

# HOUSE RESEARCH

## Bill Summary

**FILE NUMBER:** H.F. 2881  
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**Subject:** Working lands watershed restoration

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### Overview

This bill establishes a program to compensate landowners who grow perennial crops either for livestock feed or for use by a facility that produces electricity, advanced biofuel, renewable chemicals, or biomass thermal energy from the perennial crops. The bill also requires the Board of Water and Soil Resources (BWSR) to deliver a feasibility study and program plan to the legislature.

#### Section

**1 Working lands watershed restoration program.** Establishes a BWSR-administered program that would pay participating landowners who grow perennial crops.

**Subdivision 1. Definitions.** Defines key terms, including “biomass processing facility” and “perennial crops”. The bill defines “perennial crops” by reference to Minn. Stat. § 41A.15, subdivision 9, which provides that perennial crops are agriculturally produced plants that are known to be noninvasive, are not classified as a noxious weed in Minnesota, and that have a life cycle of at least three years at the location where the plants are cultivated; biomass from alfalfa produced in a two-year rotation is considered a perennial crop.

**Subd. 2. Establishment.** Requires BWSR to contract with landowners to incentivize the establishment and maintenance of perennial crops. Requires BWSR to give preference to contracts that would implement water protection actions identified in a Watershed Restoration and Protection Strategy completed by the Minnesota Pollution Control Agency.

**Subd. 3. Eligible land.** Provides that land eligible for the program has either been used to grow annual crops or set aside/enrolled/diverted in another federal or state

## **Section**

program for at least two of the past five years. Eligible land cannot currently be set aside/enrolled/diverted in another federal or state program.

**Subd. 4. Contract terms; use as livestock feed.** Directs BWSR to enter into contracts of at least ten years in duration that pay landowners up to 90 percent of the latest federal Conservation Reserve Program rate for the county. Authorizes BWSR to make additional payments to assist the landowner with establishment of the perennial crops. Allows perennial crops grown on land enrolled in the program to be used as livestock feed or by a facility producing electricity, advanced biofuel, renewable chemicals, or biomass thermal energy from perennial crops. Requires BWSR to prioritize land with the greatest potential to leverage federal funds. Authorizes BWSR to establish additional contract terms.

**Subd. 5. Pilot watershed protection.** Authorizes BWSR to select up to two watersheds to conduct a pilot program consisting of up to 100,000 total acres. Establishes criteria BWSR must use when selecting pilot watersheds, including sufficient acreage to supply perennial crops to a proposed facility that will produce electricity, advanced biofuel, renewable chemical, or biomass thermal energy from the perennial crops.

- 2 **Feasibility study and program plan; working lands watershed restoration program.** Requires BWSR to develop a detailed plan to implement the new program in section 1. Specifies eleven plan components. Requires BWSR to work with stakeholders and specified state agencies. Requires BWSR to submit to legislative committees an interim report by October 15, 2017 and the final feasibility study and implementation plan by February 1, 2018.
- 3 **Appropriation.** Appropriates \$479,000 from the general fund to BWSR for purposes of this act and extends the availability of this funding until the end of state fiscal year 2018.