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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETIETH SESSION

H. F. No. 698

02/01/2017 Authored by Green and Christensen The bill was read for the first time and referred to the Committee on Legacy Funding Finance

1.1 A bill for an act
1.2 proposing amendments to the Minnesota Constitution, article XI; replacing legacy
1.3 amendment with funding for deficient roads and bridges and for clean water;
1.4 making conforming changes; amending Minnesota Statutes 2016, sections 10A.01,
1.5 subdivision 35; 16A.0561; 84.69, subdivision 1; 84.992, subdivision 4; 114D.20,
1.6 subdivision 6; 114D.30, subdivisions 5, 7; 160.266, subdivision 5; 290C.02,
1.7 subdivision 6; repealing Minnesota Statutes 2016, sections 3.303, subdivision 10;
1.8 3.9741, subdivision 3; 13D.08, subdivision 8; 85.53; 85.535; 85.536; 97A.056;
1.9 114D.30, subdivision 6; 114D.50, subdivisions 1, 2, 3, 3a, 4, 5, 6; 129D.17;
1.10 129D.18; 129D.19.

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

1.12 ARTICLE 1
1.13 CONSTITUTIONAL AMENDMENT

1.14 Section 1. CONSTITUTIONAL AMENDMENT PROPOSED.

1.15 An amendment to the Minnesota Constitution is proposed to the people. If the amendment
1.16 is adopted, article XI, section 15, will be repealed.

1.17 Sec. 2. CONSTITUTIONAL AMENDMENT PROPOSED.

1.18 An amendment to the Minnesota Constitution is proposed to the people. If the amendment
1.19 is adopted, a section shall be added to article XI, to read:

1.20 Sec. 16. Beginning July 1, 2019, until June 30, 2034, the sales and use tax rate is increased
1.21 by three-eighths of one percent on sales and uses taxable under the general state sales and
1.22 use tax law. Receipts from the increase, plus penalties and interest and reduced by any
1.23 refunds, are dedicated, for the benefit of Minnesotans, to the following funds: 67 percent
1.24 to the deficient roads and bridges fund and 33 percent to the clean water fund.

2.1 Money in the deficient roads and bridges fund must not be used for light rail transit
2.2 projects. Projects funded with money from the deficient roads and bridges fund must benefit
2.3 the state as a whole. Money dedicated to the deficient roads and bridges fund must be
2.4 appropriated by law and used solely for the purposes specified in clauses (1) to (3):

2.5 (1) Money dedicated to the deficient roads and bridges fund must first be appropriated
2.6 to fund projects that improve or reconstruct structurally deficient bridges or highways on
2.7 the trunk highway system that do not meet minimum highway standards.

2.8 (2) Once projects for deficient bridges and highways on the trunk highway system are
2.9 completely funded under clause (1), money dedicated to the deficient roads and bridges
2.10 fund must be appropriated for projects that increase permissible weight limits to 10-ton axle
2.11 weight or at least 97,000 pounds on entire spans of trunk highways within the state
2.12 boundaries. Only one trunk highway at a time may be improved under this clause, selected
2.13 on the basis of the most urgent need at the discretion of the commissioner of transportation.

2.14 (3) Once all trunk highways have been improved according to clause (2), money dedicated
2.15 to the deficient roads and bridges funds must be appropriated for projects that improve or
2.16 reconstruct county state-aid highways, county highways, and township roads that do not
2.17 meet minimum highway standards, with priority given to highways that are corridors of
2.18 commerce and highways that connect to trunk highways completed under clause (2).

2.19 Ten percent of the money in the clean water fund must be appropriated by law to local
2.20 lake associations to slow the spread of aquatic invasive species. Sixty percent of the money
2.21 in the clean water fund must be appropriated by law for eradication of aquatic invasive
2.22 species and may be spent for private grants for development of aquatic invasive species
2.23 control methods. Twenty-five percent of the money in the clean water fund must be
2.24 appropriated by law for grants to monitor rivers and streams in the state, as recommended
2.25 by the senate and house of representatives committees having jurisdiction over environment.
2.26 Five percent of the money in the clean water fund must be appropriated by law for
2.27 administrative costs of recipients of money from the clean water fund and no other money
2.28 from the clean water fund may be used for this purpose. The legislature must provide for a
2.29 public accounting of money spent from the clean water fund, including a record of outcomes.
2.30 A recipient of clean water fund money that is found to be in violation of the terms of an
2.31 appropriation is ineligible for funding from the clean water fund for two years and any
2.32 money disbursed from the clean water fund must be repaid to the fund before eligibility for
2.33 future funding is restored.

3.1 Sec. 3. SUBMISSION TO VOTERS.

3.2 The proposed amendments must be submitted to the people at the 2018 general election.

3.3 The question submitted must be:

3.4 "Shall the Minnesota Constitution be amended to replace funding for outdoor heritage,
3.5 clean water, parks and trails, and arts and cultural heritage with funding for deficient roads
3.6 and bridges and clean water?"

3.7 Yes

3.8 No "

3.9 Sec. 4. PROHIBITION ON STATE-FUNDED OPPOSITION.

3.10 No state funds from any source may be used to advertise against the constitutional
3.11 amendments proposed under sections 1 and 2. No state employee may publicly campaign
3.12 against the constitutional amendments proposed under sections 1 and 2.

3.13 **ARTICLE 2**

3.14 **CONFORMING AMENDMENTS**

3.15 Section 1. Minnesota Statutes 2016, section 10A.01, subdivision 35, is amended to read:

3.16 Subd. 35. **Public official.** "Public official" means any:

3.17 (1) member of the legislature;

3.18 (2) individual employed by the legislature as secretary of the senate, legislative auditor,
3.19 chief clerk of the house of representatives, revisor of statutes, or researcher, legislative
3.20 analyst, fiscal analyst, or attorney in the Office of Senate Counsel, Research, and Fiscal
3.21 Analysis, House Research, or the House Fiscal Analysis Department;

3.22 (3) constitutional officer in the executive branch and the officer's chief administrative
3.23 deputy;

3.24 (4) solicitor general or deputy, assistant, or special assistant attorney general;

3.25 (5) commissioner, deputy commissioner, or assistant commissioner of any state
3.26 department or agency as listed in section 15.01 or 15.06, or the state chief information
3.27 officer;

3.28 (6) member, chief administrative officer, or deputy chief administrative officer of a state
3.29 board or commission that has either the power to adopt, amend, or repeal rules under chapter
3.30 14, or the power to adjudicate contested cases or appeals under chapter 14;

- 4.1 (7) individual employed in the executive branch who is authorized to adopt, amend, or
 4.2 repeal rules under chapter 14 or adjudicate contested cases under chapter 14;
- 4.3 (8) executive director of the State Board of Investment;
- 4.4 (9) deputy of any official listed in clauses (7) and (8);
- 4.5 (10) judge of the Workers' Compensation Court of Appeals;
- 4.6 (11) administrative law judge or compensation judge in the State Office of Administrative
 4.7 Hearings or unemployment law judge in the Department of Employment and Economic
 4.8 Development;
- 4.9 (12) member, regional administrator, division director, general counsel, or operations
 4.10 manager of the Metropolitan Council;
- 4.11 (13) member or chief administrator of a metropolitan agency;
- 4.12 (14) director of the Division of Alcohol and Gambling Enforcement in the Department
 4.13 of Public Safety;
- 4.14 (15) member or executive director of the Higher Education Facilities Authority;
- 4.15 (16) member of the board of directors or president of Enterprise Minnesota, Inc.;
- 4.16 (17) member of the board of directors or executive director of the Minnesota State High
 4.17 School League;
- 4.18 (18) member of the Minnesota Ballpark Authority established in section 473.755;
- 4.19 (19) citizen member of the Legislative-Citizen Commission on Minnesota Resources;
- 4.20 (20) manager of a watershed district, or member of a watershed management organization
 4.21 as defined under section 103B.205, subdivision 13;
- 4.22 (21) supervisor of a soil and water conservation district;
- 4.23 (22) director of Explore Minnesota Tourism;
- 4.24 ~~(23) citizen member of the Lessard-Sams Outdoor Heritage Council established in section~~
 4.25 ~~97A.056;~~
- 4.26 ~~(24)~~ citizen member of the Clean Water Council established in section 114D.30;
- 4.27 ~~(25)~~ (24) member or chief executive of the Minnesota Sports Facilities Authority
 4.28 established in section 473J.07;
- 4.29 ~~(26)~~ (25) district court judge, appeals court judge, or Supreme Court justice;

- 5.1 ~~(27)~~ (26) county commissioner;
- 5.2 ~~(28)~~ (27) member of the Greater Minnesota Regional Parks and Trails Commission; or
- 5.3 ~~(29)~~ (28) member of the Destination Medical Center Corporation established in section
- 5.4 469.41.

5.5 Sec. 2. Minnesota Statutes 2016, section 16A.0561, is amended to read:

5.6 **16A.0561 MAPPED DATA ON EXPENDITURES.**

5.7 (a) Data on expenditure of money from the ~~funds~~ fund as specified under ~~sections 3.303,~~
 5.8 ~~subdivision 10, and~~ section 116P.08 may, if practicable, be made available on the Web in
 5.9 a manner that allows the public to obtain information about a project receiving an
 5.10 appropriation by clicking on a map. To the extent feasible, the map should include or link
 5.11 to information about each project, including, but not limited to, the location, the name of
 5.12 the entity receiving the appropriation, the source of the appropriation, the amount of money
 5.13 received, and a general statement of the purpose of the appropriation.

5.14 (b) If requested, the Legislative Coordinating Commission may, to the extent practicable,
 5.15 provide relevant executive branch agencies with public geospatial data that it receives for
 5.16 its Web site ~~required under section 3.303, subdivision 10.~~ The commissioner may make
 5.17 this information available to the public in a similar manner as information provided under
 5.18 paragraph (a).

5.19 (c) In creating plans for public expenditures from all geographically locatable or project
 5.20 based appropriations, prospective budget and project planning should consider geographic
 5.21 and data reporting that would facilitate the goals of this section.

5.22 Sec. 3. Minnesota Statutes 2016, section 84.69, subdivision 1, is amended to read:

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

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

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

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

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

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

6.6 Sec. 4. Minnesota Statutes 2016, section 84.992, subdivision 4, is amended to read:

6.7 Subd. 4. **Uniform patch.** Uniforms worn by members of the Minnesota Naturalist Corps
6.8 must have a patch that includes the name of the Minnesota Naturalist Corps ~~and information~~
6.9 ~~that the program is funded by the clean water, land, and legacy amendment to the Minnesota~~
6.10 ~~Constitution adopted by the voters in November 2008.~~

6.11 Sec. 5. Minnesota Statutes 2016, section 114D.20, subdivision 6, is amended to read:

6.12 Subd. 6. **Priorities for restoring impaired waters.** In implementing restoration of
6.13 impaired waters, in addition to the priority considerations in subdivision 5, the Clean Water
6.14 Council shall give priority in its recommendations for restoration funding ~~from the clean~~
6.15 ~~water fund~~ to restoration projects that:

6.16 (1) coordinate with and utilize existing local authorities and infrastructure for
6.17 implementation;

6.18 (2) can be implemented in whole or in part by providing support for existing or ongoing
6.19 restoration efforts;

6.20 (3) most effectively leverage other sources of restoration funding, including federal,
6.21 state, local, and private sources of funds;

6.22 (4) show a high potential for early restoration and delisting based upon scientific data
6.23 developed through public agency or citizen monitoring or other means; and

6.24 (5) show a high potential for long-term water quality and related conservation benefits.

6.25 Sec. 6. Minnesota Statutes 2016, section 114D.30, subdivision 5, is amended to read:

6.26 Subd. 5. **Implementation plan.** The Clean Water Council shall recommend a plan for
6.27 implementation of this chapter ~~and the provisions of article XI, section 15, of the Minnesota~~
6.28 ~~Constitution relating to clean water.~~ The recommended plan shall address general procedures
6.29 and time frames for implementing this chapter, and shall include a more specific
6.30 implementation work plan for the next fiscal biennium and a framework for setting priorities

7.1 to address impaired waters consistent with section 114D.20, subdivisions 2 to 7. The council
7.2 shall issue a revised plan by December 1 of each even-numbered year.

7.3 Sec. 7. Minnesota Statutes 2016, section 114D.30, subdivision 7, is amended to read:

7.4 Subd. 7. **Biennial report to legislature.** By December 1 of each even-numbered year,
7.5 the council shall submit a report to the legislature on the activities for which money has
7.6 been or will be spent for the current biennium, the activities for which money is recommended
7.7 to be spent in the next biennium, and the impact on economic development of the
7.8 implementation of efforts to protect and restore groundwater and the impaired waters
7.9 program. The report due on December 1, 2014, must include an evaluation of the progress
7.10 made through June 30, 2014, in implementing this chapter ~~and the provisions of article XI,~~
7.11 ~~section 15, of the Minnesota Constitution relating to clean water,~~ the need for funding of
7.12 future implementation, and recommendations for the sources of funding.

7.13 Sec. 8. Minnesota Statutes 2016, section 160.266, subdivision 5, is amended to read:

7.14 Subd. 5. **Funding.** Bicycle paths included within the bikeway and not administered by
7.15 the commissioner of natural resources are eligible for funding from the environment and
7.16 natural resources trust fund under chapter 116P, ~~from the parks and trails grant program~~
7.17 ~~under section 85.535,~~ from the local recreation grants program under section 85.019,
7.18 subdivision 4b, and from other sources.

7.19 Sec. 9. Minnesota Statutes 2016, section 290C.02, subdivision 6, is amended to read:

7.20 Subd. 6. **Forest land.** "Forest land" means land containing a minimum of 20 contiguous
7.21 acres for which the owner has implemented a forest management plan that was prepared or
7.22 updated within the past ten years by an approved plan writer. For purposes of this subdivision,
7.23 acres are considered to be contiguous even if they are separated by a road, waterway, railroad
7.24 track, or other similar intervening property. At least 50 percent of the contiguous acreage
7.25 must meet the definition of forest land in section 88.01, subdivision 7. For the purposes of
7.26 sections 290C.01 to 290C.11, forest land does not include (i) land used for residential or
7.27 agricultural purposes, (ii) land enrolled in the reinvest in Minnesota program, a state or
7.28 federal conservation reserve or easement reserve program under sections 103F.501 to
7.29 103F.531, the Minnesota agricultural property tax law under section 273.111, or land subject
7.30 to agricultural land preservation controls or restrictions as defined in section 40A.02 or
7.31 under the Metropolitan Agricultural Preserves Act under chapter 473H, (iii) land exceeding
7.32 60,000 acres that is subject to a single conservation easement funded under Minnesota
7.33 Statutes 2014, section 97A.056₂, or a comparable permanent easement conveyed to a

8.1 governmental or nonprofit entity; (iv) any land that becomes subject to a conservation
8.2 easement funded under Minnesota Statutes 2014, section 97A.056, or a comparable
8.3 permanent easement conveyed to a governmental or nonprofit entity after May 30, 2013;
8.4 or (v) land improved with a structure, pavement, sewer, campsite, or any road, other than
8.5 a township road, used for purposes not prescribed in the forest management plan.

8.6 Sec. 10. **REPEALER.**

8.7 Minnesota Statutes 2016, sections 3.303, subdivision 10; 3.9741, subdivision 3; 13D.08,
8.8 subdivision 8; 85.53; 85.535; 85.536; 97A.056; 114D.30, subdivision 6; 114D.50,
8.9 subdivisions 1, 2, 3, 3a, 4, 5, and 6; 129D.17; 129D.18; and 129D.19, are repealed.

8.10 Sec. 11. **EFFECTIVE DATE.**

8.11 Sections 1 to 10 are effective upon adoption of the constitutional amendment under
8.12 article 1, section 1.

APPENDIX
Article locations in 17-1371

ARTICLE 1 CONSTITUTIONAL AMENDMENT Page.Ln 1.12
ARTICLE 2 CONFORMING AMENDMENTS Page.Ln 3.13

3.303 LEGISLATIVE COORDINATING COMMISSION; CREATION AND ORGANIZATION; STAFF; DUTIES.

Subd. 10. **Constitutionally dedicated funding accountability.** (a) The Legislative Coordinating Commission shall develop and maintain a user-friendly, public-oriented Web site that informs, educates, and demonstrates to the public how the constitutionally dedicated funds in the arts and cultural heritage fund, outdoor heritage fund, clean water fund, parks and trails fund, and environment and natural resources trust fund are being expended to meet the requirements established for each fund in the state constitution. Information provided on the Web site must include, but is not limited to:

- (1) information on all project proposals received by the Outdoor Heritage Council and the Legislative-Citizen Commission on Minnesota Resources;
- (2) information on all projects receiving funding, including:
 - (i) the name of the project and a project description;
 - (ii) the name, telephone number, members of the board or equivalent governing body, and e-mail address of the funding recipient and, when applicable, the Web site address where the public can directly access detailed information on the recipient's receipt and use of money for the project;
 - (iii) the amount and source of funding, including the fiscal year of the appropriation;
 - (iv) the amount and source of any additional funding or leverage;
 - (v) the duration of the project;
 - (vi) the number of full-time equivalents funded under the project. For the purposes of this item, "full-time equivalent" means a position directly attributed to the receipt of money from one or more of the funds covered under this section, calculated as the total number of hours planned for the position divided by 2,088;
 - (vii) the direct expenses and administration costs of the project;
 - (viii) proposed measurable outcomes and the plan for measuring and evaluating the results;
 - (ix) for pass-through, noncompetitive grants, the entity acting as the fiscal agent or administering agency and a point of contact for additional information; and
 - (x) for competitive grants, the name and a brief description of the qualifications of all board members or members of an equivalent governing body ultimately responsible for awarding the grants, as well as any grant-making advisory group. In addition, an entity that awards competitive grants, including but not limited to a state agency or any statewide, regional, or local organization, must report whether an employee, decision maker, advisory group member, or other person involved in the grant process disclosed a conflict of interest or potential conflict of interest. If the entity reports that a conflict of interest or potential conflict of interest was disclosed, the entity must provide the Legislative Coordinating Commission with a contact person for additional information and the Legislative Coordinating Commission must post this information on the Web site. An entity that awards competitive grants must obtain and apply the conflict of interest policies developed by the commissioner of administration under section 16B.98, subdivision 3, unless the entity maintains and applies its own documented conflict of interest policies which are substantially similar to the commissioner of administration's policies;
- (3) actual measured outcomes and evaluation of projects as required under sections 85.53, subdivision 2; 114D.50, subdivision 4; and 129D.17, subdivision 2;
- (4) education about the areas and issues the projects address, including, when feasible, maps of where projects have been undertaken;
- (5) all frameworks developed for future uses of each fund; and
- (6) methods by which members of the public may apply for project funds under any of the constitutionally dedicated funds.

Information that could be used to identify, contact, or locate an individual minor shall be withheld from the information required for the Web site.

(b) As soon as practicable or by January 15 of the applicable fiscal year, whichever comes first, a state agency or other recipient of a direct appropriation from a fund covered under this section shall submit the information required under paragraph (a) and, when applicable, compile and submit the same information for any grant recipient or other subrecipient of funding. All information for proposed and funded projects, including the proposed measurable outcomes, must be made available on the Web site as soon as practicable. Information on the measured outcomes and evaluation must be posted as soon as it becomes available. The costs of these activities shall be paid out of the arts and cultural heritage fund, outdoor heritage fund, clean water fund, parks and trails fund, and the environment and natural resources trust fund proportionately. For purposes of this section, "measurable outcomes" means outcomes, indicators, or other

APPENDIX

Repealed Minnesota Statutes: 17-1371

performance measures that may be quantified or otherwise measured in order to measure the effectiveness of a project or program in meeting its intended goal or purpose.

If, in addition to providing the information directly to the Web site, an agency submits a formal report to the Legislative Coordinating Commission, the report must be submitted electronically.

(c) The Legislative Coordinating Commission shall be responsible for receiving all ten-year plans and 25-year frameworks for each of the constitutionally dedicated funds. To the extent practicable, staff for the commission shall provide assistance and oversight to these planning efforts and shall coordinate public access to hearings and public meetings for all planning efforts.

3.9741 COST OF CERTAIN AUDITS.

Subd. 3. **Legacy funds.** The outdoor heritage fund, the clean water fund, the parks and trails fund, and the arts and cultural heritage fund must each reimburse the general fund, in the manner prescribed in section 16A.127, for costs incurred by the legislative auditor in examining financial activities relating to each fund.

13D.08 OPEN MEETING LAW CODED ELSEWHERE.

Subd. 8. **Lessard-Sams Outdoor Heritage Council.** Certain meetings of the Lessard-Sams Outdoor Heritage Council are governed by section 97A.056, subdivision 5.

85.53 PARKS AND TRAILS FUND.

Subdivision 1. **Establishment.** The parks and trails fund is established in the Minnesota Constitution, article XI, section 15. All money earned by the parks and trails fund must be credited to the fund.

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 regranteeing 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.

APPENDIX

Repealed Minnesota Statutes: 17-1371

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.

(h) Any state agency or organization requesting a direct appropriation from the parks and trails fund must inform the house of representatives and senate committees having jurisdiction over the parks and trails fund, at the time the request for funding is made, whether the request is supplanting or is a substitution for any previous funding that was not from a legacy fund and was used for the same purpose.

Subd. 3. Metropolitan area distribution formula. Money appropriated from the parks and trails fund to the Metropolitan Council shall be distributed to implementing agencies, as defined in section 473.351, subdivision 1, paragraph (a), as grants according to the following formula:

(1) 45 percent of the money must be disbursed according to the allocation formula in section 473.351, subdivision 3, to each implementing agency;

(2) 31.5 percent of the money must be distributed based on each implementing agency's relative share of the most recent estimate of the population of the metropolitan area;

(3) 13.5 percent of the money must be distributed based on each implementing agency's relative share of nonlocal visits based on the most recent user visitation survey conducted by the Metropolitan Council; and

(4) ten percent of the money must be distributed as grants to implementing agencies for land acquisition within Metropolitan Council approved regional parks and trails master plan boundaries under the council's park acquisition opportunity grant program. The Metropolitan Council must provide a match of \$2 of the council's park bonds for every \$3 of state funds for the park acquisition opportunity grant program.

Subd. 4. Data availability. Data collected by the projects funded with money from the parks and trails fund that have value for planning and management of natural resources, emergency preparedness, and infrastructure investments must conform to the enterprise information architecture developed by the Office of MN.IT Services. Spatial data must conform to geographic information system guidelines and standards outlined in that architecture and adopted by the Minnesota Geographic Data Clearinghouse at the Minnesota Geospatial Information Office. A description of these data that adheres to the Office of MN.IT Services geographic metadata standards must be submitted to the Minnesota Geospatial Information Office to be made available online through the clearinghouse and the data must be accessible and free to the public unless made private under chapter 13. To the extent practicable, summary data and results of projects and programs funded with money from the parks and trails fund should be readily accessible on the Internet and identified as a parks and trails fund project.

Subd. 5. Restoration evaluations. The commissioner of natural resources may convene a technical evaluation panel comprised of five members, including one technical representative from the Board of Water and Soil Resources, one technical representative from the Department of Natural Resources, one technical expert from the University of Minnesota or the Minnesota State Colleges and Universities, and two other representatives with expertise related to the project being evaluated. The commissioner may add a technical representative from a unit of federal or local government. The members of the technical evaluation panel may not be associated with the restoration, may vary depending upon the projects being reviewed, and shall avoid any potential conflicts of interest. Each year, the commissioner may assign a coordinator to identify a sample of up to ten habitat restoration projects completed with parks and trails funding. The coordinator shall secure the restoration plans for the projects specified and direct the technical evaluation panel to evaluate the restorations relative to the law, current science, and the stated goals and standards in the restoration plan and, when applicable, to the Board of Water and Soil Resources' native vegetation establishment and enhancement guidelines. The coordinator shall summarize the findings of the panel and provide a report to the chairs of the respective house of representatives and senate policy and finance committees with jurisdiction over natural resources and spending from the parks and trails fund. The report shall determine if the restorations are meeting planned goals, any problems with the implementation of restorations, and, if necessary, recommendations on improving restorations. The report shall be focused on improving future restorations. Up to one-tenth of one percent of forecasted receipts from the parks and trails fund may be used for restoration evaluations under this section.

85.535 PARKS AND TRAILS GRANT PROGRAM.

Subdivision 1. **Establishment.** The commissioner of natural resources shall administer a program to provide grants from the parks and trails fund to support parks and trails of regional

APPENDIX

Repealed Minnesota Statutes: 17-1371

or statewide significance. Grants shall not be made under this section for state parks, state recreational areas, or state trails.

Subd. 2. **Priorities.** In awarding trails grants under this section, the commissioner shall give priority to trail projects that provide:

- (1) connectivity;
- (2) enhanced opportunities for commuters; and
- (3) enhanced safety.

Subd. 3. **Grant amount.** A grant amount is not subject to a maximum grant award limitation. Additional consideration shall be given to applicants who provide a nonstate cash match.

Subd. 4. **Rule exemption.** The commissioner is not subject to the rulemaking provisions of chapter 14 in implementing this section, and section 14.386 does not apply.

85.536 GREATER MINNESOTA REGIONAL PARKS AND TRAILS COMMISSION.

Subdivision 1. **Establishment; purpose.** The Greater Minnesota Regional Parks and Trails Commission is created to undertake system planning and provide recommendations to the legislature for grants funded by the parks and trails fund to counties and cities outside of the seven-county metropolitan area for parks and trails of regional significance.

Subd. 2. **Commission.** The commission shall include 13 members appointed by the governor with two members from each of the regional parks and trails districts determined under subdivision 5 and one member at large. Membership terms, compensation, and removal of members and filling of vacancies are as provided in section 15.0575.

Subd. 3. **First appointments.** The governor shall make the first appointment by June 15, 2013. The governor shall designate six of the first appointees to terms ending on the first Monday in January 2015, and the remainder of the first appointees shall serve terms ending the first Monday in January 2016.

Subd. 4. **First meeting.** The governor or the governor's designee shall convene the first meeting of the commission by July 15, 2013, and shall act as chair until the commission elects a chair. The commission shall elect a chair at its first meeting.

Subd. 5. **Districts; plans and hearings.** (a) The commissioner of natural resources, in consultation with the Greater Minnesota Regional Parks and Trails Coalition, shall establish six regional parks and trails districts in the state encompassing the area outside the seven-county metropolitan area. The commissioner shall establish districts by combining counties and may not assign a county to more than one district.

(b) The commission shall develop a strategic plan and criteria for determining parks and trails of regional significance that are eligible for funding from the parks and trails fund and meet the criteria under subdivision 6.

(c) Counties within each district may jointly prepare, after consultation with all affected municipalities, and submit to the commission, and from time to time revise and resubmit to the commission, a master plan for the acquisition and development of parks and trails of regional significance located within the district. Districtwide plans and master plans for individual parks and trails must meet the protocols and criteria as set forth in the Greater Minnesota Regional Parks and Trails strategic plan. The counties, after consultation with the commission, shall jointly hold a public hearing on the proposed plan and budget at a time and place determined by the counties. Not less than 15 days before the hearing, the counties shall provide notice of the hearing stating the date, time, and place of the hearing and the place where the proposed plan and budget may be examined by any interested person. At any hearing, interested persons shall be permitted to present their views on the plan and budget.

(d) The commission shall review each master plan to determine whether it meets the conditions of subdivision 6. If it does not, the commission shall return the plan with its comments to the district for revision and resubmittal.

Subd. 6. **Regional significance.** The commission must determine whether a park or trail is regionally significant under this section based on the definitions and criteria determined in the Greater Minnesota Parks and Trails Strategic Plan, along with the following criteria:

- (1) a park must provide a natural resource-based setting and should provide outdoor recreation facilities and multiple activities that are primarily natural resource-based;
- (2) a trail must serve more than a local population and where feasible connect to existing or planned state or regional parks or trails;
- (3) a park or trail must be utilized by a regional population that may encompass multiple jurisdictions; and

APPENDIX

Repealed Minnesota Statutes: 17-1371

(4) a park may include or a trail may pass unique natural, historic, or cultural features or characteristics.

Subd. 7. **Recommendations.** (a) In recommending grants under this section, the commission shall make recommendations consistent with master plans.

(b) The commission shall determine recommended grant amounts through an adopted merit-based evaluation process that includes the level of local financial support. The evaluation process is not subject to the rulemaking provisions of chapter 14 and section 14.386 does not apply.

(c) When recommending grants, the commission shall consider balance of the grant benefits across greater Minnesota.

(d) Grants may be recommended only for parks and trails included in a plan approved by the commission under subdivision 5.

Subd. 8. **Chair.** The commission shall annually elect from among its members a chair and other officers necessary for the performance of its duties.

Subd. 9. **Meetings.** The commission shall meet at least twice each year. Commission meetings are subject to chapter 13D.

Subd. 10. **Report.** The commission shall submit a report by January 15 each year listing its recommendations under subdivision 7, in priority order, to the chairs and ranking minority members of the committees of the senate and house of representatives with primary jurisdiction over legacy appropriations.

Subd. 11. **Conflict of interest.** A member of the commission may not participate in or vote on a decision of the commission relating to an organization in which the member has either a direct or indirect financial interest.

Subd. 12. **Definitions.** For purposes of this section, "commission" means the Greater Minnesota Regional Parks and Trails Commission established under this section.

97A.056 OUTDOOR HERITAGE FUND; LESSARD-SAMS OUTDOOR HERITAGE COUNCIL.

Subdivision 1. **Outdoor heritage fund.** An outdoor heritage fund, under article XI, section 15, of the Minnesota Constitution, is established as an account in the state treasury. All money earned by the outdoor heritage fund must be credited to the fund. At least 99 percent of the money appropriated from the fund must be expended to restore, protect, and enhance wetlands, prairies, forests, and habitat for fish, game, and wildlife. Money appropriated from the outdoor heritage fund shall not be spent to acquire property by eminent domain unless the owner requests that the owner's property be acquired by eminent domain.

Subd. 1a. **Definitions.** For the purpose of appropriations from the outdoor heritage fund, "recipient" means the entity responsible for deliverables financed by the outdoor heritage fund.

Subd. 2. **Lessard-Sams Outdoor Heritage Council.** (a) The Lessard-Sams Outdoor Heritage Council of 12 members is created in the legislative branch, consisting of:

(1) two public members appointed by the senate Subcommittee on Committees of the Committee on Rules and Administration;

(2) two public members appointed by the speaker of the house;

(3) four public members appointed by the governor;

(4) two members of the senate appointed by the senate Subcommittee on Committees of the Committee on Rules and Administration; and

(5) two members of the house of representatives appointed by the speaker of the house.

(b) Members appointed under paragraph (a) must not be registered lobbyists. In making appointments, the governor, senate Subcommittee on Committees of the Committee on Rules and Administration, and the speaker of the house shall consider geographic balance, gender, age, ethnicity, and varying interests including hunting and fishing. The governor's appointments to the council are subject to the advice and consent of the senate.

(c) Public members appointed under paragraph (a) shall have practical experience or expertise or demonstrated knowledge in the science, policy, or practice of restoring, protecting, and enhancing wetlands, prairies, forests, and habitat for fish, game, and wildlife.

(d) Legislative members appointed under paragraph (a) shall include the chairs of the legislative committees with jurisdiction over environment and natural resources finance or their designee, one member from the minority party of the senate, and one member from the minority party of the house of representatives.

(e) Public members serve four-year terms. Appointed legislative members serve at the pleasure of the appointing authority. Public and legislative members continue to serve until their successors are appointed. Public members shall be initially appointed according to the following schedule of terms:

APPENDIX

Repealed Minnesota Statutes: 17-1371

(1) two public members appointed by the governor for a term ending the first Monday in January 2011;

(2) one public member appointed by the senate Subcommittee on Committees of the Committee on Rules and Administration for a term ending the first Monday in January 2011;

(3) one public member appointed by the speaker of the house for a term ending the first Monday in January 2011;

(4) two public members appointed by the governor for a term ending the first Monday in January 2013;

(5) one public member appointed by the senate Subcommittee on Committees of the Committee on Rules and Administration for a term ending the first Monday in January 2013; and

(6) one public member appointed by the speaker of the house for a term ending the first Monday in January 2013.

(f) Terms, compensation, and removal of public members are as provided in section 15.0575. A vacancy on the council may be filled by the appointing authority for the remainder of the unexpired term.

(g) Members shall elect a chair, vice-chair, secretary, and other officers as determined by the council. The chair may convene meetings as necessary to conduct the duties prescribed by this section.

(h) The Legislative Coordinating Commission may appoint nonpartisan staff and contract with consultants as necessary to support the functions of the council. The council has final approval authority for the hiring of a candidate for executive director. Up to one percent of the money appropriated from the fund may be used to pay for administrative expenses of the council and for compensation and expense reimbursement of council members.

Subd. 3. **Council recommendations.** (a) The council shall make recommendations to the legislature on appropriations of money from the outdoor heritage fund that are consistent with the Constitution and state law and that will achieve the outcomes of existing natural resource plans, including, but not limited to, the Minnesota Statewide Conservation and Preservation Plan, that directly relate to the restoration, protection, and enhancement of wetlands, prairies, forests, and habitat for fish, game, and wildlife, and that prevent forest fragmentation, encourage forest consolidation, and expand restored native prairie. In making recommendations, the council shall consider a range of options that would best restore, protect, and enhance wetlands, prairies, forests, and habitat for fish, game, and wildlife. The council's recommendations shall be submitted no later than January 15 each year. The council shall present its recommendations to the senate and house of representatives committees with jurisdiction over the environment and natural resources budget by February 15 in odd-numbered years, and within the first four weeks of the legislative session in even-numbered years. The council's budget recommendations to the legislature shall be separate from the Department of Natural Resource's budget recommendations.

(b) To encourage and support local conservation efforts, the council shall establish a conservation partners program. Local, regional, state, or national organizations may apply for matching grants for restoration, protection, and enhancement of wetlands, prairies, forests, and habitat for fish, game, and wildlife, prevention of forest fragmentation, encouragement of forest consolidation, and expansion of restored native prairie.

(c) The council may work with the Clean Water Council to identify projects that are consistent with both the purpose of the outdoor heritage fund and the purpose of the clean water fund.

(d) The council may make recommendations to the Legislative-Citizen Commission on Minnesota Resources on scientific research that will assist in restoring, protecting, and enhancing wetlands, prairies, forests, and habitat for fish, game, and wildlife, preventing forest fragmentation, encouraging forest consolidation, and expanding restored native prairie.

(e) Recommendations of the council, including approval of recommendations for the outdoor heritage fund, require an affirmative vote of at least nine members of the council.

(f) The council may work with the Clean Water Council, the Legislative-Citizen Commission on Minnesota Resources, the Board of Water and Soil Resources, soil and water conservation districts, and experts from Minnesota State Colleges and Universities and the University of Minnesota in developing the council's recommendations.

(g) The council shall develop and implement a process that ensures that citizens and potential recipients of funds are included throughout the process, including the development and finalization of the council's recommendations. The process must include a fair, equitable, and thorough process for reviewing requests for funding and a clear and easily understood process for ranking projects.

APPENDIX

Repealed Minnesota Statutes: 17-1371

(h) The council shall use the regions of the state based upon the ecological sections and subsections developed by the Department of Natural Resources and establish objectives for each region and subregion to achieve the purposes of the fund outlined in the state constitution.

(i) The council shall develop and submit to the Legislative Coordinating Commission plans for the first ten years of funding, and a framework for 25 years of funding, consistent with statutory and constitutional requirements. The council may use existing plans from other legislative, state, and federal sources, as applicable.

Subd. 4. **Conflict of interest.** (a) A council member may not be an advocate for or against a council action or vote on any action that may be a conflict of interest. A conflict of interest must be disclosed as soon as it is discovered. The council shall follow the policies and requirements related to conflicts of interest developed by the Office of Grants Management under section 16B.98.

(b) For the purposes of this section, a "conflict of interest" exists when a person has an organizational conflict of interest or direct financial interests and those interests present the appearance that it will be difficult for the person to impartially fulfill the person's duty. An "organizational conflict of interest" exists when a person has an affiliation with an organization that is subject to council activities, which presents the appearance of a conflict between organizational interests and council member duties. An "organizational conflict of interest" does not exist if the person's only affiliation with an organization is being a member of the organization.

Subd. 5. **Open meetings.** (a) Meetings of the council and other groups the council may establish are subject to chapter 13D. Except where prohibited by law, the council shall establish additional processes to broaden public involvement in all aspects of its deliberations, including recording meetings, video conferencing, and publishing minutes. For the purposes of this subdivision, a meeting occurs when a quorum is present and the members receive information or take action on any matter relating to the duties of the council. The quorum requirement for the council shall be seven members.

(b) Travel to and from scheduled and publicly noticed site visits by council members for the purposes of receiving information is not a violation of paragraph (a). Any decision or agreement to make a decision during the travel is a violation of paragraph (a).

(c) For legislative members of the council, enforcement of this subdivision is governed by section 3.055, subdivision 2. For nonlegislative members of the council, enforcement of this subdivision is governed by section 13D.06, subdivisions 1 and 2.

Subd. 6. **Audit.** The legislative auditor shall audit the outdoor heritage fund expenditures, including administrative and staffing expenditures, to ensure that the money is spent in compliance with all applicable law and the Constitution.

Subd. 7. **Legislative oversight.** The senate and house of representatives chairs of the committees with jurisdiction over the environment and natural resources budget shall convene a joint hearing to review the activities and evaluate the effectiveness of the council and to receive reports on the council from the legislative auditor no later than June 30, 2014.

Subd. 8. **Revenues.** (a) When a parcel of land that was previously purchased with money from the outdoor heritage 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 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 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.

Subd. 9. **Lands in public domain.** Money appropriated from the outdoor heritage fund shall not be used to purchase any land in fee title or a permanent conservation easement if the land in question is fully or partially owned by the state of Minnesota or a political subdivision of the state, unless: (1) the purchase creates additional direct benefit to protect, restore, or enhance the state's wetlands, prairies, forests, or habitat for fish, game, and wildlife; and (2) the purchase is approved by an affirmative vote of at least nine members of the council.

Subd. 10. **Restoration and enhancements evaluations.** The commissioner of natural resources and the Board of Water and Soil Resources must convene a technical evaluation panel comprised of five members, including one technical representative from the Board of Water and Soil Resources, one technical representative from the Department of Natural Resources, one technical expert from the University of Minnesota or the Minnesota State Colleges and Universities, and two representatives with expertise in the project being evaluated. The board and the commissioner may add a technical representative from a unit of federal or local government.

APPENDIX

Repealed Minnesota Statutes: 17-1371

The members of the technical evaluation panel may not be associated with the restoration or enhancement, may vary depending upon the projects being reviewed, and shall avoid any potential conflicts of interest. Each year, the board and the commissioner may assign a coordinator to identify habitat restoration or enhancement projects completed with outdoor heritage funding. The coordinator shall secure the plans for the projects specified and direct the technical evaluation panel to evaluate the restorations and enhancements relative to the law, current science, and the stated goals and standards in the project plan and, when applicable, to the Board of Water and Soil Resources' native vegetation establishment and enhancement guidelines. The coordinator shall summarize the findings of the panel and provide a report to the chair of the Lessard-Sams Outdoor Heritage Council and the chairs of the respective house of representatives and senate policy and finance committees with jurisdiction over natural resources and spending from the outdoor heritage fund. The report shall determine if the restorations and enhancements are meeting planned goals, any problems with the implementation of restorations and enhancements, and, if necessary, recommendations on improving restorations and enhancements. The report shall be focused on improving future restorations and enhancements. At least one-tenth of one percent of forecasted receipts from the outdoor heritage fund must be used for restoration and enhancements evaluations under this section.

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.

Subd. 12. **Accomplishment plans.** It is a condition of acceptance of money appropriated from the outdoor heritage fund that the agency or entity using the appropriation submits an accomplishment plan and periodic accomplishment reports to the Lessard-Sams Outdoor Heritage Council in the form determined by the council. The accomplishment plan must identify the project manager responsible for expending the appropriation and the final product. The accomplishment plan must account for the use of the appropriation and outcomes of the expenditure in measures of wetlands, prairies, forests, and fish, game, and wildlife habitat restored, protected, and enhanced. The plan must include an evaluation of results. If lands are acquired by fee with money from the outdoor heritage fund, the accomplishment plan must include a hunting and fishing management plan for the lands acquired by fee. No money appropriated from the outdoor heritage fund may be expended unless the council has approved the pertinent accomplishment plan.

Subd. 13. **Project requirements.** (a) As a condition of accepting money appropriated from the outdoor heritage fund, an agency or entity receiving money from an appropriation must comply with this subdivision for any project funded in whole or in part with funds from the appropriation.

(b) All conservation easements acquired with money appropriated from the outdoor heritage fund must:

- (1) be permanent;
- (2) specify the parties to the easement;
- (3) specify all of the provisions of an agreement that are permanent;
- (4) specify the habitat types and location being protected;

APPENDIX

Repealed Minnesota Statutes: 17-1371

(5) where appropriate for conservation or water protection outcomes, require the grantor to employ practices retaining water on the eased land as long as practicable;

(6) specify the responsibilities of the parties for habitat enhancement and restoration and the associated costs of these activities;

(7) be sent to the office of the Lessard-Sams Outdoor Heritage Council;

(8) include a long-term stewardship plan and identify the sources and amount of funding for monitoring and enforcing the easement agreement; and

(9) identify the parties responsible for monitoring and enforcing the easement agreement.

(c) For all restorations, a recipient must prepare and retain an ecological restoration and management plan that, to the degree practicable, is consistent with current conservation science 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. The plan must include the proposed timetable for implementing the restoration, including, but not limited to, 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 use current conservation science to achieve the best restoration.

(d) For new lands acquired, a recipient must prepare a restoration and management plan in compliance with paragraph (c), including identification of sufficient funding for implementation.

(e) To ensure public accountability for the use of public funds, a recipient must provide to the Lessard-Sams Outdoor Heritage Council documentation of the process used to select parcels acquired in fee or as permanent conservation easements and must provide the council with 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 Lessard-Sams Outdoor Heritage Council 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. The commissioner of natural resources may conduct or require additional appraisals of parcels to be acquired in fee title or as conservation easements. Acquisition data such as appraisals may remain private during negotiations but must ultimately be made public according to chapter 13.

(f) Except as otherwise provided in the appropriation, all restoration and enhancement projects funded with money appropriated from the outdoor heritage fund must be on land permanently protected by a conservation easement or public ownership or in public waters as defined in section 103G.005, subdivision 15.

(g) To the extent an appropriation is used to acquire an interest in real property, a recipient of an appropriation from the outdoor heritage fund must provide to the Lessard-Sams Outdoor Heritage Council and the commissioner of management and budget an analysis of increased operation and maintenance costs likely to be incurred by public entities as a result of the acquisition and of how the costs are to be paid.

(h) A recipient of money appropriated from the outdoor heritage fund must give consideration to and make timely written contact with Conservation Corps Minnesota for possible use of the corps' services to contract for restoration and enhancement services. A copy of the written contact must be filed with the Lessard-Sams Outdoor Heritage Council within 15 days of execution.

(i) A recipient of money appropriated from the outdoor heritage fund must erect signage according to Laws 2009, chapter 172, article 5, section 10.

Subd. 14. Purchase of recycled and recyclable materials. A political subdivision, public or private corporation, or other entity that receives money appropriated from the outdoor heritage fund must use the money in compliance with sections 16C.0725, regarding purchase of recycled, repairable, and durable materials, and 16C.073, regarding purchase and use of paper stock and printing.

Subd. 15. Land acquisition restrictions. (a) An interest in real property, including, but not limited to, an easement or fee title, that is acquired with money appropriated from the outdoor heritage fund must be used in perpetuity or for the specific term of an easement interest for the purpose for which the appropriation was made. The ownership of the interest in real property transfers to the state if: (1) the holder of the interest in real property fails to comply with the terms and conditions of the grant agreement or accomplishment plan; or (2) restrictions are placed on the land that preclude its use for the intended purpose as specified in the appropriation.

(b) A recipient of funding that acquires an interest in real property subject to this subdivision may not alter the intended use of the interest in real property or convey any interest in

APPENDIX

Repealed Minnesota Statutes: 17-1371

the real property acquired with the appropriation without the prior review and approval of the Lessard-Sams Outdoor Heritage Council or its successor. The council shall notify the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over the outdoor heritage fund at least 15 business days before approval under this paragraph. The council shall establish procedures to review requests from recipients to alter the use of or convey an interest in real property. These procedures shall allow for the replacement of the interest in real property with another interest in real property meeting the following criteria:

(1) the interest must be at least equal in fair market value, as certified by the commissioner of natural resources, to the interest being replaced; and

(2) the interest must be in a reasonably equivalent location and have a reasonably equivalent useful conservation purpose compared to the interest being replaced, taking into consideration all effects from fragmentation of the whole habitat.

(c) A recipient of funding who acquires an interest in real property under paragraph (a) must separately record a notice of funding restrictions in the appropriate local government office where the conveyance of the interest in real property is filed. The notice of funding agreement must contain:

(1) a legal description of the interest in real property covered by the funding agreement;

(2) a reference to the underlying funding agreement;

(3) a reference to this section; and

(4) the following statement: "This interest in real property shall be administered in accordance with the terms, conditions, and purposes of the grant agreement controlling the acquisition of the property. The interest in real property, or any portion of the interest in real property, shall not be sold, transferred, pledged, or otherwise disposed of or further encumbered without obtaining the prior written approval of the Lessard-Sams Outdoor Heritage Council or its successor. The ownership of the interest in real property transfers to the state if: (1) the holder of the interest in real property fails to comply with the terms and conditions of the grant agreement or accomplishment plan; or (2) restrictions are placed on the land that preclude its use for the intended purpose as specified in the appropriation."

Subd. 16. Real property interest report. (a) By December 1 each year, a recipient of money appropriated from the outdoor heritage fund that is used for the acquisition of an interest in real property, including, but not limited to, an easement or fee title, must submit annual reports on the status of the real property to the Lessard-Sams Outdoor Heritage Council or its successor in a form determined by the council. If lands are acquired by fee with money from the outdoor heritage fund, the real property interest report must include a verification of the status of the hunting and fishing management plan for the lands acquired by fee. The responsibility for reporting under this subdivision may be transferred by the recipient of the appropriation to another person or entity that holds the interest in the real property. To complete the transfer of reporting responsibility, the recipient of the appropriation must:

(1) inform the person to whom the responsibility is transferred of that person's reporting responsibility;

(2) inform the person to whom the responsibility is transferred of the property restrictions under subdivision 15; and

(3) provide written notice to the council of the transfer of reporting responsibility, including contact information for the person to whom the responsibility is transferred.

(b) After the transfer, the person or entity that holds the interest in the real property is responsible for reporting requirements under this subdivision.

Subd. 17. Easement monitoring and enforcement requirements. Money appropriated from the outdoor heritage fund for easement monitoring and enforcement may be spent only on activities included in an easement monitoring and enforcement plan contained within the accomplishment plan. Money received for monitoring and enforcement, including earnings on the money received, shall be kept in a monitoring and enforcement fund held by the organization and is appropriated for monitoring and enforcing conservation easements in the state. Within 120 days after the close of the entity's fiscal year, an entity receiving appropriations for easement monitoring and enforcement must provide an annual financial report to the Lessard-Sams Outdoor Heritage Council on the easement monitoring and enforcement fund as specified in the accomplishment plan. Money appropriated from the outdoor heritage fund for monitoring and enforcement of easements and earnings on the money appropriated shall revert to the state if:

(1) the easement transfers to the state under subdivision 15;

(2) the holder of the easement fails to file an annual report and then fails to cure that default within 30 days of notification of the default by the state; or

APPENDIX

Repealed Minnesota Statutes: 17-1371

(3) the holder of the easement fails to comply with the terms of the monitoring and enforcement plan contained within the accomplishment plan and fails to cure that default within 90 days of notification of the default by the state.

Subd. 18. **Successor organizations.** The Lessard-Sams Outdoor Heritage Council may approve the continuation of a project with an organization that has adopted a new name. Continuation of a project with an organization that has undergone a significant change in mission, structure, or purpose requires:

(1) notice to the chairs of the legislative committees and divisions with jurisdiction over the outdoor heritage fund; and

(2) presentation by the council of proposed legislation either ratifying or rejecting continued involvement with the new organization.

Subd. 19. **Fee title acquisition; open season.** (a) Lands acquired by fee with money appropriated from the outdoor heritage fund that are held by the state must be open to the public taking of fish and game during the open season, unless otherwise provided by state law.

(b) Lands acquired by fee with money appropriated from the outdoor heritage fund that are held by the United States Fish and Wildlife Service must be open to the public taking of fish and game during the open season according to the National Wildlife Refuge System Improvement Act, United States Code, title 16, section 668dd, et seq.

(c) Except as provided in paragraph (b), lands acquired by fee with money appropriated from the outdoor heritage fund that are held by a nonstate entity must be open to the public taking of fish and game during the open season, unless otherwise prescribed by the commissioner of natural resources.

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.

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.

114D.30 CLEAN WATER COUNCIL.

Subd. 6. **Recommendations on appropriation of funds.** (a) The Clean Water Council shall recommend to the governor and the legislature the manner in which money from the clean water fund should be appropriated for the purposes stated in article XI, section 15, of the Minnesota Constitution and section 114D.50.

(b) The council's recommendations must:

(1) be to protect, enhance, and restore water quality in lakes, rivers, and streams and to protect groundwater from degradation and ensure that at least five percent of the clean water fund is spent only to protect drinking water sources;

(2) be consistent with the purposes, policies, goals, and priorities in this chapter; and

(3) allocate adequate support and resources to identify degraded groundwater and impaired waters, develop TMDL's, implement restoration of groundwater and impaired waters, and provide assistance and incentives to prevent groundwater and surface waters from becoming degraded or impaired and improve the quality of surface waters which are listed as impaired but have no approved TMDL.

(c) The council must recommend methods of ensuring that awards of grants, loans, or other funds from the clean water fund specify the outcomes to be achieved as a result of the funding and specify standards to hold the recipient accountable for achieving the desired outcomes. Expenditures from the fund must be appropriated by law.

114D.50 CLEAN WATER FUND.

Subdivision 1. **Establishment.** The clean water fund is established in the Minnesota Constitution, article XI, section 15. All money earned by the fund must be credited to the fund.

APPENDIX

Repealed Minnesota Statutes: 17-1371

Subd. 2. **Sustainable drinking water account.** The sustainable drinking water account is established as an account in the clean water fund.

Subd. 3. **Purpose.** (a) The clean water fund may be spent only to protect, enhance, and restore water quality in lakes, rivers, and streams, to protect groundwater from degradation, and to protect drinking water sources by:

(1) providing grants, loans, and technical assistance to public agencies and others testing waters, identifying impaired waters, developing total maximum daily loads, implementing restoration plans for impaired waters, and evaluating the effectiveness of restoration;

(2) supporting measures to prevent surface waters from becoming impaired and to improve the quality of waters that are listed as impaired, but do not have an approved total maximum daily load addressing the impairment;

(3) providing grants and loans for wastewater and storm water treatment projects through the Public Facilities Authority;

(4) supporting measures to prevent the degradation of groundwater in accordance with the groundwater degradation prevention goal under section 103H.001; and

(5) providing funds to state agencies to carry out their responsibilities, including enhanced compliance and enforcement.

(b) Funds from the clean water fund must supplement traditional sources of funding for these purposes and may not be used as a substitute.

Subd. 3a. **Nonpoint priority funding plan.** (a) Beginning July 1, 2014, and every other year thereafter, the Board of Water and Soil Resources shall prepare and post on its Web site a priority funding plan to prioritize potential nonpoint restoration and protection actions based on available WRAPS's, TMDL's, and local water plans. The plan must take into account the following factors: water quality outcomes, cost-effectiveness, landowner financial need, and leverage of nonstate funding sources. The plan shall include an estimated range of costs for the prioritized actions.

(b) Consistent with the priorities listed in section 114D.20, state agencies allocating money from the clean water fund for nonpoint restoration and protection strategies shall target the money according to the priorities identified on the nonpoint priority funding plan. The allocation of money from the clean water fund to projects eligible for financial assistance under section 116.182 is not governed by the nonpoint priority funding plan.

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 regranting 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

APPENDIX

Repealed Minnesota Statutes: 17-1371

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.

Subd. 5. **Data availability.** Data collected by the projects funded with money from the clean water fund that have value for planning and management of natural resources, emergency preparedness, and infrastructure investments must conform to the enterprise information architecture developed by the Office of MN.IT Services. Spatial data must conform to geographic information system guidelines and standards outlined in that architecture and adopted by the Minnesota Geographic Data Clearinghouse at the Minnesota Geospatial Information Office. A description of these data that adheres to the Office of MN.IT Services geographic metadata standards must be submitted to the Minnesota Geospatial Information Office to be made available online through the clearinghouse and the data must be accessible and free to the public unless made private under chapter 13. To the extent practicable, summary data and results of projects funded with money from the clean water fund should be readily accessible on the Internet and identified as a clean water fund project.

Subd. 6. **Restoration evaluations.** The Board of Water and Soil Resources may convene a technical evaluation panel comprised of five members, including one technical representative from the Board of Water and Soil Resources, one technical representative from the Department of Natural Resources, one technical expert from the University of Minnesota or the Minnesota State Colleges and Universities, and two representatives with expertise related to the project being evaluated. The board may add a technical representative from a unit of federal or local government. The members of the technical evaluation panel may not be associated with the restoration, may vary depending upon the projects being reviewed, and shall avoid any potential conflicts of interest. Each year, the board may assign a coordinator to identify a sample of habitat restoration projects completed with clean water funding. The coordinator shall secure the restoration plans for the projects specified and direct the technical evaluation panel to evaluate the restorations relative to the law, current science, and the stated goals and standards in the restoration plan and, when applicable, to the Board of Water and Soil Resources' native vegetation establishment and enhancement guidelines. The coordinator shall summarize the findings of the panel and provide a report to the chairs of the respective house of representatives and senate policy and finance committees with jurisdiction over natural resources and spending from the clean water fund. The report shall determine if the restorations are meeting planned goals, any problems with the implementation of restorations, and, if necessary, recommendations on improving restorations. The report shall be focused on improving future restorations. Up to one-tenth of one percent of forecasted receipts from the clean water fund may be used for restoration evaluations under this section.

129D.17 ARTS AND CULTURAL HERITAGE FUND.

Subdivision 1. **Establishment.** The arts and cultural heritage fund is established in the Minnesota Constitution, article XI, section 15. All money earned by the fund must be credited to the fund.

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.

APPENDIX

Repealed Minnesota Statutes: 17-1371

(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.

(i) Any state agency or organization requesting a direct appropriation from the arts and cultural heritage fund must inform the house of representatives and senate committees having jurisdiction over the arts and cultural heritage fund, at the time the request for funding is made, whether the request is supplanting or is a substitution for any previous funding that was not from a legacy fund and was used for the same purpose.

Subd. 3. Special review. For a project receiving an appropriation or appropriations from the arts and cultural heritage fund totaling \$10,000,000 or more in a biennium, the attorney general must review and approve all contracts and real estate transactions and must exercise due diligence in the best interests of the state.

Subd. 4. Minnesota State Arts Board allocation. At least 47 percent of the money deposited in the arts and cultural heritage fund must be for grants and services awarded through the Minnesota State Arts Board, or regional arts councils subject to appropriation.

129D.18 GRANTS TO PUBLIC TELEVISION.

Subdivision 1. Use of grant funds. Money appropriated from the Minnesota arts and cultural heritage fund may be designated to make grants to public stations, as defined in section 129D.12, subdivision 2. Grants received under this section must be used to create, produce, acquire, or distribute programs that educate, enhance, or promote local, regional, or statewide items of artistic, cultural, or historic significance. Grant funds may be used to cover any expenses associated with the creation, production, acquisition, or distribution of public television programs through broadcast or online, including the creation and distribution of educational materials.

Subd. 2. Administration. Money appropriated under this section must be used by the commissioner of administration to make grants based upon the recommendations of the Minnesota Public Television Association.

Subd. 3. Conditions. (a) A public station receiving funds appropriated under this section must:

(1) make programs produced with these funds available for broadcast to all other public stations eligible to receive grants under this section;

(2) offer free classroom use of programs produced with these funds to public educational institutions, excluding those materials for which public television stations do not have rights to distribute;

APPENDIX

Repealed Minnesota Statutes: 17-1371

(3) archive programs produced with these funds and make the programs available for future use through encore broadcast or other distribution, including online; and

(4) ensure that underwriting credit is given to the Minnesota arts and cultural heritage fund.

(b) Programs produced in partnership with other mission-centered nonprofit organizations may be used by the partnering organization for their own educational or promotional purposes.

Subd. 4. **Reporting.** A public station receiving funds appropriated under this section must report annually by January 15 to the commissioner, the Legislative Coordinating Commission, and the chairs and ranking minority members of the senate and house of representatives committees and divisions having jurisdiction over arts and cultural heritage policy and finance regarding how the previous year's grant funds were expended. In addition to all information required of each recipient of money from the arts and cultural heritage fund under section 3.303, subdivision 10, the report must contain specific information for each program produced and broadcast, including the cost of production, the number of stations broadcasting the program, estimated viewership, the number of hours of legacy program content available for streaming on Web sites, and other related measures. If the programs produced include educational material, the public station must report on these efforts.

129D.19 GRANTS TO PUBLIC EDUCATIONAL RADIO STATIONS.

Subdivision 1. **Applicability.** This section applies only to the Association of Minnesota Public Educational Radio Stations and the noncommercial radio stations that are members of the Association of Minnesota Public Educational Radio Stations.

Subd. 2. **Use of grant funds.** Money appropriated from the Minnesota arts and cultural heritage fund may be designated to make grants to the Association of Minnesota Public Educational Radio Stations and its member stations and noncommercial radio stations, as defined in section 129D.14, subdivision 2. Grants received under this section must be used to create, produce, acquire, or distribute programs that educate, enhance, or promote local, regional, or statewide items of artistic, cultural, or historic significance. Grant funds may be used to cover any expenses associated with the creation, production, acquisition, or distribution of noncommercial radio programs through broadcast.

Subd. 3. **Administration.** Money appropriated under this section must be used by the commissioner of administration to make grants based upon the recommendations of the Association of Minnesota Public Educational Radio Stations.

Subd. 4. **Conditions.** (a) A noncommercial radio station receiving funds appropriated under this section must:

(1) make programs produced with these funds available for broadcast to all other noncommercial radio stations eligible to receive grants under this section;

(2) offer free public performance rights for public educational institutions;

(3) archive programs produced with these funds and make the programs available for future use through encore broadcast or other distribution, including online; and

(4) ensure that underwriting credit is given to the Minnesota arts and cultural heritage fund.

(b) Programs produced in partnership with other mission-centered nonprofit organizations may be used by the partnering organization for their own educational or promotional purposes.

Subd. 5. **Reporting.** A noncommercial radio station receiving funds appropriated under this section must report annually by January 15 to the commissioner, the Legislative Coordinating Commission, and the chairs and ranking minority members of the senate and house of representatives committees and divisions having jurisdiction over arts and cultural heritage policy and finance regarding how the previous year's grant funds were expended. In addition to all information required of each recipient of money from the arts and cultural heritage fund under section 3.303, subdivision 10, the report must contain specific information for each program produced and broadcast, including the cost of production, the number of stations broadcasting the program, estimated number of listeners, and other related measures. If the programs produced include educational material, the noncommercial radio station must report on these efforts.