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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-SIXTH
SESSION

HOUSE FILE No. 880

February 16, 2009

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The bill was read for the first time and referred to the Committee on Environment Policy and Oversight

1.1 A bill for an act
1.2 relating to waters; requiring watershed districts and watershed management
1.3 organizations to submit information to counties; requiring county approval
1.4 of levies and fees; amending Minnesota Statutes 2008, sections 103B.211,
1.5 subdivision 1; 103B.231, subdivision 14; 103B.241, by adding a subdivision;
1.6 103D.351; 103D.911, subdivision 2; 103D.915, subdivision 1.

1.7 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:**

1.8 Section 1. Minnesota Statutes 2008, section 103B.211, subdivision 1, is amended to
1.9 read:

1.10 Subdivision 1. **Authority.** (a) Any agreement under section 471.59 to jointly
1.11 or cooperatively manage or plan for the management of surface water in a watershed
1.12 delineated pursuant to subdivision 2, as required by sections 103B.205 to 103B.255,
1.13 may provide, in addition to other provisions authorized by section 471.59, for a joint
1.14 board having:

1.15 (1) the authority to prepare, adopt, and implement a plan for the watershed meeting
1.16 the requirements of section 103B.231;

1.17 (2) the authority to review and approve local water management plans as provided in
1.18 section 103B.235;

1.19 (3) the authority of a watershed district under chapter 103D to regulate the use and
1.20 development of land in the watershed when one or more of the following conditions exists:

1.21 (i) the local government unit exercising planning and zoning authority over the land
1.22 under sections 366.10 to 366.19, 394.21 to 394.37, or 462.351 to 462.364, does not have a
1.23 local water management plan approved and adopted in accordance with the requirements
1.24 of section 103B.235 or has not adopted the implementation program described in the plan;

2.1 (ii) an application to the local government unit for a permit for the use and
 2.2 development of land requires an amendment to or variance from the adopted local water
 2.3 management plan or implementation program of the local unit; or

2.4 (iii) the local government unit has authorized the organization to require permits for
 2.5 the use and development of land;

2.6 (4) the authority of a watershed district under section 103D.625, to accept the
 2.7 transfer of drainage systems in the watershed, to repair, improve, and maintain the
 2.8 transferred drainage systems, and to construct all new drainage systems and improvements
 2.9 of existing drainage systems in the watershed, provided that: (i) projects may be carried
 2.10 out under the powers granted in sections 103B.205 to 103B.255 or chapter 103D or 103E;
 2.11 and (ii) proceedings of the board with respect to the systems must be in conformance with
 2.12 the watershed plan adopted under section 103B.231;

2.13 (5) the authority of a watershed district under section 103D.911 to adopt a budget
 2.14 and decide on the total amount necessary to be raised from ad valorem tax levies to
 2.15 meet the budget, subject to the applicable budget submission and revenue plan approval
 2.16 requirements under section 103B.241 or 103D.911;

2.17 (6) the authority of a watershed district under section 103D.915 to certify its budget
 2.18 with the auditor of each county having territory within the joint powers watershed
 2.19 management organization;

2.20 (7) the authority of a watershed district under section 103D.901 to file approved
 2.21 assessment statements with each affected county; and

2.22 (8) other powers necessary to exercise the authority under clauses (1) to (3),
 2.23 including the power to enter into contracts for the performance of functions with
 2.24 governmental units or persons.

2.25 (b) The Board of Water and Soil Resources shall adopt rules prescribing minimum
 2.26 requirements for the content of watershed management organization joint powers
 2.27 agreements.

2.28 (c) Decisions by a joint powers board may not require more than a majority vote,
 2.29 except a decision on a capital improvement project, which may require no more than a
 2.30 two-thirds vote.

2.31 Sec. 2. Minnesota Statutes 2008, section 103B.231, subdivision 14, is amended to read:

2.32 Subd. 14. **Annual report.** The Board of Water and Soil Resources shall adopt
 2.33 rules establishing:

2.34 (1) requirements for annual watershed management organization financial reports to
 2.35 the board, including a report on administrative, project, and other expenditures. The board

3.1 shall require that an annual financial report be sent to the county board of each county
3.2 included in whole or in part within the boundaries of the watershed;

3.3 (2) standards for annual financial audits by certified public accountants, procedures
3.4 for the board to follow before ordering state financial and performance audits as
3.5 determined by the board, and procedures for charging the costs of financial and
3.6 performance audits to the watershed management organization; and

3.7 (3) requirements for the content of annual activity reports to the board, which must
3.8 include the number and type of permits issued, complaints received, plan and ordinance
3.9 violations, projects constructed, new officers installed, variances granted, status of local
3.10 unit adoption and enforcement of model ordinance requirements, and financial conditions
3.11 of the watershed management organization.

3.12 Sec. 3. Minnesota Statutes 2008, section 103B.241, is amended by adding a
3.13 subdivision to read:

3.14 Subd. 3. **Watershed management organization levy approval.** (a) A watershed
3.15 management organization identified as a special taxing district under section 275.066 must
3.16 submit a copy of the watershed management organization's budget and a revenue plan,
3.17 which includes the total amount necessary to be raised from ad valorem tax levies, fees, or
3.18 other assessments to meet the watershed management organization's budget, to the county
3.19 board of each county in the watershed for review.

3.20 (b) The county board of each county in the watershed must approve the watershed
3.21 management organization's revenue plan. When a watershed management organization
3.22 is located in whole or in part within more than one county, the following process for
3.23 granting approval of a revenue plan applies:

3.24 (1) when there is an odd number of counties, a majority of the counties must
3.25 approve, with each county getting one vote; or

3.26 (2) when there is an even number of counties, a majority of the county board
3.27 members from all of the counties must approve, with each county board member getting
3.28 one vote.

3.29 (c) Failure of a county to approve or disapprove the revenue plan in writing within
3.30 30 days of receiving the plan is deemed to be approval.

3.31 Sec. 4. Minnesota Statutes 2008, section 103D.351, is amended to read:

3.32 **103D.351 ANNUAL REPORT.**

3.33 (a) The managers must prepare a yearly report of the financial conditions of the
3.34 watershed district, the status of all projects, the business transacted by the watershed

4.1 district, other matters affecting the interests of the watershed district, and a discussion of
4.2 the managers' plans for the succeeding year.

4.3 (b) Copies of the report must be transmitted to the Board of Water and Soil
4.4 Resources, the commissioner, ~~and the director,~~ and the county board of each county in
4.5 the watershed within a reasonable time.

4.6 Sec. 5. Minnesota Statutes 2008, section 103D.911, subdivision 2, is amended to read:

4.7 Subd. 2. **Adoption; approval of county.** (a) On or before ~~September 15~~ August
4.8 15 of each year, the managers shall adopt a budget for the next year ~~and~~, decide on a
4.9 revenue plan, which includes the total amount necessary to be raised from ad valorem tax
4.10 levies, fees, or other assessments to meet the watershed district's budget, and submit a
4.11 copy of the budget and revenue plan to the county board of each county in the watershed
4.12 district for review.

4.13 (b) The county board of each county in the watershed district must approve the
4.14 watershed district's revenue plan. When a watershed district is located in whole or in part
4.15 within more than one county, the following process for granting approval of a revenue
4.16 plan applies:

4.17 (1) when there is an odd number of counties, a majority of the counties must
4.18 approve, with each county getting one vote; or

4.19 (2) when there is an even number of counties, a majority of the county board
4.20 members from all of the counties must approve, with each county board member getting
4.21 one vote.

4.22 (c) Failure of a county to approve or disapprove the revenue plan in writing within
4.23 30 days of receiving the plan is deemed to be approval.

4.24 Sec. 6. Minnesota Statutes 2008, section 103D.915, subdivision 1, is amended to read:

4.25 Subdivision 1. **Certification to auditor.** After adoption of the budget and approval
4.26 of the revenue plan by the county, and no later than September 15, the secretary of the
4.27 watershed district shall certify to the auditor of each county within the watershed district
4.28 the county's share of the tax, which shall be an amount bearing the same proportion to
4.29 the total levy as the net tax capacity of the area of the county within the watershed bears
4.30 to the net tax capacity of the entire watershed district. The maximum amount of a levy
4.31 may not exceed the amount provided in section 103D.905.