

HOUSE RESEARCH

Bill Summary

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Overview

This bill provides appropriations from sales tax revenues deposited in four dedicated funds under Article XI, section 15, of the Minnesota Constitution (the outdoor heritage fund, clean water fund, parks and trails fund, and arts and cultural heritage fund, often referred to as the “Legacy Funds”).

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Article 1: Outdoor Heritage Fund

Overview

This article contains the fiscal year 2016 appropriations from the outdoor heritage fund based on the recommendations of the Lessard-Sams Outdoor Heritage Council (LSOHC).

1 Outdoor heritage appropriation. Technical.

2 Outdoor heritage.

Subd. 1. Total appropriation. Provides a total appropriation of \$99,386,000 from the outdoor heritage fund in fiscal year 2016 and \$607,000 in fiscal year 2017.

Subd. 2. Prairies. Provides a total appropriation of \$40,948,000 for various prairie projects.

Subd. 3. Forests. Provides a total appropriation of \$12,634,000 for various forest projects.

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Subd. 4. Wetlands. Provides a total appropriation of \$22,578,000 for various wetland projects.

Subd. 5. Habitat. Provides a total appropriation of \$22,368,000 for various habitat projects.

Subd. 6. Administration. Provides a total appropriation of \$858,000 in fiscal year 2016 and \$607,000 in fiscal year 2017 for administration, including administration expenses of the council, contract management services from the Department of Natural Resources (DNR), and other expenses. Requires the LSOHC staff to prepare a report on land acquisitions and submit it to the legislature by January 15, 2016.

Subd. 7. Availability of appropriation. States that money appropriated 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 and may not be spent on indirect costs or other institutional overhead charges that are not directly related to a specific appropriation. Provides for the availability of funding depending on the use of the funds and whether or not federal funds are also used.

Subd. 8. Payment conditions and capital equipment expenditures. Requires all agreements to be administered on a reimbursement basis unless otherwise provided. Allows reasonable amounts to be advanced in some circumstances if approved as part of an accomplishment plan. Requires capital expenditures that exceed \$10,000 to be itemized and approved as part of an accomplishment plan.

Subd. 9. Mapping. Requires recipients of an appropriation to submit geographic information on lands acquired in fee that are open to the public for hunting and fishing to the DNR for mapping.

Subd. 10. Disability access. Requires recipients of an appropriation to make progress towards providing greater access to programs, print publications, and digital media for people with disabilities related to programs funded with appropriations in this article, where appropriate.

Subd. 11. Monarch butterfly habitat. States that, when feasible, a recipient of funds appropriated in this section is encouraged to use conservation practices that promote monarch butterfly habitat.

- 3 **Milkweed.** Adds § 84.974. States that the DNR is encouraged to plant milkweed when feasible.
- 4 **Lessard-Sams Outdoor Heritage Council.** Amends § 97A.056, subd. 2. Gives the authority to appoint council staff and contract with consultants to the Legislative Coordinating Commission (LCC). Under current law, the council may do so “upon coordination with” the LCC.
- 5 **Revenues.** Amends § 97A.056, subd. 8. Requires an owner of land purchased with funds from the outdoor heritage fund that is transferred to the state to submit the total net revenues (profit) made from the land prior to the transfer to the state within 60 days of the transfer. Under current law the owner is required to disclose any revenues and profits made but does not have to submit the funds to the state.
- 6 **Donations.** Adds § 97A.056, subd. 20. Prohibits a recipient of funds from the outdoor heritage fund that were used to purchase land from accepting a monetary donation or a

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payment from the landowner that exceeds the recipient's documented expenses unless approved by the LSOHC. The prohibition would become effective July 1, 2016, and does not apply to the appropriations in this bill.

- 7 **Haying and grazing.** Adds § 97A.056, subd. 21. Prohibits lands acquired with funds from the outdoor heritage fund from being hayed or grazed in response to a federal or state disaster declaration. Similar language has been used for past appropriations.
- 8 **Habitats.** Amends Laws 2012, ch. 264, art. 1, § 2, subd. 5. Amends a previous appropriation to the Department of Natural Resources (DNR) for structural deterrents for invasive carp to allow acquisition.
- 9 **Habitats.** Amends Laws 2014, ch. 256, art. 1, § 2, subd. 5. Amends a previous appropriation to the DNR to allow the acquisition of easements for aquatic habitat and specifies that a portion of the funds may be used for establishing a monitoring and enforcement fund. Modifies previous appropriations for the conservation partners programs to adjust the amount available for administration of the grants more evenly between the metro and general programs.
- 10 **Payment-in-lieu of tax alternatives; recommendations.** Requires the commissioner of management and budget to examine alternatives to payment-in-lieu of tax payments (PILT) for lands acquired with money from the outdoor heritage fund and other dedicated funds and provide recommendations to the legislature by January 15, 2016.

Article 2: Clean Water Fund

Overview

This bill appropriates money from the clean water fund for various projects and programs based upon the recommendations of the Clean Water Council. The Clean Water Council is charged with making recommendations on the use of the money in the clean water fund.

The bill also modifies the membership and voting authority for certain members of the Clean Water Council and includes provisions, also contained in H.F. 1490, that provide additional direction and authority to the Board of Water and Soil Resources (BWSR) for purposes of comprehensive watershed management planning (often referred to as the "One Watershed, One Plan" approach).

- 1 **Clean water fund appropriations.** Technical.
- 2 **Clean water.** Provides a total appropriation of \$113,203,000 from the clean water fund in fiscal year 2016, and \$112,999,000 in fiscal year 2017. States that the money appropriated may not be spent on activities unless they are directly related to and necessary for a specific appropriation. Makes the funds available for two years or, when federal funds are involved, for the time period equal to the federal funding availability. Requires recipients of an appropriation to make progress towards providing greater access to programs, print publications, and digital media for people with disabilities related to programs funded with appropriations in this article, where appropriate.

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- 3 Department of Agriculture.** Appropriates \$5,834,000 in fiscal year 2016 and \$5,832,000 in fiscal year 2017 to the Department of Agriculture for various purposes.
- 4 Public Facilities Authority.** Appropriates \$9,250,000 each year to the Public Facilities Authority (PFA), including \$9,000,000 each year for the point source implementation grants program, and \$250,000 each year for grants and loans for small community wastewater treatment.
- 5 Pollution Control Agency.** Appropriates \$26,250,000 in fiscal year 2016 and \$26,248,000 in fiscal year 2017 to the Pollution Control Agency (PCA) for various purposes.
- 6 Department of Natural Resources.** Appropriates \$8,500,000 in fiscal years 2016 and 2017 to the DNR for various purposes.
- 7 Board of Water and Soil Resources.** Appropriates \$58,131,000 in fiscal year 2016 and \$58,132,000 in fiscal year 2017 to BWSR for various purposes.
- 8 Department of Health.** Appropriates \$4,013,000 in fiscal year 2016 and \$3,812,000 in fiscal year 2017 to the Department of Health for various purposes.
- 9 Metropolitan Council.** Appropriates \$1,225,000 each year to the Metropolitan Council for various purposes.
- 10 Soil and water conservation policy.** Amends § 103A.206. Adds the term “soil health” to the state’s soil and water conservation policy (the term is defined later on in the bill).
- 11 Water quality practices; standardized specifications.** Adds § 103B.101, subd. 16. Requires BWSR to work with various stakeholders to “foster mutual understanding and provide recommendations” on water quality and soil conservation protection and improvement practices/projects. Allows the board to convene working groups or teams for these purposes.
- 12 Comprehensive watershed management planning program.** Adds § 103B.801.
 - Subd. 1. Definitions.** States that certain definitions pertaining to comprehensive local water management apply to this section.
 - Subd. 2. Program purposes.** Identifies purposes for the comprehensive watershed management plan program.
 - Subd. 3. Coordination.** Requires BWSR to develop policies for coordination and development of comprehensive watershed management plans and specifies the minimum requirements for the policies.
 - Subd. 4. Plan content.** Requires BWSR to develop content requirements for comprehensive watershed management plans and specifies minimum requirements for the plans.
 - Subd. 5. Timelines; administration.** Requires BWSR, by June 30, 2016, to adopt a plan to transition to comprehensive watershed management plans by 2025.

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Subd. 6. Authority. States that existing authorities of BWSR are retained when a comprehensive watershed management plan is adopted as a substitute for another type of plan.

- 13** **Soil health.** Adds § 103C.101, subd. 10a. Defines “soil health” as the “continued capacity of soil to function as a vital living system that sustains plants, animals, and humans” and identifies indicators of soil health.
- 14** **Powers and duties.** Adds § 103C.401, subd. 1. Adds to the duties of BWSR the requirement to develop and implement a state-led technical training and certification program.
- 15** **Contracts by district.** Amends § 103C.501, subd. 5. Allows soil and water conservation districts, with BWSR approval, to provide financial assistance (cost-share) to land occupiers for nonstructural land management practices that are part of a planned erosion control and water quality improvement plan.
- 16** **Membership; appointment.** Amends § 114D.30, subd. 2. Removes the voting authority for two members of the Clean Water Council (the member representing the Metropolitan Council and the member representing the University of Minnesota or a Minnesota state university). Modifies the appointment process for those two members to require the appointments to be made by the entity they represent instead of the Governor as required under current law. The Board of Regents of the University of Minnesota would be responsible for appointing a member representing the University of Minnesota so a Minnesota state university representative would no longer be eligible for appointment.
- 17** **Department of Natural Resources.** Amends Laws 2013, ch. 137, art. 2, § 6. Modifies a previous appropriation to the DNR to allow the use of funds to assess additional contaminants of fish (instead of only mercury as allowed under the current appropriation) and eliminates a previous appropriation totaling \$1,000,000 for grants to counties for adoption and implementation of advanced shoreland protection measures.
- 18** **Cancellation of prior appropriations.** Cancels two prior appropriations to the PFA for the phosphorus reduction grant program totaling approximately \$12.6 million.

Article 3: Parks and Trails Fund

Overview

This article provides appropriations from the parks and trails fund. The article provides appropriations to the Department of Natural Resources (DNR) for state parks, trails, and recreation areas; for regional parks and trails in greater Minnesota through the parks and trails legacy grant program; and to the Metropolitan Council for metropolitan regional parks and trails.

- 1** **Parks and trails fund appropriations.** Technical.
- 2** **Parks and trails.** Provides a total appropriation of \$43,628,000 from the parks and trails fund in fiscal year 2016, and \$45,722,000 in fiscal year 2017. States that money appropriated in the article may not be spent on activities unless they are directly related to and necessary for a specific appropriation and must not be spent on indirect costs or other institutional overhead charges that are not directly related to and necessary for a specific appropriation. Makes the funds available for two years or, when federal funds are involved,

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for the time period equal to the federal funding availability. Requires recipients of an appropriation to make progress towards providing greater access to programs, print publications, and digital media for people with disabilities related to programs funded with appropriations in this article, where appropriate.

3 **Natural resources.** Appropriates \$26,391,000 in fiscal year 2016 and \$27,655,000 in fiscal year 2017 to the DNR for the following parks and trails purposes:

- \$17,237,000 in 2016 and \$18,067,000 in 2017 for state parks and trails to connect people to the outdoors, acquire land and create opportunities, maintain existing holdings, and coordinating with partners; and
- \$8,618,000 in 2016 and \$9,033,000 in 2017 for grants for regional parks and trails in greater Minnesota under the parks and trails legacy grant program, based on recommendations of the Greater Minnesota Regional Parks and Trails Commission and for operation costs of the Greater Minnesota Regional Parks and Trails Commission; and
- \$536,000 in 2016 and \$555,000 in 2017 for coordination between the DNR, Greater Minnesota Regional Parks and Trails Commission, and the Metropolitan Council and other activities.

Requires the commissioner to contract with the Conservation Corps Minnesota for at least \$1,000,000 each year and implementing agencies receiving funds to give consideration to contracting with the Conservation Corps Minnesota.

4 **Metropolitan Council.** Appropriates \$17,237,000 in fiscal year 2016 and \$18,067,000 in fiscal year 2017 for metropolitan regional parks and trails to be distributed to implementing agencies according to the parks and trails fund metropolitan park distribution formula under current law. The appropriation must be used to fund the project priority list for fiscal year 2016 and 2017 developed as required under a 2013 law.

5 **Metropolitan Council.** Amends Laws 2013, ch. 137, art. 3, § 4. Modifies a previous appropriation for a grant to Three Rivers Park District to allow for a safe trail crossing, rather than a trail bridge, of County State-Aid Highway 19.

6 **Mesabi Trail grant extension.** Extends the availability of a previous appropriation for the Mesabi Trail.

Article 4: Arts and Cultural Heritage Fund

Overview

This section provides the appropriations for 2016 and 2017 for the arts and cultural heritage fund.

1 **Arts and cultural heritage fund appropriations.** Technical.

2 **Arts and cultural heritage.** Provides the specific appropriations for the arts and cultural heritage fund and appropriates \$61,292,000 in fiscal year 2016 and \$62,923,000 in fiscal year 2017 to various state agencies for programing and grants, including: the Minnesota State Arts Board, the Minnesota Historical Society, the Department of Administration, the Minnesota Humanities Center, the Minnesota Zoological Gardens, the Perpich Center for Arts Education, the Indian Affairs Council, the University of Minnesota Board of Regents,

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and the Legislative Coordinating Commission for the maintenance of the Legacy Fund Web site.

- 3 St. Paul - Minnesota Children's Museum.** Amends a capital investment bond appropriation from 2014 for the Minnesota Children's Museum to clarify that the amount needed from nonstate resources is \$4,000,000 in order for the project to proceed. This section is effective the day following final enactment.

Article 5: General Provisions; All Legacy Funds

Overview

This section amends sections of Minnesota statute that relate to the Minnesota State Band and the four legacy funds.

- 1 State band.** Requires the commissioner of the Department of Administration to provide free rehearsal space in one place in the capitol area complex to the Minnesota State Band.
- 2 Expenditures; accountability.** Amends the statute on the parks and trails fund and requires the legislative auditor to list legacy fund recipients that it has found out of compliance with state laws or rules and to provide that list to the committees in the house and senate that have jurisdiction over legacy funds. This section also requires the state auditor to remove the fund recipients from the list once the entity has demonstrated to the auditor's satisfaction that they are no longer out of compliance. This section does not allow the entity to receive more funding until the auditor has removed the entity from the list.
- 3 Recipient requirements.** Amends the statute on the outdoor heritage fund and requires the legislative auditor to list legacy fund recipients that it has found out of compliance with state laws or rules and to provide that list to the committees in the house and senate that have jurisdiction over legacy funds. This section also requires the state auditor to remove the fund recipients from the list once the entity has demonstrated to the auditor's satisfaction that they are no longer out of compliance. This section does not allow the entity to receive more funding until the auditor has removed the entity from the list.
- 4 Expenditures; accountability.** Amends the statute on the clean water fund and requires the legislative auditor to list legacy fund recipients that it has found out of compliance with state laws or rules and to provide that list to the committees in the house and senate that have jurisdiction over legacy funds. This section also requires the state auditor to remove the fund recipients from the list once the entity has demonstrated to the auditor's satisfaction that they are no longer out of compliance. This section does not allow the entity to receive more funding until the auditor has removed the entity from the list.
- 5 Expenditures; accountability.** Amends the statute on the arts and cultural heritage fund and requires the legislative auditor to list legacy fund recipients that it has found out of compliance with state laws or rules and to provide that list to the committees in the house and senate that have jurisdiction over legacy funds. This section also requires the state auditor to remove the fund recipients from the list once the entity has demonstrated to the auditor's satisfaction that they are no longer out of compliance. This section does not allow the entity to receive more funding until the auditor has removed the entity from the list.