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State of Minnesota
HOUSE OF REPRESENTATIVES

**EIGHTY-FIFTH
SESSION**

HOUSE FILE No. 3590

February 28, 2008

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The bill was read for the first time and referred to the Committee on Taxes

April 24, 2008

Committee Recommendation and Adoption of Report:

To Pass as Amended and re-referred to the Committee on Ways and Means

1.1 A bill for an act
1.2 relating to waters; establishing a groundwater monitoring charge; amending
1.3 Minnesota Statutes 2006, section 103G.271, subdivision 6.

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

1.5 Section 1. Minnesota Statutes 2006, section 103G.271, subdivision 6, is amended to
1.6 read:

1.7 Subd. 6. **Water use permit processing fee.** (a) Except as described in paragraphs
1.8 (b) to (f), a water use permit processing fee must be prescribed by the commissioner in
1.9 accordance with the schedule of fees in this subdivision for each water use permit in force
1.10 at any time during the year. The schedule is as follows, with the stated fee in each clause
1.11 applied to the total amount appropriated:

1.12 (1) \$101 for amounts not exceeding 50,000,000 gallons per year;

1.13 (2) \$3 per 1,000,000 gallons for amounts greater than 50,000,000 gallons but less
1.14 than 100,000,000 gallons per year;

1.15 (3) \$3.50 per 1,000,000 gallons for amounts greater than 100,000,000 gallons but
1.16 less than 150,000,000 gallons per year;

1.17 (4) \$4 per 1,000,000 gallons for amounts greater than 150,000,000 gallons but less
1.18 than 200,000,000 gallons per year;

1.19 (5) \$4.50 per 1,000,000 gallons for amounts greater than 200,000,000 gallons but
1.20 less than 250,000,000 gallons per year;

1.21 (6) \$5 per 1,000,000 gallons for amounts greater than 250,000,000 gallons but less
1.22 than 300,000,000 gallons per year;

1.23 (7) \$5.50 per 1,000,000 gallons for amounts greater than 300,000,000 gallons but
1.24 less than 350,000,000 gallons per year;

2.1 (8) \$6 per 1,000,000 gallons for amounts greater than 350,000,000 gallons but less
2.2 than 400,000,000 gallons per year;

2.3 (9) \$6.50 per 1,000,000 gallons for amounts greater than 400,000,000 gallons but
2.4 less than 450,000,000 gallons per year;

2.5 (10) \$7 per 1,000,000 gallons for amounts greater than 450,000,000 gallons but
2.6 less than 500,000,000 gallons per year; and

2.7 (11) \$7.50 per 1,000,000 gallons for amounts greater than 500,000,000 gallons
2.8 per year.

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

2.12 (1) for nonprofit corporations and school districts, \$150 per 1,000,000 gallons; and

2.13 (2) for all other users, \$300 per 1,000,000 gallons.

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

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

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

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

2.19 (i) \$50,000 per year for an entity holding three or fewer permits;

2.20 (ii) \$75,000 per year for an entity holding four or five permits;

2.21 (iii) \$250,000 per year for an entity holding more than five permits;

2.22 (3) the fee for agricultural irrigation may not exceed \$750 per year;

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

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

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

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

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

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

3.3 (g) A surcharge of \$20 per million gallons in addition to the fee prescribed in
3.4 paragraph (a) shall be applied to the volume of water used in each of the months of June,
3.5 July, and August that exceeds the volume of water used in January for municipal water
3.6 use, irrigation of golf courses, and landscape irrigation. The surcharge for municipalities
3.7 with more than one permit shall be determined based on the total appropriations from all
3.8 permits that supply a common distribution system.

3.9 (h) A water monitoring charge of .0002 cents per gallon shall be applied to
3.10 the volume of groundwater used in the counties of Anoka, Carver, Chisago, Dakota,
3.11 Hennepin, Isanti, Ramsey, Scott, Sherburne, Washington, and Wright. The revenue
3.12 collected under this paragraph must be credited to an account in the natural resources fund
3.13 and is available for appropriation to be used for installation and rehabilitation of ground
3.14 water level monitoring equipment in new or existing wells. The intent of the monitoring
3.15 wells is to collect long-term water level data and to manage and interpret the data in
3.16 order to determine potential depletion rates and sustainable water withdrawal rates for
3.17 aquifers in the counties of Anoka, Carver, Chisago, Dakota, Hennepin, Isanti, Ramsey,
3.18 Scott, Sherburne, Washington, and Wright.