

Senators Scheid, Kelley, Pappas, Wergin and Gaither introduced--

S.F. No. 547: Referred to the Committee on State and Local Government Operations.

1 A bill for an act

2 relating to state employment; ratifying certain labor  
3 agreements, arbitration awards, compensation plans,  
4 and salary increases.

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

6 Section 1. [LABOR AGREEMENTS AND COMPENSATION PLANS.]

7 Subdivision 1. [AMERICAN FEDERATION OF STATE, COUNTY, AND  
8 MUNICIPAL EMPLOYEES.] The arbitration award and labor agreement  
9 between the state of Minnesota and the American Federation of  
10 State, County, and Municipal Employees, unit 8, approved by the  
11 Legislative Coordinating Commission Subcommittee on Employee  
12 Relations on June 14, 2004, is ratified.

13 Subd. 2. [MINNESOTA LAW ENFORCEMENT ASSOCIATION;  
14 ARBITRATION AWARD.] The arbitration award between the state of  
15 Minnesota and the Minnesota Law Enforcement Association,  
16 approved by the Legislative Coordinating Commission Subcommittee  
17 on Employee Relations on June 14, 2004, is ratified.

18 Subd. 3. [HIGHER EDUCATION SERVICES OFFICE; COMPENSATION  
19 PLAN.] The compensation plan for unrepresented employees of the  
20 Higher Education Services Office, approved by the Legislative  
21 Coordinating Commission Subcommittee on Employee Relations on  
22 June 14, 2004, is ratified.

23 Subd. 4. [MINNESOTA LAW ENFORCEMENT ASSOCIATION;  
24 BARGAINING AGREEMENT.] The collective bargaining agreement  
25 between the state of Minnesota and the Minnesota Law Enforcement

1 Association, submitted to the Legislative Coordinating  
2 Commission Subcommittee on Employee Relations on September 29,  
3 2004, and implemented after 30 days on October 30, 2004, is  
4 ratified.

5 Subd. 5. [INTER FACULTY ORGANIZATION.] The collective  
6 bargaining agreement between the state of Minnesota and the  
7 Inter Faculty Organization, submitted to the Legislative  
8 Coordinating Commission Subcommittee on Employee Relations on  
9 September 29, 2004, and implemented after 30 days on October 29,  
10 2004, is ratified.

11 Subd. 6. [MINNESOTA NURSES ASSOCIATION.] The arbitration  
12 award and the collective bargaining agreement between the state  
13 of Minnesota and the Minnesota Nurses Association, approved by  
14 the Legislative Coordinating Commission Subcommittee on Employee  
15 Relations on December 20, 2004, is ratified.

16 Subd. 7. [TEACHERS RETIREMENT ASSOCIATION.] The proposal  
17 to increase the salary of the executive director of the Teachers  
18 Retirement Association, as modified and approved by the  
19 Legislative Coordinating Commission Subcommittee on Employee  
20 Relations on December 20, 2004, is ratified.

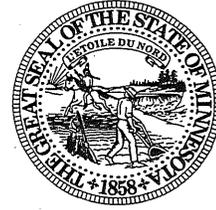
21 Subd. 8. [MINNESOTA STATE RETIREMENT SYSTEM.] The proposal  
22 to increase the salary of the executive director of the  
23 Minnesota State Retirement System, as modified and approved by  
24 the Legislative Coordinating Commission Subcommittee on Employee  
25 Relations on December 20, 2004, is ratified.

26 Subd. 9. [PUBLIC EMPLOYEES RETIREMENT ASSOCIATION.] The  
27 proposal to increase the salary of the executive director of the  
28 Public Employees Retirement Association, as modified and  
29 approved by the Legislative Coordinating Commission Subcommittee  
30 on Employee Relations on December 20, 2004, is ratified.

31 Sec. 2. [EFFECTIVE DATE.]

32 Section 1 is effective the day following final enactment.

**Subcommittee on Employee Relations  
Legislative Coordinating Commission**



72 State Office Building  
St. Paul, MN 55155-1201  
Telephone (651) 296-2963  
TDD (651) 296-9896  
Fax (651) 297-3697  
www.ser.leg.mn

Greg Hubinger, Director  
Sandy Keene, Admin. Asst.

**Senate**

Senator Linda Scheid, Chair  
Senator David Gaither, Secretary  
Senator Steve Kelley  
Senator Sandra Pappas  
Senator Betsy Wergin

**House**

Representative Bill Haas, Vice Chair  
Representative Chris DeLaForest  
Representative Kent Eken  
Representative Jim Knoblach  
Representative Michael Paymar

**DATE:** March 7, 2005  
**TO:** Members of the Senate State and Local Government Operations Committee  
**FROM:** Greg Hubinger  
**RE:** S.F. 547: State Employee Contract Ratification Bill

**Background.** This bill approves several collective bargaining agreements, compensation plans and salaries for certain agency heads in the executive branch. Each of the contracts, plans and salaries was reviewed by the LCC Subcommittee on Employee Relations and given interim approval. If the legislature does not ratify the contracts, the terms and conditions of employment provided in the new contracts are voided.

Contracts covering most state employees were settled and ratified by the 2004 legislature. However, not all bargaining units were able to settle their contracts in time to have them considered in the last session.

Like the earlier contracts, these contracts and plans provide for no across-the-board salary increases. Employees who are not at the top of their salary ranges generally received step increases if they have satisfactory or better work performance.

The Department of Employee Relations estimates that the increased costs of these collective bargaining agreements and plans will be 1.4% in this biennium, with an impact of 3.8% on the next biennium. A spreadsheet showing the costs of each agreement and plan is attached.

Insurance provisions for these contracts are consistent with those that were previously settled and ratified.

## Contract/Compensation Plan Summaries

### Section 1

#### **Subd. 1. Correctional Guards arbitration award and collective bargaining agreement.**

DOER and the Correctional Guards, represented by AFSCME, were unable to reach a voluntary agreement. Because this bargaining unit is considered essential under PERLA, binding interest arbitration was used to resolve the issues at impasse. The unit includes 1,775 employees.

As a result of the arbitrator's award and negotiated settlement of several issues, employees will not receive any across-the-board increases in this contract. All eligible employees continue to receive step increases on their anniversary dates. These step increases typically cost about 2.9%. Approximately 41% of employees are at the top of their salary ranges and are ineligible to receive these increases. In order to receive a step increase, the employee must demonstrate satisfactory or better performance.

**Subd. 2. Law Enforcement Unit arbitration award.** DOER and the Minnesota Law Enforcement Association (MLEA), an essential bargaining unit, were unable to reach a voluntary settlement and went to binding interest arbitration. The MLEA represents State Troopers, Conservation Officers, Special Agents in the BCA and the Alcohol and Gambling Enforcement Division in Public Safety, and Fugitive Specialists in the Department of Corrections. There are approximately 700 employees in the bargaining unit.

The parties reached voluntary agreement on all issues except for across-the-board increases. The arbitrator did not award across-the-board increases, as was proposed by the union.

**Subd. 3 HESO Compensation Plan.** This plan defines terms and conditions of employment for approximately 45 employees in the Higher Education Services Office. It provided for no across-the-board increases in either year. The plan provides performance-based increases on January 1<sup>st</sup> of each year, which are limited to 2.75%. These increases are dependent on the availability of funds.

**Subd. 4. Law Enforcement Unit negotiated provisions.** While DOER and this bargaining unit resolved the issue of across-the-board increases through arbitration, they resolved other issues through negotiations.

Eligible employees receive step increases on their anniversary date. Employees at the top of their salary ranges are not eligible for these increases. Approximately 40% of the employees are eligible for these increases, which average 4%.

**Subd 5. State University Faculty collective bargaining agreement.** MnSCU negotiated a voluntary agreement with the Inter Faculty Organization, which represents 2,503 FTE faculty (3,387 head count) at state universities.

The agreement provided for no across-the-board increase in either year. All eligible faculty receive a step increase on July 1, 2004, equal to a 2.4% increase. Employees at the top of their salary ranges will receive a lump sum payment of \$2,400 (not added to their salary base). This is equivalent to about 2.4%. Salary ranges are not adjusted.

**Subd. 6. Nurses arbitration award and collective bargaining agreement.** The state and the Minnesota Nurses Association (MNA) were unable to reach a negotiated settlement and were referred to arbitration. This bargaining unit represents approximately 770 registered nurses. Most are employed at the Departments of Human Services, Corrections, Health and the Veterans' Homes.

As a result of the arbitrator's award and negotiated settlement of several issues, nurses will not receive any across-the-board increases. All eligible nurses continue to receive step increases on their anniversary dates. These step increases typically cost about 3.4%. Approximately 39% of nurses are at the top of their salary ranges and are ineligible to receive these increases.

**Subd. 7. TRA director salary.** This subdivision ratifies the decision of the Subcommittee to modify and then approve a proposal of the board of the Teachers Retirement Association to increase the salary of the director. The approved increase changes the current salary of \$95,640 to \$99,950.

**Subd. 8. MSRS director salary.** This subdivision ratifies the decision of the Subcommittee to modify and then approve a proposal of the board of the Minnesota State Retirement System to increase the salary of the director. The approved increase changes the current salary of \$95,640 to \$99,950.

**Subd. 9. PERA director salary.** This subdivision ratifies the decision of the Subcommittee to modify and then approve a proposal of the board of the Public Employees Retirement Association to increase the salary of the director. The approved increase changes the current salary of \$95,640 to \$99,950.

**Section 2** provides for section 1 being effective the day following enactment.

Attach: State employee settlements  
Agency head salary sheet

# STATE EMPLOYEE SALARY SETTLEMENTS

## FY 2004-2005 ESTIMATED COSTS

LCC Subcommittee on Employee Relations

December 13, 2004

Bargaining Unit	Across the board increases (% increase)				BIENNIAL BASE(1)	BIENNIAL NEW MONEY (1)	% INCREASE (2)	% INCREASE BIENNIUM TO BIENNIUM (3)
	7/1/2003	1/1/2003	7/1/2004	1/1/2005				
AFSCME, Council 6 (excluding Unit 8)					\$1,461,070,000	\$14,760,000	1.01%	3.76%
> AFSCME, Council 6, Unit 8, Correctional Guards					\$188,128,000	\$1,297,000	0.69%	3.08%
MN Association of Professional Employees					\$1,347,867,000	\$22,220,000	1.65%	4.74%
Middle Management Association					\$426,000,000	\$6,450,000	1.51%	4.36%
MN Government Engineers Council								
> Minnesota Nurses Association					\$98,755,000	\$876,000	0.89%	3.16%
> MN Law Enforcement Association					\$98,164,000	\$1,083,000	1.10%	3.69%
State Residential Schools Education Assoc					\$23,300,000	\$372,000	1.60%	3.85%
> State University Inter Faculty Organization					\$430,234,728	\$7,916,153	1.84%	4.14%
MN State University Admin & Service Faculty					\$72,783,462	\$1,382,143	1.90%	2.65%
Minnesota State College Faculty					\$569,187,356	\$9,431,959	1.66%	3.85%
Personnel Plan for MnSCU administrators					\$123,196,000	\$2,126,000	1.73%	3.51%
> Higher Education Services Office Plan					\$6,200,772	\$152,244	2.46%	6.45%
Managerial Plan					\$232,935,000	\$3,202,000	1.37%	3.64%
Commissioners Plan (4)					\$142,878,000	\$2,326,000	1.63%	4.37%
<b>TOTAL</b>					<b>\$5,220,699,318</b>	<b>\$73,594,499</b>	<b>1.41%</b>	<b>3.95%</b>

The ">" indicates proposed contract or plan not yet acted on by the Subcommittee.

(1) Includes all funds, including higher education agencies. Includes salaries, steps, FICA, insurance & pension.

(2) Percent of new money needed over base.

(3) This percentage reflects the annualized cost of the increases granted during the biennium.

This figure depicts all of the costs of the contract, including "tails."

(4) Groups within plan follow lead of comparable bargaining units.



1 Senator Higgins from the Committee on State and Local  
2 Government Operations, to which was referred

3 S.F. No. 547: A bill for an act relating to state  
employment; ratifying certain labor agreements, arbitration  
awards, compensation plans, and salary increases.

6 Reports the same back with the recommendation that the bill  
7 do pass and be re-referred to the Committee on Finance. Report  
8 adopted.

9

10

11

12

13

14

15

  
.....  
(Committee Chair)

March 9, 2005.....  
(Date of Committee recommendation)

**Senate Counsel, Research,  
and Fiscal Analysis**

G-17 STATE CAPITOL  
75 REV. DR. MARTIN LUTHER KING, JR. BLVD.  
ST. PAUL, MN 55155-1606  
(651) 296-4791  
FAX: (651) 296-7747  
JO ANNE ZOFF SELLNER  
DIRECTOR

# Senate

State of Minnesota

## **S.F. No. 1071 - Relating to the Metropolitan Water Use and Supply Plan**

**Author:** Senator Linda Higgins

**Prepared by:** Daniel P. McGowan, Senate Counsel (651/296-4397)

*DPM*

**Date:** March 4, 2005

---

The proposed legislation requires the Metropolitan Council to study the issue of regional water supply and to do so creates an advisory committee that would assist the Council in the study.

**Section 1, subdivision 1,** requires the Council to carry out planning activities addressing water supply needs in the metropolitan area and provides certain enumerated criteria that must be addressed.

**Subdivision 2** establishes a 13-member advisory committee to assist the Council in water supply planning and provides the membership of the committee and that the members who are gubernatorial appointees serve at the pleasure of the governor.

**Subdivision 3** requires reports of water planning activities be made to the Legislature every five years, beginning no later than the beginning of the 2007 legislative session.

**Section 2** amends the statute providing for debt reserve for bonds issued under the credit enhancement program to reflect the repeal of the program and provides that the debt service is to be maintained until no longer pledged or needed for outstanding bonds. Eliminates the Council's option to use up to \$3 million of solid waste bonds for the debt reserve.

**Section 3** provides that existing agreements between the Council and participants in the repealed credit enhancement program will be honored with respect to bonds issued prior to the effective date of this legislation.

**Section 4** provides that any credit enhancement debt reserves that originated from proceeds of solid waste bonds will be transferred to the Council's general fund for use in carrying out water supply planning functions required by this legislation.

**Section 5** repeals the earlier law relating to metropolitan water use and supply plan and also repeals the housing bond credit enhancement program.

**Section 6** provides the application clause.

**Section 7** is the effective date provision with the bill being effective on the day following final enactment.

DPM:vs

Senators Higgins, Robling, Wiger and Marko introduced--

S.F. No. 1071: Referred to the Committee on State and Local Government Operations.

A bill for an act

relating to the Metropolitan Council; requiring the Metropolitan Council to carry out metropolitan area water supply planning activities; establishing an advisory committee to assist the council in carrying out the planning activities; abolishing the housing bond credit enhancement program; providing for continued debt reserve and levy authority for bonds issued under the program before its abolishment; providing for the use of available funds from the abolished housing bond credit enhancement program for the council's metropolitan area water supply planning activities; amending Minnesota Statutes 2004, section 473.197, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 473; repealing Minnesota Statutes 2004, sections 473.156; 473.197, subdivisions 1, 2, 3, 5.

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

Section 1. [473.1565] [METROPOLITAN AREA WATER SUPPLY PLANNING ACTIVITIES; ADVISORY COMMITTEE.]

Subdivision 1. [PLANNING ACTIVITIES.] (a) The Metropolitan Council must carry out planning activities addressing the water supply needs of the metropolitan area as defined in section 473.121, subdivision 2. The planning activities must include, at a minimum:

(1) development and maintenance of a base of technical information needed for sound water supply decisions including surface and groundwater availability analyses, water demand projections, water withdrawal and use impact analyses, modeling, and similar studies;

(2) development and periodic update of a metropolitan area

1 master water supply plan that:

2 (i) provides guidance for local water supply systems and  
3 future regional investments;

4 (ii) emphasizes conservation, interjurisdictional  
5 cooperation, and long-term sustainability; and

6 (iii) addresses the reliability, security, and  
7 cost-effectiveness of the metropolitan area water supply system  
8 and its local and subregional components;

9 (3) recommendations for clarifying the appropriate roles  
10 and responsibilities of local, regional, and state government in  
11 metropolitan area water supply;

12 (4) recommendations for streamlining and consolidating  
13 metropolitan area water supply decision-making and approval  
14 processes; and

15 (5) recommendations for the ongoing and long-term funding  
16 of metropolitan area water supply planning activities and  
17 capital investments.

18 (b) The council must carry out the planning activities in  
19 this subdivision in consultation with the metropolitan area  
20 water supply advisory committee established in subdivision 2.

21 Subd. 2. [ADVISORY COMMITTEE.] (a) A metropolitan area  
22 water supply advisory committee is established to assist the  
23 council in its planning activities in subdivision 1. The  
24 advisory committee has the following membership:

25 (1) the commissioner of agriculture or the commissioner's  
26 designee;

27 (2) the commissioner of health or the commissioner's  
28 designee;

29 (3) the commissioner of natural resources or the  
30 commissioner's designee;

31 (4) the commissioner of the pollution control agency or the  
32 commissioner's designee;

33 (5) two officials of counties that are located in the  
34 metropolitan area, appointed by the governor;

35 (6) six officials of noncounty local governmental units  
36 that are located in the metropolitan area, appointed by the

1 governor; and

2 (7) the chair of the Metropolitan Council or the chair's  
3 designee, who is chair of the advisory committee.

4 (b) Members of the advisory committee appointed by the  
5 governor serve at the pleasure of the governor and their terms  
6 end with the term of the governor. Members of the advisory  
7 committee serve without compensation but may be reimbursed for  
8 their reasonable expenses as determined by the Metropolitan  
9 Council. The advisory committee does not expire until repealed  
10 by law.

11 Subd. 3. [REPORTS TO LEGISLATURE.] The council must submit  
12 reports to the legislature regarding its continuing planning  
13 activities under subdivision 1. The first report must be  
14 submitted to the legislature by the date the legislature  
15 convenes in 2007 and subsequent reports must be submitted by  
16 such date every five years thereafter.

17 Sec. 2. Minnesota Statutes 2004, section 473.197,  
18 subdivision 4, is amended to read:

19 Subd. 4. [DEBT RESERVE; LEVY.] To provide money to pay  
20 debt service on bonds issued under the credit enhancement  
21 program if-pledged-revenues-are-insufficient-to-pay-debt-service  
22 in repealed subdivision 1 of Minnesota Statutes 2004, section  
23 473.197, the council must maintain a debt reserve fund in-the  
24 manner-and-with-the-effect-provided-by-section-118A-04-for  
25 public-funds until such a reserve is no longer pledged or  
26 otherwise needed to pay debt service on such bonds. To-provide  
27 funds-for-the-debt-reserve-fund, the council may use up to  
28 \$3,000,000 of the proceeds of solid waste bonds issued by the  
29 council under section 473.831 before its repeal. To provide  
30 additional funds for the debt reserve fund, the council may levy  
31 a tax on all taxable property in the metropolitan area and must  
32 levy the tax If sums in the debt reserve fund are insufficient  
33 to cure any deficiency in the debt service fund established for  
34 the bonds, the council must levy a tax on all taxable property  
35 in the metropolitan area in the amount needed to cure the  
36 deficiency. The tax authorized by this section does not affect

1 the amount or rate of taxes that may be levied by the council  
2 for other purposes and is not subject to limit as to rate or  
3 amount.

4 Sec. 3. [CONTINUATION OF AGREEMENTS.]

5 An agreement entered into between the Metropolitan Council  
6 and a participant in the credit enhancement program under  
7 Minnesota Statutes 2004, section 473.197, subdivision 5, with  
8 respect to bonds issued prior to the effective date of this act,  
9 shall continue in effect in accordance with its terms; provided  
10 that no provision in such agreement shall be construed to  
11 require or allow the council to pledge its full faith and credit  
12 and taxing powers to the payment of additional bonds issued  
13 after the effective date of this act.

14 Sec. 4. [USE OF CREDIT ENHANCEMENT PROGRAM FUNDS.]

15 The Metropolitan Council must transfer any funds  
16 originating from the proceeds of solid waste bonds and available  
17 for the credit enhancement program under Minnesota Statutes  
18 2004, section 473.197, subdivision 4, to the council's general  
19 fund to the extent such funds are no longer pledged or otherwise  
20 needed by the council to maintain a debt reserve fund as  
21 provided for in ongoing Minnesota Statutes, section 473.197,  
22 subdivision 4. The council must first use the transferred funds  
23 for carrying out the metropolitan area water supply planning  
24 activities required by section 1, for staff support of the  
25 advisory committee established under that section, and for  
26 related purposes. If the council determines that the  
27 transferred funds are no longer needed for such purposes, the  
28 council may use any such funds for any general purposes of the  
29 council.

30 Sec. 5. [REPEALER.]

31 Minnesota Statutes 2004, sections 473.156 and 473.197,  
32 subdivisions 1, 2, 3, and 5, are repealed.

33 Sec. 6. [APPLICATION.]

34 This act applies in the counties of Anoka, Carver, Dakota,  
35 Hennepin, Ramsey, Scott, and Washington.

36 Sec. 7. [EFFECTIVE DATE.]

1 This act is effective the day following final enactment.

APPENDIX  
Repealed Minnesota Statutes for 05-1725

**473.156 METROPOLITAN WATER USE AND SUPPLY PLAN.**

Subdivision 1. **Plan components.** The Metropolitan Council shall develop a short-term and long-term plan for existing and expected water use and supply in the metropolitan area. The plan shall be submitted to and reviewed by the commissioner of natural resources for consistency with the statewide drought plan under section 103G.293. At a minimum, the plans must:

(1) update the data and information on water supply and use within the metropolitan area and develop a water use and availability database;

(2) identify and evaluate alternative courses of action, including water conservation initiatives and economic alternatives, in case of drought or contamination conditions;

(3) develop regional surface water and use projection models for resource evaluation;

(4) recommend long-term approaches to resolving problems that may develop because of water use and supply with consideration given to problems that occur outside of the metropolitan area, but which have an effect within the area; and

(5) be consistent with the statewide drought plan under section 103G.293.

Subd. 2. **Completion and report.** The short-term plan must be completed by February 1, 1990. The long-term plan must be completed by February 1, 1992, and continually updated as the need arises. The plans must be prepared in consultation with the Army Corps of Engineers, the Leech Lake Reservation business committee, the Mississippi headwaters board, Department of Natural Resources, and the Environmental Quality Board. Both plans must be given to the Metropolitan Affairs and Natural Resources Committees of the house of representatives and senate, and be available to the public.

**473.197 HOUSING BOND CREDIT ENHANCEMENT PROGRAM.**

Subdivision 1. **Authorization.** The metropolitan council may establish a housing bond credit enhancement program as provided in this section. The council may pledge its full faith and credit and taxing powers to the payment of bonds issued under section 469.034 for qualified housing development projects in the metropolitan area, as provided in this section. A "qualified housing development project" has the meaning given that term in section 469.034, subdivision 2, paragraph (e), except that the council is substituted for "general jurisdiction governmental unit" in clause (3) and "60 percent of the median family income" is substituted for "80 percent of the median family income."

Subd. 2. **Project selection.** Before pledging its full faith and credit, the council must establish criteria for selecting appropriate qualified housing development projects for the credit enhancement program. The council may award preferences for qualified housing development projects that meet criteria for preferences established by the council. The council must establish the criteria in consultation with housing providers in the metropolitan area. In developing priorities for projects for the credit enhancement program, the council shall give priority to projects that develop or redevelop housing for low-income households. The council shall consider the extent to which projects for the credit enhancement program are developed in collaboration with Minnesota Youth-Build under sections 116L.361 to 116L.366; or training for housing programs

APPENDIX  
Repealed Minnesota Statutes for 05-1725

for homeless adults under Laws 1992, chapter 376, article 6; or other employment training programs.

Subd. 3. Limitation. The aggregate principal amount of bonds that may be secured by a pledge of the council's full faith and credit under this section may not exceed \$20,000,000. The bonds must be payable from revenues derived from the project or projects financed under the credit enhancement program, or from income of the authority or authorities that participate in the program, including earnings on any reserves established for the program. The council must find that the pledged revenues will equal or exceed 110 percent of the principal and interest due on the bonds.

Subd. 5. Agreements. The council and each authority that participates in the credit enhancement program may enter into agreements they determine to be necessary to implement the credit enhancement program. The agreements may extend over any period, notwithstanding any law to the contrary.

## AGENCY INITIATIVE

# Regional Water Supply Study

*Request: The Metropolitan Council requests legislative authority to study the issue of regional water supply with the assistance of an advisory committee and report the findings to the legislature.*

*S.F. 1071 / H.F. 1044*

### Staff Contacts:

Judd Schetnan  
651-602-1142

Keith Buttleman  
651-602-1015

## Why this legislation is needed

- The Twin Cities metro area has grown rapidly in recent years and continues to grow. It is prudent to plan now to ensure that there is an adequate drinking water supply to handle the future growth of the region.

The Metropolitan Council is responsible for working on issues of regional importance and for conducting planning studies. The Council is uniquely positioned to address this issue of drinking water supply.

- The Metropolitan Council is seeking to study this issue with the assistance of an advisory committee and is proposing to report the initial findings back to the legislature by January 1, 2007, with updates every five years thereafter.
- The Metropolitan Council is recommending that this advisory committee include representatives from local governments (cities and counties), the Department of Natural Resources, the Department of Health, the Department of Agriculture and the Minnesota Pollution Control Agency, in addition to a member from the Metropolitan Council.

- The Metropolitan Council would provide staffing and technical support for this study. This can be provided through existing staffing and consultants.
- Funding for this study will be borne by the Metropolitan Council and can come from current reserves to the Council's housing bond credit enhancement fund. This under-utilized funding program would be abolished and the reserve funds in this account would be used to pay for the water supply study.
- A secure, stable, reliable long-term supply of high quality drinking water supply is a valuable asset for the economic growth and vitality of the Twin Cities area. Addressing this issue now is necessary so that the region can plan for the wise use of the area's water resources and the orderly development of its water supply to support future economic development and growth.
- A long-term goal of this study is to streamline the permitting process between the agencies that regulate drinking water in the seven-county metro area.

1 Senator Higgins from the Committee on State and Local  
2 Government Operations, to which was referred

3 S.F. No. 1071: A bill for an act relating to the  
4 Metropolitan Council; requiring the Metropolitan Council to  
5 carry out metropolitan area water supply planning activities;  
6 establishing an advisory committee to assist the council in  
7 carrying out the planning activities; abolishing the housing  
8 bond credit enhancement program; providing for continued debt  
9 reserve and levy authority for bonds issued under the program  
10 before its abolishment; providing for the use of available funds  
11 from the abolished housing bond credit enhancement program for  
12 the council's metropolitan area water supply planning  
13 activities; amending Minnesota Statutes 2004, section 473.197,  
14 subdivision 4; proposing coding for new law in Minnesota  
15 Statutes, chapter 473; repealing Minnesota Statutes 2004,  
16 sections 473.156; 473.197, subdivisions 1, 2, 3, 5.

17 Reports the same back with the recommendation that the bill  
18 do pass and be re-referred to the Committee on Finance. Report  
19 adopted.

20

21

22

23

24

25

26

.....  
(Committee Chair)

March 9, 2005.....  
(Date of Committee recommendation)

**Senate Counsel, Research,  
and Fiscal Analysis**

G-17 STATE CAPITOL  
75 REV. DR. MARTIN LUTHER KING, JR. BLVD.  
ST. PAUL, MN 55155-1606  
(651) 296-4791  
FAX: (651) 296-7747  
JO ANNE ZOFF SELLNER  
DIRECTOR

# Senate

State of Minnesota

## **S.F. No. 1321 - Relating to the Metropolitan Airports Commission**

**Author:** Senator Linda Higgins

**Prepared by:** Daniel P. McGowan, Senate Counsel (651/296-4397)



**Date:** March 8, 2005

---

**Section 1** limits the Metropolitan Airports Commission (MAC) to issuing no more than 640 taxicab permits until the average waiting time for a cab is less than one hour per trip, and prohibits the MAC from revoking an existing permit for the sole purpose of reducing the number of cabs serving the airport. Provides that the MAC may impose fees on taxicab service companies, taxicabs, and drivers only by adopting an ordinance and provides that an ordinance that increases permit or licensing fees must be adopted by two-thirds vote of the commission. Requires a public hearing to be held on the question with appropriate notice. Requires the MAC to allow permitted taxicab owners to transfer their business assets and permits and that the MAC may not provide a different standard for transfers between sole proprietors or individual owners than that provided for transfers between two corporations.

**Section 2** prohibits the MAC from enacting or enforcing any ordinance, rule, or regulation that would be in conflict with the occupational safety and health standards established in chapter 182, the Minnesota law regulating occupational safety and health, or that which would subject an individual working or traveling at the airport to a greater likelihood of death, serious injury, or harm.

**Section 3** requires the MAC to report to the Legislature by February 15 of each year, indicating the amounts of fees, fines, rents, and other payments generated from its landside operations from July 1 to June 30 in the preceding year. Requires that the MAC report all fees that are directly or indirectly paid by the public and report the expenses associated with the activities for which the fees were collected. Provides that if the MAC fees collected during that preceding year exceed its expenses related to the activities for which the fees were collected, the MAC must include in the report a description of the plan to reduce future fee revenue or a description of the plan to increase the quantity or quality of its activities for which the fees are collected so as to eliminate a future surplus or why the surplus experienced in the preceding year is unlikely to be repeated.

DPM:vs



1 and other small passenger vehicles, ~~and limits-on~~ (4) limit the  
2 number of permits issued to taxicabs in an amount not to exceed  
3 640. The Metropolitan Airports Commission may not issue any new  
4 taxicab permits until the average waiting time for a taxicab in  
5 the line to pick up a passenger is less than one hour per trip,  
6 even if the number of permits issued is less than 640. The  
7 Metropolitan Airports Commission may not revoke an existing  
8 permit solely for the purpose of reducing the number of taxicabs  
9 serving the airport. An ordinance under this paragraph may not  
10 provide for making concession agreements relating to small  
11 passenger vehicle service, including taxicabs.

12 (c) The Metropolitan Airports Commission may impose fees on  
13 taxicab service companies, taxicabs, and drivers under its  
14 jurisdiction only by ordinance. An ordinance that increases  
15 permit or licensing fees must be adopted by a two-thirds vote of  
16 the commission. The ordinance may not be voted on or adopted  
17 until a public hearing has been held on the question. Notice of  
18 the time, place, and purpose of the hearing must be mailed to  
19 anyone who would be subject to an increase in permit or  
20 licensing fees.

21 (d) The Metropolitan Airports Commission may allow  
22 permitted taxicab owners to transfer their business assets and  
23 permit. The commission shall not provide a different standard  
24 for transfers between sole proprietors or individual owner  
25 taxicab operators than that provided for transfers between two  
26 corporations.

27 Sec. 2. Minnesota Statutes 2004, section 473.606, is  
28 amended by adding a subdivision to read:

29 Subd. 8. [HEALTH AND SAFETY STANDARDS.] The corporation  
30 shall not enact or enforce any ordinance, rule, or regulation  
31 that would be in conflict with occupational safety and health  
32 standards established in section 182.653 and subject any  
33 individual working or traveling at the airport to a greater  
34 likelihood of death, serious injury, or harm.

35 Sec. 3. Minnesota Statutes 2004, section 473.621, is  
36 amended by adding a subdivision to read:

1        Subd. 1c. [ANNUAL REPORT ON FEES.] The corporation shall  
2 report to the legislature by February 15 of each year indicating  
3 the amount of fees, fines, rents, and other payments generated  
4 from its landside operations from July 1 to June 30 in the  
5 preceding year. The corporation shall report all fees that are  
6 directly or indirectly paid by the public, including fees  
7 related to short-term and long-term parking and licensing and  
8 permitting fees or rents for ground transportation and  
9 taxicabs. The corporation shall also report the expenses  
10 associated with the activities for which fees were collected.  
11 If the corporation's fees collected from July 1 to June 30 in  
12 the preceding year exceed its expenses related to the activities  
13 for which the fees were collected, the corporation must include  
14 in the report a description of the corporation's plan to reduce  
15 future fee revenue or a description of the corporation's plan to  
16 increase the quantity or quality of its activities for which the  
17 fees are collected so as to eliminate future surplus, or an  
18 explanation of why the corporation reasonably does not expect  
19 the surplus experienced in the preceding year to be repeated in  
20 future years.

## **Minneapolis/St. Paul International Airport Cab Drivers Association**

SF1321 (Higgins, Senjem, Jungbauer, Chaudhary and Moua)  
HF1393 (Holberg; Hilstrom; Olson; Hornstein; Anderson, B.;  
Paymar; Walker; Ellison; Davnie; Kelliher; Kahn; Sieben;  
Klinzing; Nelson, P.; Tingelstad; Charron; Abeler; Cox;  
Dorman; Westerberg; Erickson; Loeffler;  
Larson; Soderstrom; Samuelson)

SF1321/HF1393 is supported by the Minneapolis/St. Paul International Airport Cab Drivers Association ("Association"), which is comprised of over 250 independent owner/operators and drivers who are licensed and permitted to pick up passengers at the Lindbergh and Humphrey Terminals of the Minneapolis Saint Paul International Airport ("MSP").

### **TOO MANY CABS AT MSP – Lifting the cap was mean-spirited and has made matters worse for cabbies. The Legislature needs to intervene.**

On September 8, 2004, the Metropolitan Airports Commission ("MAC") lifted the cap on new taxi cab permits. The MAC first enacted this policy in 1999 because there were too many permitted cabs for the amount taxi passengers at MSP. After September 11, 2001, air travel and taxi cab trips declined dramatically at MSP, making the problem even worse.

At the time the cap was lifted, there were 577 taxi cab permits issued by the MAC with waiting times for taxi cab drivers as high as 3 hours per trip. Today, there are 640 taxi cab permits issued because the cap was lifted. Most notably, the wait times for taxi cab drivers at the time the cap was lifted was decreasing because air travel was increasing.

Prior to this action, MAC's repeated position before the Minnesota Legislature was that there were too many cabs operating at the MSP Airport and that the numbers needed to be reduced. Since 1999, the number of taxi cab permits issued decreased approximately 1% each year until September, 2004, when the MAC lifted its permit freeze.

### **POWER OF ATTORNEY PROBLEMS – Lifting the cap was not the right response and better alternatives should be imposed by the Legislature.**

The MAC justified their action, in a staff memorandum, which identified that over half of the permit holders were utilizing a power of attorney to conduct business at MSP. Accordingly, the staff memorandum recommended that the cap be lifted to deal with this problem. Although the Association supported addressing this problem, the MAC refused to address it by simply prosecuting violators or allowing permit transfers as it does for corporate taxi companies.

### **MAC's PLANNED FEE INCREASES ARE NOT SUSTAINABLE – Taxi cab fees should be related to the regulation and service provided and not to subsidize other operations.**

Continued permit fee increases cannot be sustained by the Airport cabbies and their customers. Current permit fees are \$2,675 per year with plans to dramatically raise fees in the next two years. In total, the MAC is set to collect \$1.7 Million in annual permit fees this year and is planning on collecting another \$2.1 Million in 2006 and \$2.4 Million in 2007 to regulate and administer taxi cab operations at the airport.

## **TEMPORARY CAP**

SF1321 only imposes a temporary cap until the average wait time is one hour or less. When that threshold is reached, the MAC may do what ever it wishes to do with regard to taxi cab permits at that time.

SF1321 seeks to achieve the optimal level of cabs and passengers over the long term through attrition and continued increase in the demand for taxi cabs.

Given the increased demand for cabs, we believe that a two hour wait time can occur in the near future if the cap is imposed. Without the cap, it is our opinion that average wait times will never get below 3 hours.

There can be no significant value derived from a temporary cap.

If a cap is not imposed, we believe that the number of taxi cab permits will continue to increase over the long term.

In addition, there is a serious concern over predatory permitting, whereby a large taxi cab company may seek to squeeze out small independent operators.

## **ALLOWING TRANSFERS**

SF1321 does not mandate that the MAC allow transfers for independent operators.

Rather, the bill only states that the MAC must treat corporations and sole proprietors the same with regard to its transfer policies.

By allowing transfers on an equal basis, no one will resort to using a power of attorney to transfer their business.

Instead, transfers will be out in the open and regulated by the MAC to address any concerns. Regulation should involve background checks, disclosure and public filing of purchase agreements.

So long as the cap is temporary, there should be no significant value associated with the ability to transfer a permit.

## **INCREASING PERMIT FEES**

SF1321 seeks to control rising and out of control taxicab permit and licensing fees imposed and planned by the MAC.

During the 2002/2003 permitting year the annual permitting fee was \$2,525.

During the 2003 Legislative Session, the Cabbies organized and complained about rising permit fees and MAC's refusal to address other cost reduction issues such as periodic payments and an extension of allowable vehicle age. All of these issues were vigorously opposed by MAC but later done voluntarily.

During the 2003/2004 permitting year, the MAC actually decreased the annual permit fee to \$2,500 and allowed for semi-annual payment and a temporary extension on vehicle age by one additional year.

Today, the MAC is set to collect \$2,675 per cab per year, which is a total of \$1.7M in 2005

The MAC further plans to collect the following:

2005/2006 - \$3,225 (\$2.1M planned to be collected)

2006/2007 - \$3,775 (\$2.4M planned to be collected)

1 Senator ..... moves to amend S.F. No. 1321 as  
2 follows:

3 Page 2, line 26, after the period, insert "The commission  
4 may regulate permit transfers between interested parties by  
5 requiring (1) a reasonable background check of the transferee;  
6 (2) written disclosure by the transferor of current waiting  
7 times, taxicab rates and fees, the number of permits currently  
8 issued by the commission, and other relevant facts determined by  
9 the commission that should be known to a new taxicab operator;  
10 and (3) a fully executed purchase agreement to be filed with the  
11 commission. The commission may charge a reasonable transfer fee  
12 to cover the costs associated with regulating permit transfers."  
13 Amend the title accordingly

**Senate Counsel, Research,  
and Fiscal Analysis**

G-17 STATE CAPITOL  
75 REV. DR. MARTIN LUTHER KING, JR. BLVD.  
ST. PAUL, MN 55155-1606  
(651) 296-4791  
FAX: (651) 296-7747  
JO ANNE ZOFF SELLNER  
DIRECTOR

# Senate

State of Minnesota

## **S.F. No. 1248 - Governor's Environment, Natural Resources and Economic Development Omnibus Budget Bill Article 3 - Department of Environmental Protection**

**Author:** Senator Steve Dille

**Prepared by:** Thomas S. Bottern, Senate Counsel (651/296-3810) *TSB*

**Date:** March 9, 2005

---

Article 3 of S.F. No. 1248, found on pages 51 to 56, creates a new state agency called the Department of Environmental Protection. This article is within the jurisdiction of the State and Local Government Committee. The remaining articles in the bill contain the governor's recommended appropriations and associated changes in law within the environment, natural resources and economic development area.

**Section 1 [DEPARTMENTS OF THE STATE.]** establishes the Department of Environmental Protection as one of the departments of state government.

**Sections 2 to 5 [WASTE MANAGEMENT STATUTES.]** strike references to the director and the Office of Environmental Assistance within the Waste Management statutes chapter and replaces them with references to the new Commissioner of Environmental Protection.

**Section 6 [DEPARTMENT OF ENVIRONMENTAL PROTECTION; CREATION AND POWERS.]** merges the responsibilities of the Office of Environmental Assistance and the Pollution Control Agency and transfers them to the new Department of Environmental Protection under Minnesota Statutes, section 15.039, which provides general law applying to the transfer of duties between agencies, including continuation of applicable rules, court actions, contracts, records, obligations, and the transfer of unexpended funds. This section also clarifies that the merger and creation of the new department will not alter the status of any classified employee.

**Section 7 [OFFICE.]** replaces the reference to the Commissioner of the Pollution Control Agency with reference to the Department of Environmental Protection and provides the new commissioner with the powers previously held by the Commissioner of the Pollution Control Agency.

**Section 8 [PERMITS; HAZARDOUS WASTE FACILITIES.]** strikes a reference to the Office of Environmental Assistance within the Pollution Control Agency statutes and substitutes the Department of Environmental Protection.

**Section 9 [ALLOCATION OF REVENUES.]** amends the deposits of solid waste tax revenue consistent with the consolidation of the Office of Environmental Assistance and the Pollution Control Agency provided in this bill.

**Section 10 [REPORT TO LEGISLATURE.]** updates the metropolitan landfill contingency action fund reporting statute with current references to the appropriate legislative committees and the new Commissioner of the Department of Environmental Protection.

**Section 11 [REVISOR'S INSTRUCTION.]** provides detailed instructions to the Revisor of Statutes to change Minnesota Statutes and Rules to conform with the creation of the Department of Environmental Protection in this bill.

**Section 12 [REPEALER.]** repeals statutes made obsolete by this legislation, including statutes that establish the director of the Office of Environmental Assistance and references to the Commissioner of the Pollution Control Agency.

TSB:rer

1           **Senator Higgins from the Committee on State and Local**  
 2 **Government Operations, to which was referred**

3           **S.F. No. 1248:** A bill for an act relating to state  
 4 government; appropriating money for environmental, natural  
 5 resources, agricultural, and economic development purposes;  
 6 establishing and modifying certain programs; reorganizing  
 7 environmental agencies; providing for regulation of certain  
 8 activities and practices; providing for accounts, assessments,  
 9 and fees; amending Minnesota Statutes 2004, sections 15.01;  
 10 16A.125, subdivision 5; 17.03, subdivision 13; 17.117, by adding  
 11 a subdivision; 18B.08, subdivision 4; 18B.26, subdivision 3;  
 12 18B.31, subdivision 5; 18B.315, subdivision 6; 18B.32,  
 13 subdivision 6; 18B.33, subdivision 7; 18B.34, subdivision 5;  
 14 18C.141, subdivisions 1, 3, 5; 18C.425, subdivision 6; 18E.03,  
 15 subdivision 2; 18G.10, subdivisions 5, 7; 18H.07, subdivisions  
 16 1, 2, 3; 19.64, subdivision 1; 25.341, subdivision 2; 25.39,  
 17 subdivisions 1, 4; 60A.14, subdivision 1; 60K.55, subdivision 2;  
 18 72B.04, subdivision 10; 82B.09, subdivision 1; 84.631; 85.052,  
 19 subdivision 4; 85.055, subdivision 2, by adding a subdivision;  
 20 85.42; 89.039, subdivision 1; 89.37, by adding a subdivision;  
 21 93.22, subdivision 1; 97A.071, subdivision 2; 97A.075; 103G.271,  
 22 subdivision 6; 103G.301, subdivision 2; 103I.681, subdivision  
 23 11; 115A.06, subdivision 5; 115A.07, subdivision 1; 115A.15,  
 24 subdivision 7; 115A.38, subdivision 1; 116.03, subdivision 1;  
 25 116.07, subdivision 4b; 116C.779, subdivision 2; 116J.551,  
 26 subdivision 1; 116J.63, subdivision 2; 116J.8731, subdivision 5;  
 27 168.1296, subdivision 1; 183.41, by adding a subdivision;  
 28 183.411, subdivisions 2a, 3; 183.42; 183.44, subdivision 1;  
 29 183.51, subdivision 2, by adding a subdivision; 183.545; 183.57;  
 30 216C.41, subdivisions 2, 5, 5a; 223.17, subdivision 3; 231.16;  
 31 232.22, subdivision 3; 236.02, subdivision 4; 282.09, by adding  
 32 a subdivision; 297H.13, subdivision 2; 326.975, subdivision 1;  
 33 345.47, subdivisions 3, 3a; 373.40, subdivisions 1, 3; 462A.05,  
 34 subdivision 3a; 462A.33, subdivision 2; 473.846; 517.08,  
 35 subdivisions 1b, 1c; proposing coding for new law in Minnesota  
 36 Statutes, chapters 25; 45; 84; 92; 93; 116; 477A; repealing  
 37 Minnesota Statutes 2004, sections 18B.065, subdivision 5; 19.64,  
 38 subdivision 4a; 45.0295; 84.901; 115A.03, subdivisions 8a, 22a;  
 39 115A.055, subdivision 1; 115A.158, subdivision 3; 115D.03,  
 40 subdivision 4; 116.02, subdivision 5; 116.04; 116J.58,  
 41 subdivision 3; 462C.15; 473.801, subdivision 6.

42           Reports the same back with the recommendation that the bill  
 43 be amended as follows:

44           Pages 51 to 56, delete article 3

45           Page 56, line 19, delete "4" and insert "3"

46           Amend the title as follows:

47           Page 1, line 5, delete "reorganizing environmental"

48           Page 1, line 6, delete "agencies;"

49           Page 1, line 9, delete "15.01;"

50           Page 1, line 25, delete "115A.06, subdivision 5;"

51           Page 1, delete lines 26 and 27

52           Page 1, line 28, delete "subdivision 4b;"

53           Page 1, line 36, delete "297H.13, subdivision 2;"

54           Page 1, line 39, delete "473.846;"

55           Page 1, line 41, delete "116;"

56           Page 1, delete lines 44 and 45

1 Page 1, line 46, delete "116.02, subdivision 5; 116.04;"

2 Page 2, line 1, delete "; 473.801, subdivision 6"

3 And when so amended the bill do pass and be re-referred to  
4 the Committee on Environment and Natural Resources. Amendments  
5 adopted. Report adopted.

6

7

8

9

10

11

  
.....  
(Committee Chair)

March 9, 2005.....  
(Date of Committee recommendation)

1 2006. In payment fiscal year 2007 and each year thereafter,  
 2 payments determined pursuant to sections 477A.11 to 477A.145  
 3 shall be adjusted in the same proportion that the total  
 4 aggregate payment made to the counties in fiscal year 2006 bears  
 5 to the aggregate payment for all counties determined pursuant to  
 6 sections 477A.11 to 477A.145 for the given payment year.

7 Sec. 31. [REPEALER.]

8 Minnesota Statutes 2004, section 84.901, is repealed.

9 ARTICLE 3

10 ENVIRONMENTAL REORGANIZATION

11 Section 1. Minnesota Statutes 2004, section 15.01, is  
 12 amended to read:

13 15.01 [DEPARTMENTS OF THE STATE.]

14 The following agencies are designated as the departments of  
 15 the state government: the Department of Administration; the  
 16 Department of Agriculture; the Department of Commerce; the  
 17 Department of Corrections; the Department of Education; the  
 18 Department of Employment and Economic Development; the  
 19 Department of Environmental Protection; the Department of  
 20 Finance; the Department of Health; the Department of Human  
 21 Rights; the Department of Labor and Industry; the Department of  
 22 Military Affairs; the Department of Natural Resources; the  
 23 Department of Employee Relations; the Department of Public  
 24 Safety; the Department of Human Services; the Department of  
 25 Revenue; the Department of Transportation; the Department of  
 26 Veterans Affairs; and their successor departments.

27 Sec. 2. Minnesota Statutes 2004, section 115A.06,  
 28 subdivision 5, is amended to read:

29 Subd. 5. [RIGHT OF ACCESS.] Whenever the ~~office-or-the~~  
 30 ~~director-acting-on-behalf-of-the-office~~ commissioner deems it  
 31 necessary to the accomplishment of its department purposes, the  
 32 office commissioner or any member, employee, or agent thereof of  
 33 the department, when authorized by ~~it-or~~ the director  
 34 commissioner, may enter upon any property, public or private,  
 35 for the purpose of obtaining information or conducting surveys  
 36 or investigations, provided that the entrance and activity is

1 undertaken after reasonable notice and during normal business  
2 hours and provided that compensation is made for any damages to  
3 the property caused by the entrance and activity. The office  
4 commissioner may pay a reasonable estimate of the damages if the  
5 commissioner believes will be caused by the entrance and  
6 activity before entering any property.

7 Sec. 3. Minnesota Statutes 2004, section 115A.07,  
8 subdivision 1, is amended to read:

9 Subdivision 1. [INTERAGENCY COORDINATION.] The director  
10 commissioner shall inform the commissioner of employment and  
11 economic development of the office's department's activities,  
12 ~~solicit-the-advice-and-recommendations-of-the-agency,-and~~  
13 ~~coordinate-its-work-with-the-regulatory-and-enforcement~~  
14 ~~activities-of-the-agency.~~

15 Sec. 4. Minnesota Statutes 2004, section 115A.15,  
16 subdivision 7, is amended to read:

17 Subd. 7. [WASTE REDUCTION PROCUREMENT MODEL.] To reduce  
18 the amount of solid waste generated by the state and to provide  
19 a model for other public and private procurement systems, the  
20 commissioner~~-in-cooperation-with-the-director-of-the-office-of~~  
21 ~~Waste-Management,~~ shall develop continue to implement waste  
22 reduction procurement programs, including an expanded life cycle  
23 costing system for procurement of durable and repairable  
24 items ~~by-November-17-1991. On-implementation-of-the-model~~  
25 ~~procurement-system,~~ The commissioner~~-in-cooperation-with-the~~  
26 ~~director,~~ shall develop and distribute informational materials  
27 for the purpose of promoting the procurement model to other  
28 public and private entities under section 115A.072, subdivision  
29 4.

30 Sec. 5. Minnesota Statutes 2004, section 115A.38,  
31 subdivision 1, is amended to read:

32 Subdivision 1. [REPORTS TO LEGISLATIVE-COMMISSION  
33 COMMITTEES.] At least 30 days before making a final decision  
34 under section 115A.37 in a review brought pursuant to section  
35 115A.33, clause (d), the ~~chair-of-the-board~~ commissioner may  
36 report to the legislative commission committees with

1 jurisdiction over environment and natural resources policy and  
 2 finance describing permit conditions or requirements being  
 3 considered which are not within the existing authority of  
 4 the ~~agency-or-the-board~~ department or which would require  
 5 legislation or public financial assistance. In any such report  
 6 the ~~chair-of-the-board~~ commissioner may request intervention in  
 7 the review pursuant to subdivisions 2 and 3.

8 Sec. 6. [116.012] [DEPARTMENT OF ENVIRONMENTAL PROTECTION;  
 9 CREATION AND POWERS.]

10 The Department of Environmental Protection is created. The  
 11 responsibilities of the Office of Environmental Assistance and  
 12 the Pollution Control Agency are transferred to the Department  
 13 of Environmental Protection under section 15.039. The offices  
 14 of commissioner and members of the Environmental Protection  
 15 Board are continuations of those offices in the Pollution  
 16 Control Agency. In addition to the provisions of section  
 17 15.039, no employee in the classified service shall suffer job  
 18 loss, have a salary reduced, or have employment benefits reduced  
 19 as a result of the reorganization in this act.

20 Sec. 7. Minnesota Statutes 2004, section 116.03,  
 21 subdivision 1, is amended to read:

22 Subdivision 1. [OFFICE.] (a) The office of commissioner of  
 23 ~~the-Pollution-Control-Agency~~ environmental protection is created  
 24 ~~and-is-under-the-supervision-and-control-of-the-commissioner,~~  
 25 who. The commissioner is the chief executive officer of the  
 26 department and is appointed by the governor under the provisions  
 27 of section 15.06.

28 (b) The commissioner may appoint a deputy commissioner and  
 29 assistant commissioners who shall be in the unclassified service.

30 (c) The commissioner shall make all decisions on behalf of  
 31 the agency department that are not required to be made by the  
 32 agency board under section 116.02.

33 Sec. 8. Minnesota Statutes 2004, section 116.07,  
 34 subdivision 4b, is amended to read:

35 Subd. 4b. [PERMITS; HAZARDOUS WASTE FACILITIES.] (a) The  
 36 ~~agency-shall-provide-to-the-Office-of-Environmental-Assistance~~

~~1 established-in-section-115A.0557-copies-of-each-permit~~  
~~2 application-for-a-hazardous-waste-facility-immediately-upon-its~~  
~~3 submittal-to-the-agency.--The-agency-shall-request~~  
~~4 recommendations-on-each-permit-application-from-the-office-and~~  
~~5 shall-consult-with-the-office-on-the-agency's-intended~~  
~~6 disposition-of-the-recommendations.~~ Except as otherwise  
 7 provided in sections 115A.18 to 115A.30, the agency department  
 8 shall commence any environmental review required under chapter  
 9 116D within 120 days of its acceptance of a completed permit  
 10 application. The agency department shall respond to a permit  
 11 application for a hazardous waste facility within 120 days  
 12 following a decision not to prepare environmental documents or  
 13 following the acceptance of a negative declaration notice or an  
 14 environmental impact statement. Except as otherwise provided in  
 15 sections 115A.18 to 115A.30, within 60 days following the  
 16 submission of a final permit application for a hazardous waste  
 17 facility, unless a time extension is agreed to by the applicant,  
 18 the agency department shall issue or deny all permits needed for  
 19 the construction of the proposed facility.

20 (b) The agency department shall promulgate rules pursuant  
 21 to chapter 14 for all hazardous waste facilities. The rules  
 22 shall require:

23 (1) contingency plans for all hazardous waste facilities  
 24 which provide for effective containment and control in any  
 25 emergency condition;

26 (2) the establishment of a mechanism to assure that money  
 27 to cover the costs of closure and postclosure monitoring and  
 28 maintenance of hazardous waste facilities will be available;

29 (3) the maintenance of liability insurance by the owner or  
 30 operator of hazardous waste facilities during the operating life  
 31 of the facility.

32 Sec. 9. Minnesota Statutes 2004, section 297H.13,  
 33 subdivision 2, is amended to read:

34 Subd. 2. [ALLOCATION OF REVENUES.] (a)  
 35 ~~\$22,000,000~~ \$33,760,000, or 50 70 percent, whichever is greater,  
 36 of the amounts remitted under this chapter must be credited to

1 the environmental fund established in section 16A.531,  
2 subdivision 1.

3 (b) The remainder must be deposited into the general fund.  
4 Sec. 10. Minnesota Statutes 2004, section 473.846, is  
5 amended to read:

6 473.846 [REPORT TO LEGISLATURE.]

7 The ~~agency-and-the-director~~ commissioner shall submit to  
8 the senate ~~Finance-Committee,-the-house-Ways-and-Means~~  
9 ~~Committee,-and-the-Environment-and-Natural-Resources-Committees~~  
10 ~~of-the-senate~~ and house of representatives ~~-the-Finance-Division~~  
11 ~~of-the-senate-Committee-on~~ committees with jurisdiction over  
12 environment and natural resources ~~-and-the-house-of~~  
13 ~~representatives-Committee-on-Environment-and-Natural~~  
14 ~~Resources~~ policy and finance separate reports describing the  
15 activities for which money for landfill abatement has been spent  
16 under sections 473.844 and 473.845. The agency commissioner  
17 shall report by November 1 of each year on expenditures during  
18 its previous fiscal year. ~~The-director-shall-report-on~~  
19 ~~expenditures-during-the-previous-calendar-year-and-must~~  
20 ~~incorporate-its-report-in-the-report-required-by-section~~  
21 ~~115A.411,-due-July-1-of-each-odd-numbered-year.~~ The  
22 ~~director~~ commissioner shall make recommendations to the  
23 ~~Environment-and-Natural-Resources~~ legislative committees of the  
24 ~~senate-and-house-of-representatives,-the-Finance-Division-of-the~~  
25 ~~senate-Committee-on-Environment-and-Natural-Resources,-and-the~~  
26 ~~house-of-representatives-Committee-on-Environment-and-Natural~~  
27 ~~Resources-Finance~~ on the future management and use of the  
28 metropolitan landfill abatement account.

29 Sec. 11. [REVISOR'S INSTRUCTION.]

30 Except as otherwise provided in this article, the revisor  
31 shall make the following changes, with appropriate grammatical  
32 corrections, in Minnesota Statutes and Minnesota Rules:

33 (1) delete references to the Pollution Control Agency or  
34 its commissioner or the Office of Environmental Assistance or  
35 its director and insert references to the Department of  
36 Environmental Protection or its commissioner;

1 (2) delete references to the Pollution Control Agency where  
 2 it means the Pollution Control Agency Board and insert  
 3 references to the board;

4 (3) delete language that is made superfluous by the merger  
 5 of the agency and the office;

6 (4) in Minnesota Statutes, chapters 115A to 116, delete  
 7 references to obsolete names of committees in the senate and  
 8 house of representatives and insert generic references to  
 9 committees with jurisdiction over the specified areas of  
 10 governance; and

11 (5) in Minnesota Statutes, chapters 115A to 116, delete  
 12 obsolete references to reports required to be submitted to the  
 13 legislature.

14 Sec. 12. [REPEALER.]

15 Minnesota Statutes 2004, sections 115A.03, subdivisions 8a  
 16 and 22a; 115A.055, subdivision 1; 115A.158, subdivision 3;  
 17 115D.03, subdivision 4; 116.02, subdivision 5; 116.04; and  
 18 473.801, subdivision 6, are repealed.

19 ARTICLE 4

20 JOBS AND ECONOMIC DEVELOPMENT APPROPRIATIONS

21 Section 1. [JOBS AND ECONOMIC DEVELOPMENT APPROPRIATIONS.]

22 The sums shown in the columns marked "APPROPRIATIONS" are  
 23 appropriated from the general fund, or another named fund, to  
 24 the agencies and for the purposes specified in this article, to  
 25 be available for the fiscal years indicated for each purpose.  
 26 The figures "2006" and "2007," where used in this article, mean  
 27 that the appropriation or appropriations listed under them are  
 28 available for the fiscal year ending June 30, 2006, or June 30,  
 29 2007, respectively. The term "first year" means the fiscal year  
 30 ending June 30, 2006, and the term "second year" means the  
 31 fiscal year ending June 30, 2007.

32 SUMMARY BY FUND

33	2006	2007	TOTAL
34 General	\$ 137,501,000	\$ 138,374,000	\$ 275,875,000
35 Workforce			
36 Development	8,270,000	8,270,000	16,540,000

# Creating a Department of Environmental Protection by Uniting the MPCA and the OEA

## Overview

The Governor proposes a new Department of Environmental Protection that will combine the existing staff, authorities, and expertise of the Pollution Control Agency (MPCA) with those of the Office of Environmental Assistance (OEA). By combining the OEA and the MPCA into a new Department of Environmental Protection (DEP), the ability to establish priorities and provide new solutions to emerging and ongoing environmental issues will be enhanced.

Funding for the DEP will be derived primarily from existing environmental fees and taxes, with a reduced dependence on the General Fund. The solid waste tax has been a strong and reliable funding source for environmental activities. Therefore, the Governor also recommends, incorporated into this change item, that 70% of the Solid Waste Tax be used to fund environmental protection activities, rather than the current 50%. Currently, the OEA receives appropriations from the General Fund and the Environmental Fund. As a result of this change, all General Fund appropriations for current activities and grants of the OEA would be cancelled and instead appropriated from the Environmental Fund.

## Opportunities

The Department of Environmental Protection will be able to better serve Minnesotans and achieve positive environmental outcomes by providing a single point of contact for permits, information, guidance, education, and training. It will also:

- ▶ Unite and focus the priorities of the two agencies.
- ▶ Have a broad range of tools that can be applied to an expanding range of issues, particularly non-point air and water pollution.
- ▶ Be able to coordinate public education and community outreach.
- ▶ Provide citizens and permittees with easier and better access to combined databases and web sites.

A new Department of Environmental Protection will also strengthen existing efforts of the OEA and MPCA in many other areas. For example, the OEA's work with schools on idling of school buses and mercury reduction could closely align with MPCA's work with schools to retrofit diesel school buses for lower emissions and to provide education, site visits, and alternative equipment to ensure mercury-free schools. The OEA's county-based Waste Management Program can work with the MPCA's county-based programs, such as the Feedlot and Individual Sewage Treatment (or septic) System programs, to maximize efforts to improve local water and air quality.



## Current Cooperation

OEA and the MPCA are already working together on a number of projects.

- ▶ **Phosphorus Management** – MPCA and the OEA, through MnTAP, developed information to help wastewater treatment operators work with their industries to implement changes that reduce phosphorus and other pollutants.
- ▶ **Multi-media Inspections** – The MPCA and OEA are testing an alternative to conventional single-media inspections that can identify pollution prevention, money-saving options for the inspected facilities, and uses MPCA's inspection resources more efficiently.
- ▶ **Clean Air Minnesota** – The MPCA provides policy, technical, and communication support while the OEA provides technical and educational support to this project, which involves a number of Minnesota businesses, environmental organizations, and government agencies working to reduce air pollution.

## Administrative Efficiencies

The Department of Environmental Protection will be able to design services that use prevention and regulatory approaches efficiently and effectively. The MPCA and the OEA share a building in St. Paul as well as some regional offices; have computer systems that are connected; share the same customer/stakeholder base; and both organizations help Minnesotans protect and improve the environment. Over the past decade, the shared space in St. Paul has already created administrative efficiencies that allow funding to remain in environmental programs for prevention and assistance despite inflationary pressures and General Fund reductions. In the future, the DEP may be able to achieve additional administrative efficiencies.

## Funding Stabilization

The new Department of Environmental Protection will be funded primarily through existing environmental fees and taxes, with reduced dependence on the General Fund.

- ▶ Through this initiative, 70% of the solid waste tax would be used to fund environmental protection activities, rather than the current 50% (100% of the Solid Waste Tax was originally intended to be deposited in the Solid Waste – now Environmental – Fund).
- ▶ Through this initiative, funding for many critical environmental activities – such as SCORE – would be stabilized.
- ▶ This funding stabilization is consistent with a 2002 Legislative Audit that suggested environmental fees and taxes are the most appropriate way to fund environmental programs.

## For More Information

For more information, contact **David Benke** at the Office of Environmental Assistance (phone 651-215-0196; david.benke@moea.state.mn.us) or **Cathy Moeger** at the Minnesota Pollution Control Agency (phone 651-296-7369; cathy.moeger@pca.state.mn.us).

For more information about current programs of the Pollution Control Agency and the Office of Environmental Assistance, visit their web sites:

- ▶ [www.pca.state.mn.us](http://www.pca.state.mn.us)
- ▶ [www.moea.state.mn.us](http://www.moea.state.mn.us)

**Senate Counsel, Research,  
and Fiscal Analysis**

G-17 STATE CAPITOL  
75 REV. DR. MARTIN LUTHER KING, JR. BLVD.  
ST. PAUL, MN 55155-1606  
(651) 296-4791  
FAX: (651) 296-7747  
JO ANNE ZOFF SELLNER  
DIRECTOR

# Senate

State of Minnesota

## **S.F. No. 773 - Cervidae Regulation**

**Author:** Senator Steve Dille

**Prepared by:** Thomas S. Bottem, Senate Counsel (651/296-3810) *TSB*

**Date:** March 8, 2005

---

This bill repeals provisions of statutes relating to farmed cervidae from Minnesota Statutes, chapter 17, and recodifies them in Minnesota Statutes, chapter 35. Chapter 35 provides general enforcement authority for the Board of Animal Health.

**Section 3, subdivision 13 [RULES.]** This is the only provision in the bill that is within the jurisdiction of the State and Local Government Committee. It provides the Board of Animal Health with general rulemaking authority necessary to implement farmed cervidae regulations consistent with the provisions of the this bill, and to otherwise provide for control of cervidae diseases.

TSB:rdr



1 responsible for the raising of farmed cervidae.

2 Subd. 5. [HERD.] "Herd" means all cervidae:

3 (1) maintained on common ground for any purpose; or

4 (2) under common ownership or supervision, geographically  
5 separated, but that have an interchange or movement of animals  
6 without regard to whether the animals are infected with or  
7 exposed to diseases.

8 Sec. 3. Minnesota Statutes 2004, section 35.155, is  
9 amended to read:

10 35.155 [FARMED CERVIDAE.]

11 Subdivision 1. [RUNNING AT LARGE PROHIBITED.] (a) An owner  
12 may not allow farmed cervidae to run at large. The owner must  
13 make all reasonable efforts to return escaped farmed cervidae to  
14 their enclosures as soon as possible. The owner must notify the  
15 commissioner of natural resources of the escape of farmed  
16 cervidae if the farmed cervidae are not returned or captured by  
17 the owner within 24 hours of their escape.

18 (b) An owner is liable for expenses of another person in  
19 capturing, caring for, and returning farmed cervidae that have  
20 left their enclosures if the person capturing the farmed  
21 cervidae contacts the owner as soon as possible.

22 (c) If an owner is unwilling or unable to capture escaped  
23 farmed cervidae, the commissioner of natural resources may  
24 destroy the escaped farmed cervidae. The commissioner of  
25 natural resources must allow the owner to attempt to capture the  
26 escaped farmed cervidae prior to destroying the farmed  
27 cervidae. Farmed cervidae that are not captured by 24 hours  
28 after escape may be destroyed.

29 Subd. 2. [WILD CERVIDAE INSIDE CONFINEMENT AREA.] An owner  
30 or an employee or agent under the direction of the owner must  
31 destroy wild cervidae found within the owner's farmed cervidae  
32 confinement area. The owner, employee, or agent must report the  
33 wild cervidae destroyed to a conservation officer or an employee  
34 of the Department of Natural Resources, Division of Wildlife,  
35 within 24 hours. The wild cervidae must be disposed of as  
36 prescribed by the commissioner of natural resources.

1        Subd. 3. [FARMING IN NATIVE ELK AREA.] A person may not  
2 raise farmed red deer in the native elk area without written  
3 approval of the commissioner of natural resources. The native  
4 elk area is the area north of U.S. Highway 2 and west of U.S.  
5 Highway 71 and trunk highway 72. The commissioner of natural  
6 resources shall review the proposed farming operation and  
7 approve with any condition or deny approval based on risks to  
8 the native elk population.

9        Subd. 4. [FENCING.] Farmed cervidae must be confined in a  
10 manner designed to prevent escape. All perimeter fences for  
11 farmed cervidae must be at least 96 inches in height and be  
12 constructed and maintained in a way that prevents the escape of  
13 farmed cervidae or entry into the premises by free-roaming  
14 cervidae.

15        Subd. 5. [DISEASE CONTROL PROGRAMS.] Farmed cervidae are  
16 subject to this chapter and the rules of the Board of Animal  
17 Health in the same manner as other livestock and domestic  
18 animals, including provisions related to importation and  
19 transportation.

20        Subd. 6. [IDENTIFICATION.] (a) Farmed cervidae must be  
21 identified by means approved by the Board of Animal Health. The  
22 identification must be visible to the naked eye during daylight  
23 under normal conditions at a distance of 50 yards. Newborn  
24 animals must be identified before December 31 of the year in  
25 which the animal is born or before movement from the premises,  
26 whichever occurs first.

27        (b) The Board of Animal Health shall register farmed  
28 cervidae. The owner must submit the registration request on  
29 forms provided by the board. The forms must include sales  
30 receipts or other documentation of the origin of the cervidae.  
31 The board shall provide copies of the registration information  
32 to the commissioner of natural resources upon request. The  
33 owner must keep written records of the acquisition and  
34 disposition of registered farmed cervidae.

35        Subd. 7. [INSPECTION.] The commissioner of agriculture and  
36 the Board of Animal Health may inspect farmed cervidae, farmed

1 cervidae facilities, and farmed cervidae records. For each  
2 herd, the owner or owners must, on or before January 1, pay an  
3 annual inspection fee equal to \$10 for each cervid in the herd  
4 as reflected in the most recent inventory submitted to the Board  
5 of Animal Health, up to a maximum fee of \$100. The commissioner  
6 of natural resources may inspect farmed cervidae, farmed  
7 cervidae facilities, and farmed cervidae records with reasonable  
8 suspicion that laws protecting native wild animals have been  
9 violated and must notify the owner in writing at the time of the  
10 inspection of the reason for the inspection and must inform the  
11 owner in writing after the inspection of whether (1) the cause  
12 of the inspection was unfounded; or (2) there will be an ongoing  
13 investigation or continuing evaluation.

14 Subd. 8. [CERVIDAE INSPECTION ACCOUNT.] A cervidae  
15 inspection account is established in the state treasury. The  
16 fees collected under this section and interest attributable to  
17 money in the account must be deposited in the state treasury and  
18 credited to the cervidae inspection account in the special  
19 revenue fund. Money in the account, including interest earned,  
20 is appropriated to the Board of Animal Health for the  
21 administration and enforcement of this section.

22 Subd. 9. [CONTESTED CASE HEARING.] A person raising farmed  
23 cervidae that is aggrieved with any decision regarding the  
24 farmed cervidae may request a contested case hearing under  
25 chapter 14.

26 Subd. 10. [MANDATORY REGISTRATION.] A person may not  
27 possess live cervidae in Minnesota unless the person is  
28 registered with the Board of Animal Health and meets all the  
29 requirements for farmed cervidae under this section. Cervidae  
30 possessed in violation of this subdivision may be seized and  
31 destroyed by the commissioner of natural resources.

32 Subd. 11. [MANDATORY SURVEILLANCE FOR CHRONIC WASTING  
33 DISEASE.] (a) An inventory for each farmed cervidae herd must be  
34 verified by an accredited veterinarian and filed with the Board  
35 of Animal Health every 12 months.

36 (b) Movement of farmed cervidae from any premises to

1 another location must be reported to the Board of Animal Health  
2 within 14 days of the movement on forms approved by the Board of  
3 Animal Health.

4 (c) All animals from farmed cervidae herds that are over 16  
5 months of age that die or are slaughtered must be tested for  
6 chronic wasting disease.

7 Subd. 12. [IMPORTATION.] A person must not import cervidae  
8 into the state from a herd that is infected or exposed to  
9 chronic wasting disease or from a known chronic wasting disease  
10 endemic area, as determined by the board. A person may import  
11 cervidae into the state only from a herd that is not in a known  
12 chronic wasting disease endemic area, as determined by the  
13 board, and the herd has been subject to a state or provincial  
14 approved chronic wasting disease monitoring program for at least  
15 three years. Cervidae imported in violation of this section may  
16 be seized and destroyed by the commissioner of natural resources.

17 Subd. 13. [RULES.] The Board of Animal Health shall adopt  
18 rules as necessary to implement this section and to otherwise  
19 provide for the control of cervidae diseases.

20 Sec. 4. [REVISOR'S INSTRUCTION.]

21 The revisor of statutes shall change cross-references in  
22 Minnesota Statutes and Minnesota Rules to reflect the amendments  
23 and repealers in sections 1 to 5.

24 Sec. 5. [REPEALER.]

25 Minnesota Statutes 2004, sections 17.451; and 17.452,  
26 subdivisions 6, 6a, 7, 10, 11, 12, 13, 13a, 14, 15, and 16, are  
27 repealed.

28 Sec. 6. [EFFECTIVE DATE.]

29 Sections 1 to 5 are effective the day following final  
30 enactment.

APPENDIX  
Repealed Minnesota Statutes for 05-0180

17.451 DEFINITIONS.

Subdivision 1. Applicability. The definitions in this section apply to this section and section 17.452.

Subd. 1a. Cervidae. "Cervidae" means animals that are members of the family Cervidae and includes, but is not limited to, white-tailed deer, mule deer, red deer, elk, moose, caribou, reindeer, and muntjac.

Subd. 2. Farmed cervidae. "Farmed cervidae" means members of the Cervidae family that are:

(1) raised for any purpose; and

(2) registered in a manner approved by the Board of Animal Health.

Subd. 3. Owner. "Owner" means a person who owns or is responsible for the raising of farmed cervidae.

Subd. 4. Herd. "Herd" means:

(1) all cervidae maintained on common ground for any purpose; or

(2) all cervidae under common ownership or supervision, geographically separated, but that have an interchange or movement of animals without regard to whether the animals are infected with or exposed to diseases.

17.452 FARM-RAISED CERVIDAE.

Subd. 6. Running at large prohibited. (a) An owner may not allow farmed cervidae to run at large. The owner must make all reasonable efforts to return escaped farmed cervidae to their enclosures as soon as possible. The owner must notify the commissioner of natural resources of the escape of farmed cervidae if the farmed cervidae are not returned or captured by the owner within 24 hours of their escape.

(b) An owner is liable for expenses of another person in capturing, caring for, and returning farmed cervidae that have left their enclosures if the person capturing the farmed cervidae contacts the owner as soon as possible.

(c) If an owner is unwilling or unable to capture escaped farmed cervidae, the commissioner of natural resources may destroy the escaped farmed cervidae. The commissioner must allow the owner to attempt to capture the escaped farmed cervidae prior to destroying the farmed cervidae. Farmed cervidae that are not captured by 24 hours after escape may be destroyed.

Subd. 6a. Wild cervidae inside confinement area. An owner, or employee or agent under the direction of the owner, must destroy wild cervidae found within the owner's farmed cervidae confinement area. The owner, employee, or agent must report the wild cervidae destroyed to a conservation officer or an employee of the Department of Natural Resources, Division of Wildlife, within 24 hours. The wild cervidae must be disposed of as prescribed by the commissioner of natural resources.

Subd. 7. Farming in native elk area. A person may not raise farmed red deer in the native elk area without written approval of the commissioner of natural resources. The native elk area is the area north of U.S. Highway 2 and west of U.S. Highway 71 and trunk highway 72. The commissioner shall review the proposed farming operation and approve with any condition or deny approval based on risks to the native elk population.

Subd. 10. Fencing. Farmed cervidae must be confined in a manner designed to prevent escape. All perimeter fences for farmed cervidae must be at least 96 inches in height and be constructed and maintained in a way that prevents the escape of

APPENDIX  
Repealed Minnesota Statutes for 05-0180

farmed cervidae or entry into the premises by free-roaming cervidae.

Subd. 11. Disease control programs. Farmed cervidae herds are subject to chapter 35 and the rules of the Board of Animal Health in the same manner as livestock and domestic animals, including provisions relating to importation and transportation.

Subd. 12. Identification. (a) Farmed cervidae must be identified by means approved by the Board of Animal Health. Beginning January 1, 2004, the identification must be visible to the naked eye during daylight under normal conditions at a distance of 50 yards. Newborn animals must be identified before December 31 of the year in which the animal is born or before movement from the premises, whichever occurs first.

(b) The Board of Animal Health shall register farmed cervidae. The owner must submit the registration request on forms provided by the board. The forms must include sales receipts or other documentation of the origin of the cervidae. The board shall provide copies of the registration information to the commissioner of natural resources upon request. The owner must keep written records of the acquisition and disposition of registered farmed cervidae.

Subd. 13. Inspection. The commissioner of agriculture and the Board of Animal Health may inspect farmed cervidae, farmed cervidae facilities, and farmed cervidae records. For each herd, the owner or owners must, on or before January 1, pay an annual inspection fee equal to \$10 for each cervid in the herd as reflected in the most recent inventory submitted to the Board of Animal Health up to a maximum fee of \$100. The commissioner of natural resources may inspect farmed cervidae, farmed cervidae facilities, and farmed cervidae records with reasonable suspicion that laws protecting native wild animals have been violated and must notify the owner in writing at the time of the inspection of the reason for the inspection and must inform the owner in writing after the inspection of whether (1) the cause of the inspection was unfounded; or (2) there will be an ongoing investigation or continuing evaluation.

Subd. 13a. Cervidae inspection account. A cervidae inspection account is established in the state treasury. The fees collected under subdivision 13 and interest attributable to money in the account must be deposited in the state treasury and credited to the cervidae inspection account in the special revenue fund. Money in the account, including interest earned, is appropriated to the Board of Animal Health for the administration and enforcement of this section.

Subd. 14. Contested case hearing. A person raising farmed cervidae that is aggrieved with any decision regarding the farmed cervidae may request a contested case hearing under chapter 14.

Subd. 15. Mandatory registration. A person may not possess live cervidae in Minnesota unless the person is registered with the Board of Animal Health and meets all the requirements for farmed cervidae under this section. Cervidae possessed in violation of this subdivision may be seized and destroyed by the commissioner of natural resources.

Subd. 16. Mandatory surveillance for chronic wasting disease. (a) An inventory for each farmed cervidae herd must be verified by an accredited veterinarian and filed with the

**APPENDIX**  
**Repealed Minnesota Statutes for 05-0180**

Board of Animal Health every 12 months.

(b) Movement of farmed cervidae from any premises to another location must be reported to the Board of Animal Health within 14 days of such movement on forms approved by the Board of Animal Health.

(c) All animals from farmed cervidae herds that are over 16 months of age that die or are slaughtered must be tested for chronic wasting disease.

1 Senator Higgins from the Committee on State and Local  
2 Government Operations, to which was re-referred

3 S.F. No. 773: A bill for an act relating to animal health;  
4 providing for regulation of certain cervidae by the Board of  
5 Animal Health; amending Minnesota Statutes 2004, sections  
6 17.452, by adding a subdivision; 35.155; proposing coding for  
7 new law in Minnesota Statutes, chapter 35; repealing Minnesota  
8 Statutes 2004, sections 17.451; 17.452, subdivisions 6, 6a, 7,  
9 10, 11, 12, 13, 13a, 14, 15, 16.

10 Reports the same back with the recommendation that the bill  
11 do pass. Report adopted.

12

13

.....  
(Committee Chair)

14

15

16

17

18

March 9, 2005.....  
(Date of Committee recommendation)