability history and culture. These funds are available until June 30, 2018.

Subd. 9. Perpich Center for Arts Education600,000800,000

(a) These amounts are appropriated to the Board of Directors of the Perpich Center for Arts Education for the program under paragraph (c).

(b) Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered on or before June 30, 2017, are available until June 30, 2019.

(c) Turnaround Arts Program

\$600,000 the first year and \$800,000 the second year are for the Turnaround Arts program to assist schools and programs throughout the state.

Subd. 10. Indian Affairs Council1,325,0001,325,000

(a) \$990,000 each year is for the Indian Affairs Council to provide grants to preserve Dakota and Ojibwe Indian language and to foster education programs and immersion programs in Dakota and Ojibwe language.

(b) \$125,000 each year is to the Indian Affairs Council for a grant to the Niiganne Ojibwe Immersion School.

(c) \$125,000 each year is to the Indian Affairs Council for a grant to the Wicoie Nandagikendan Urban Immersion Project.

(d) \$10,000 each year is to the Indian Affairs Council for a Dakota and Ojibwe language working group coordinated by the Indian Affairs Council.

(e) \$75,000 each year is for the Indian Affairs Council to carry out responsibilities under Minnesota Statutes, section 307.08, to comply with Public Law 101-601, the Native American Graves Protection and Repatriation Act, and to develop an osteology laboratory and repository for American Indian human remains.

Subd. 11. Disability Access

Where appropriate, grant recipients of arts and cultural heritage funds, in consultation with the Council on Disability and other appropriate governor-appointed disability councils, boards, committees, and commissions, should make progress toward providing greater access to programs, print publications, and digital media for people with disabilities related to the programs the recipient funds using appropriations made in this section.

Sec. 3. Laws 2014, chapter 295, section 10, subdivision 12, is amended to read:

Subd. 12. St. Paul - Minnesota Children's Museum

7,485,000

For a grant to the city of St. Paul to predesign, design, construct, furnish, and equip an expansion and renovation of the Minnesota Children's Museum. The expansion and exhibit upgrades should incorporate the latest research on early learning, allow for new state-of-the art education facilities, and increase the capacity of visitors to galleries and programming areas. This appropriation is not available until the commissioner of management and budget has determined that at least ~~an equal amount~~ \$4,000,000 has been committed from nonstate sources. Amounts expended for this project by nonstate sources since October 1, 2010, shall count toward the nonstate match.

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

Sec. 4. Laws 2014, chapter 295, section 12, is amended to read:

Sec. 12. MINNESOTA HISTORICAL SOCIETY

\$1,400,000

To the Minnesota Historical Society to be allocated to county and local jurisdictions as matching money for historic preservation projects of a capital nature, as provided in Minnesota Statutes, section 138.0525. Notwithstanding Minnesota Statutes, section 138.0525, of this amount: (1) \$50,000 is for a grant to the Fulda Heritage Society to expand the display areas for historic materials;

(2) \$250,000 is for a grant to the Gunflint Trail Historical Society to complete phase two of the Chik-Wauk Museum and Nature Center. Work within the National Register of Historic Places property shall be approved by the Minnesota Historical Society; and (3) up to \$250,000 is for a grant to the Hibbing School District to plan, design, and engineer the preservation and reconstruction of the historic Hibbing High School Auditorium.

ARTICLE 5
GENERAL PROVISIONS; ALL LEGACY FUNDS

Section 1. Minnesota Statutes 2014, section 16B.24, is amended by adding a subdivision to read:

Subd. 12. **State band.** The commissioner must provide free rehearsal and storage space in the same building in the Capitol Area to an entity known as the Minnesota State Band, which is a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code.

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

Sec. 2. Minnesota Statutes 2014, section 85.53, subdivision 2, is amended to read:

Subd. 2. **Expenditures; accountability.** (a) A project or program receiving funding from the parks and trails fund must meet or exceed the constitutional requirement to support parks and trails of regional or statewide significance. A project or program receiving funding from the parks and trails fund must include measurable outcomes, as defined in section 3.303, subdivision 10, and a plan for measuring and evaluating the results. A project or program must be consistent with current science and incorporate state-of-the-art technology, except when the project or program is a portrayal or restoration of historical significance.

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

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

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

(e) Money from the parks and trails fund may only be spent on projects located in Minnesota.

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

(g) Future eligibility for money from the parks and trails fund is contingent upon a state agency or other recipient satisfying all applicable requirements in this section, as well as any additional requirements contained in applicable session law. If the Office of the Legislative Auditor, in the course of an audit or investigation, publicly reports that a recipient of money from the parks and trails fund has not complied with the laws, rules, or regulations in this section or other laws applicable to the recipient, the recipient must be listed in an annual report to the legislative committees with jurisdiction over the legacy funds. The list must be publicly available. The legislative auditor shall remove a recipient from the list upon determination that the recipient is in compliance. A recipient on the list is not eligible for future funding from the parks and trails fund until the recipient demonstrates compliance to the legislative auditor.

Sec. 3. Minnesota Statutes 2014, section 97A.056, subdivision 11, is amended to read:

Subd. 11. **Recipient requirements.** (a) A state agency or other recipient of a direct appropriation from the outdoor heritage fund must compile and submit all information for funded projects or programs, including the proposed measurable outcomes and all other items required under section 3.303, subdivision 10, to the Legislative Coordinating Commission as soon as practicable or by January 15 of the applicable fiscal year, whichever comes first. The Legislative Coordinating Commission must post submitted information on the Web site required under section 3.303, subdivision 10, as soon as it becomes available.

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

(c) Future eligibility for money from the outdoor heritage fund is contingent upon a state agency or other recipient satisfying all applicable requirements in this section, as well as any additional requirements contained in applicable session law. If the Office of the Legislative Auditor, in the course of an audit or investigation, publicly reports that a recipient of money from the outdoor heritage fund has not complied with the laws, rules, or regulations in this section or other laws applicable to the recipient, the recipient must be listed in an annual report to the legislative committees with jurisdiction over the legacy funds. The list must be publicly available. The legislative auditor shall remove a recipient from the list upon determination that the recipient is in compliance. A recipient on the list is not eligible for future funding from the outdoor heritage fund until the recipient demonstrates compliance to the legislative auditor.

Sec. 4. Minnesota Statutes 2014, section 114D.50, subdivision 4, is amended to read:

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

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

(c) A state agency or other recipient of a direct appropriation from the clean water fund must compile and submit all information for proposed and funded projects or programs, including the proposed measurable outcomes and all other items required under section 3.303, subdivision 10, to the Legislative Coordinating Commission as soon as

practicable or by January 15 of the applicable fiscal year, whichever comes first. The Legislative Coordinating Commission must post submitted information on the Web site required under section 3.303, subdivision 10, as soon as it becomes available. Information classified as not public under section 13D.05, subdivision 3, paragraph (d), is not required to be placed on the Web site.

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

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

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

(g) Future eligibility for money from the clean water fund is contingent upon a state agency or other recipient satisfying all applicable requirements in this section, as well as any additional requirements contained in applicable session law. If the Office of the Legislative Auditor, in the course of an audit or investigation, publicly reports that a recipient of money from the clean water fund has not complied with the laws, rules, or regulations in this section or other laws applicable to the recipient, the recipient must be listed in an annual report to the legislative committees with jurisdiction over the legacy funds. The list must be publicly available. The legislative auditor shall remove a recipient from the list upon determination that the recipient is in compliance. A recipient on the list is not eligible for future funding from the clean water fund until the recipient demonstrates compliance to the legislative auditor.

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

Sec. 5. Minnesota Statutes 2014, section 129D.17, subdivision 2, is amended to read:

Subd. 2. **Expenditures; accountability.** (a) Funding from the arts and cultural heritage fund may be spent only for arts, arts education, and arts access, and to preserve Minnesota's history and cultural heritage. A project or program receiving funding from the arts and cultural heritage fund must include measurable outcomes, and a plan for measuring and evaluating the results. A project or program must be consistent with current scholarship, or best practices, when appropriate and must incorporate state-of-the-art technology when appropriate.

(b) Funding from the arts and cultural heritage fund may be granted for an entire project or for part of a project so long as the recipient provides a description and cost for the entire project and can demonstrate that it has adequate resources to ensure that the entire project will be completed.

(c) Money from the arts and cultural heritage fund shall be expended for benefits across all regions and residents of the state.

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

(e) Grants funded by the arts and cultural heritage fund must be implemented according to section 16B.98 and must account for all expenditures of funds. Priority for grant proposals must be given to proposals involving grants that will be competitively awarded.

(f) All money from the arts and cultural heritage fund must be for projects located in Minnesota.

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

(h) Future eligibility for money from the arts and cultural heritage fund is contingent upon a state agency or other recipient satisfying all applicable requirements in this section, as well as any additional requirements contained in applicable session law. If the Office of the Legislative Auditor, in the course of an audit or investigation, publicly reports that a recipient of money from the arts and cultural heritage fund has not complied with the laws, rules, or regulations in this section or other laws applicable to the recipient, the recipient must be listed in an annual report to the legislative committees with jurisdiction over the legacy funds. The list must be publicly available. The legislative auditor shall remove a recipient from the list upon determination that the recipient is in compliance. A recipient on the list is not eligible for future funding from the arts and cultural heritage fund until the recipient demonstrates compliance to the legislative auditor.

Delete the title and insert:

"A bill for an act relating to state government; appropriating money from the outdoor heritage fund, clean water fund, parks and trails fund, and arts and cultural heritage fund; establishing policy on milkweed; providing for rehearsal and storage space for state band; modifying provisions of Lessard-Sams Outdoor Heritage Council and the Clean Water Council; modifying Water Law; modifying requirements for use of and eligibility for legacy funds; modifying previous appropriations; requiring a report; amending Minnesota Statutes 2014, sections 16B.24, by adding a subdivision; 85.53, subdivision 2; 97A.056, subdivisions 8, 11, by adding subdivisions; 103A.206; 103B.101, by adding a subdivision; 103C.101, by adding a subdivision; 103C.401, subdivision 1; 103C.501, subdivision 5; 114D.30, subdivision 2; 114D.50, subdivision 4; 129D.17, subdivision 2; Laws 2012, chapter 264, article 1, section 2, subdivision 5; Laws 2013, chapter 137, article 1, section 2, subdivision 10; article 2, section 6; article 3, section 4; Laws 2014, chapter 256, article 1, section 2, subdivision 5; Laws 2014, chapter 295, sections 10, subdivision 12; 12; Laws 2014, chapter 312, article 14, section 7; proposing coding for new law in Minnesota Statutes, chapters 84; 103B."

We request the adoption of this report and repassage of the bill.

House Conferees: DEAN URDAHL, DENNY MCNAMARA, PAUL TORKELSON, JOSH HEINTZEMAN and PHYLLIS KAHN.

Senate Conferees: RICHARD COHEN, BEV SCALZE, KATIE SIEBEN, LEROY A. STUMPF and MICHELLE L. FISCHBACH.

Urdahl moved that the report of the Conference Committee on H. F. No. 303 be adopted and that the bill be repassed as amended by the Conference Committee.

A roll call was requested and properly seconded.

The question was taken on the Urdahl motion and the roll was called. There were 116 yeas and 17 nays as follows:

Those who voted in the affirmative were:

Albright	Dettmer	Hoppe	Loon	Norton	Selcer
Allen	Dill	Hornstein	Loonan	O'Driscoll	Smith
Anderson, M.	Drazkowski	Hortman	Lucero	O'Neill	Sundin
Anderson, P.	Erhardt	Howe	Lueck	Pelowski	Swedzinski
Anderson, S.	Erickson	Isaacson	Mack	Peppin	Theis
Anzelc	Fabian	Johnson, B.	Mahoney	Persell	Torkelson
Applebaum	Fenton	Johnson, C.	Mariani	Petersburg	Uglen
Backer	Fischer	Johnson, S.	Marquart	Peterson	Urdahl
Baker	Franson	Kahn	McDonald	Pierson	Vogel
Barrett	Freiberg	Kelly	McNamara	Pinto	Ward
Bennett	Garofalo	Kiel	Melin	Poppe	Whelan
Carlson	Green	Knobloch	Miller	Pugh	Wills
Christensen	Gruenhagen	Koznick	Moran	Quam	Winkler
Clark	Gunther	Kresha	Murphy, E.	Rarick	Yarusso
Considine	Hackbarth	Laine	Murphy, M.	Rosenthal	Zerwas
Cornish	Hamilton	Lenczewski	Nash	Runbeck	Spk. Daudt
Daniels	Hancock	Lien	Nelson	Sanders	
Davids	Heintzeman	Lillie	Newberger	Schoen	
Dean, M.	Hertaus	Loeffler	Newton	Schomacker	
Dehn, R.	Hilstrom	Lohmer	Nornes	Scott	

Those who voted in the negative were:

Atkins	Davnie	Lesch	Metsa	Simonson	Wagenius
Bernardy	Halverson	Liebling	Mullery	Slocum	Youakim
Bly	Hansen	Masin	Schultz	Thissen	

The motion prevailed.

H. F. No. 303, A bill for an act relating to state government; appropriating money from the outdoor heritage fund, clean water fund, parks and trails fund, and arts and cultural heritage fund; establishing policy on milkweed; modifying provisions of Lessard-Sams Outdoor Heritage Council and Clean Water Council; modifying Water Law; modifying use of legacy funds; modifying previous appropriations; modifying certain grant eligibility; requiring a report; amending Minnesota Statutes 2014, sections 16B.24, by adding a subdivision; 85.53, subdivision 2; 97A.056, subdivisions 2, 8, 11, by adding subdivisions; 103A.206; 103B.101, by adding a subdivision; 103C.101, by adding a subdivision; 103C.401, subdivision 1; 103C.501, subdivision 5; 114D.30, subdivision 2; 114D.50, subdivision 4; 129D.17, subdivision 2; Laws 2012, chapter 264, article 1, section 2, subdivision 5; Laws 2013, chapter 137, article 2, section 6; article 3, section 4; Laws 2014, chapter 256, article 1, section 2, subdivision 5; Laws 2014, chapter 295, section 10, subdivision 12; proposing coding for new law in Minnesota Statutes, chapters 84; 103B.

The bill was read for the third time, as amended by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 123 yeas and 11 nays as follows:

Those who voted in the affirmative were:

Albright	Anderson, P.	Applebaum	Baker	Bernardy	Christensen
Allen	Anderson, S.	Atkins	Barrett	Bly	Clark
Anderson, M.	Anzelc	Backer	Bennett	Carlson	Considine

Cornish	Hackbarth	Knoblach	McDonald	Persell	Smith
Daniels	Halverson	Koznick	McNamara	Petersburg	Sundin
Davids	Hamilton	Kresha	Melin	Peterson	Swedzinski
Dean, M.	Hancock	Laine	Miller	Pierson	Theis
Dettmer	Hausman	Lenczewski	Moran	Pinto	Torkelson
Dill	Heintzeman	Liebling	Mullery	Poppe	Uglem
Drazkowski	Hertaus	Lien	Murphy, E.	Pugh	Urdahl
Erhardt	Hilstrom	Lillie	Murphy, M.	Quam	Vogel
Erickson	Hoppe	Loeffler	Nash	Rarick	Whelan
Fabian	Hornstein	Lohmer	Nelson	Rosenthal	Wills
Fenton	Howe	Loon	Newberger	Runbeck	Winkler
Fischer	Isaacson	Loonan	Newton	Sanders	Yarusso
Franson	Johnson, B.	Lucero	Nornes	Schoen	Youakim
Freiberg	Johnson, C.	Lueck	Norton	Schomacker	Zerwas
Garofalo	Johnson, S.	Mack	O'Driscoll	Schultz	Spk. Daudt
Green	Kahn	Mahoney	O'Neill	Scott	
Gruenhagen	Kelly	Mariani	Pelowski	Selcer	
Gunther	Kiel	Marquart	Peppin	Simonson	

Those who voted in the negative were:

Davnie	Hansen	Lesch	Metsa	Thissen	Ward
Dehn, R.	Hortman	Masin	Slocum	Wagenius	

The bill was repassed, as amended by Conference, and its title agreed to.

There being no objection, the order of business reverted to Introduction and First Reading of House Bills.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Howe; Pugh; Gunther; O'Driscoll; Kresha; Johnson, B.; Loonan; Baker; Fenton; Nash; Swedzinski; Lueck; Heintzeman; Rarick; Miller; Uglem; Newberger; Green; Theis; Smith; Vogel and Hertaus introduced:

H. F. No. 2378, A bill for an act relating to transportation; governing transportation finance; proposing a constitutional amendment to the Minnesota Constitution, article XIV, to allocate state tax revenue related to motor vehicle repair or maintenance exclusively to fund roads; amending Minnesota Statutes 2014, section 297A.94.

The bill was read for the first time and referred to the Committee on Transportation Policy and Finance.

Gruenhagen introduced:

H. F. No. 2379, A bill for an act relating to capital investment; appropriating money for a Somali women's health facility in Hennepin County; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on Health and Human Services Finance.

MOTIONS AND RESOLUTIONS

Hamilton moved that the name of Garofalo be added as chief author on H. F. No. 1437. The motion prevailed.

Bly moved that the name of Loeffler be added as an author on H. F. No. 2029. The motion prevailed.

Peterson moved that the name of Melin be added as an author on H. F. No. 2322. The motion prevailed.

Lesch moved that the name of Selcer be added as an author on H. F. No. 2355. The motion prevailed.

Simonson moved that the name of Masin be added as an author on H. F. No. 2373. The motion prevailed.

There being no objection, the order of business reverted to Messages from the Senate.

MESSAGES FROM THE SENATE

The following message was received from the Senate:

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendments the concurrence of the House is respectfully requested:

H. F. No. 1437, A bill for an act relating to agriculture; establishing a budget for agriculture; appropriating money for agriculture, animal health, avian influenza response activities, and agricultural utilization research; making policy and technical changes to various agricultural related provisions, including provisions related to pesticide control, plant protection, nursery law, seeds, dairy, food handlers, food, farmland, farming, and loans; authorizing the Industrial Hemp Development Act; establishing poultry worker extra unemployment benefits; modifying license exclusions for the direct sale of certain prepared food; establishing the Agriculture Research, Education, Extension, and Technology Transfer Advisory Board; providing incentive payments; requiring studies; requiring reports; providing a vocational training pilot program; establishing the farm opportunity loan program; modifying fees and surcharges; creating accounts; amending Minnesota Statutes 2014, sections 3.737, by adding a subdivision; 13.643, subdivision 1; 18B.01, subdivisions 28, 29; 18B.05, subdivision 1; 18B.32, subdivision 1; 18B.33, subdivision 1; 18B.34, subdivision 1; 18C.425, subdivision 6; 18C.70, subdivision 2; 18G.10, subdivisions 3, 4, 5; 18H.02, subdivision 20, by adding subdivisions; 18H.06, subdivision 2; 18H.07; 18H.17; 18J.01; 18J.02; 18J.03; 18J.04, subdivisions 1, 2, 3, 4; 18J.05, subdivisions 1, 2, 6; 18J.06; 18J.07, subdivisions 3, 4, 5; 18J.09; 18J.11, subdivision 1, by adding a subdivision; 21.89, subdivision 2; 21.891, subdivisions 2, 5; 25.341, subdivision 2; 25.39, subdivisions 1, 1a; 28A.03, by adding a subdivision; 32.075; 32.105; 41B.03, subdivision 6, by adding a subdivision; 41B.04, subdivision 17; 41B.043, subdivision 3; 41B.045, subdivisions 3, 4; 41B.046, subdivision 5; 41B.047, subdivisions 1, 3, 4; 41B.048, subdivision 6; 41B.049, subdivision 4; 41B.055, subdivision 3; 41B.056, subdivision 2; 41B.06; 135A.52, by adding a subdivision; 375.30, subdivision 2; 500.24, subdivision 4; Laws 2014, chapter 312, article 12, section 3; proposing coding for new law in Minnesota Statutes, chapters 18C; 28A; 41A; 41B; proposing coding for new law as Minnesota Statutes, chapter 18K; repealing Minnesota Statutes 2014, sections 17.115; 28A.15, subdivisions 9, 10; 116V.03.

JOANNE M. ZOFF, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Garofalo moved that the House concur in the Senate amendments to H. F. No. 1437 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1437, A bill for an act relating to jobs; appropriating money to the Departments of Employment and Economic Development, Labor and Industry, and Commerce; Bureau of Mediation Services; Housing Finance Agency; Explore Minnesota Tourism; Workers' Compensation Court of Appeals; Public Utilities Commission; making policy changes to the Departments of Employment and Economic Development, Labor and Industry, and Commerce; making changes to housing, unemployment insurance, and energy provisions; creating a MNvest regulation exemption; creating various jobs and workforce development programs; regulating insurance; allowing additional unemployment insurance benefits for certain poultry workers and steelworkers; requiring reports; appointing task forces; modifying fees and penalties; amending Minnesota Statutes 2014, sections 12A.15, subdivision 1; 45.0135, by adding a subdivision; 60D.215, subdivision 2; 65B.44, by adding a subdivision; 80A.84; 116J.394; 116J.8738, subdivision 3, by adding a subdivision; 116L.17, subdivision 4; 116L.98, subdivisions 3, 5, 7; 168.013, subdivision 1d; 216B.16, subdivisions 6, 7b, 19; 216B.164, subdivision 3; 216B.2425; 268.035, subdivisions 6, 21b, 26, 30; 268.051, subdivision 7; 268.07, subdivisions 2, 3b; 268.085, subdivisions 1, 2; 268.095, subdivision 10; 268.105, subdivisions 3, 7; 268.136, subdivision 1; 268.188; 268.194, subdivision 1; 268A.01, subdivisions 6, 10, by adding a subdivision; 268A.03; 268A.06; 268A.07; 268A.085; 326B.092, subdivision 7; 326B.096; 326B.106, subdivision 1; 326B.13, subdivision 8; 326B.986, subdivisions 5, 8; 327.20, subdivision 1; 341.321; Laws 1994, chapter 493, section 1; Laws 2014, chapter 308, article 6, section 14, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 80A; 116J; 116L; 216B; proposing coding for new law as Minnesota Statutes, chapter 59D; repealing Minnesota Statutes 2014, section 268.042, subdivision 4.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 75 yeas and 9 nays as follows:

Those who voted in the affirmative were:

Albright	Dettmer	Hancock	Loonan	Peppin	Swedzinski
Anderson, M.	Dill	Heintzeman	Lucero	Petersburg	Theis
Anderson, P.	Drazkowski	Hertaus	Lueck	Peterson	Torkelson
Anderson, S.	Erickson	Hoppe	Mack	Pierson	Uglem
Baker	Fabian	Howe	McDonald	Poppe	Urdahl
Baker	Fenton	Johnson, B.	McNamara	Pugh	Vogel
Barrett	Franson	Kelly	Miller	Quam	Whelan
Bennett	Garofalo	Kiel	Nash	Rarick	Wills
Christensen	Green	Knoblach	Newberger	Runbeck	Zerwas
Cornish	Gruenhagen	Koznick	Nornes	Sanders	Spk. Daudt
Daniels	Gunther	Kresha	O'Driscoll	Schomacker	
Davids	Hackbarth	Lohmer	O'Neill	Scott	
Dean, M.	Hamilton	Loon	Pelowski	Smith	

Those who voted in the negative were:

Considine	Hornstein	Mariani	Schultz	Youakim
Hausman	Mahoney	Norton	Winkler	

The bill was repassed, as amended by the Senate, and its title agreed to.

ADJOURNMENT

Peppin moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 12:00 noon, Tuesday, March 8, 2016.

PATRICK D. MURPHY, Chief Clerk, House of Representatives