

Senator Ourada introduced--

S.F. No. 692: Referred to the Committee on Environment and Natural Resources.

1 A bill for an act

2 relating to Wright County; deleting land from Wild,  
3 Scenic, and Recreational River District.

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

5 Section 1. [DELETION; WRIGHT COUNTY.]

6 The following area is deleted from the Wild, Scenic, and  
7 Recreational River District of the Mississippi River in Wright  
8 County:

9 PARCEL A

10 That part of Government Lot 3, that part of Government Lot  
11 4, that part of the Southwest Quarter of the Southeast Quarter,  
12 and that part of the Southeast Quarter of the Southwest Quarter  
13 all in Section 26, Township 121, Range 23, Wright County,  
14 Minnesota, described as follows:

15 Commencing at the southeast corner of said Government Lot  
16 4; thence on an assumed bearing of West along the south line of  
17 said Government Lot 4 and the south line of said Southwest  
18 Quarter of the Southeast Quarter, a distance of 1662.09 feet to  
19 the actual point of beginning; thence North 00 degrees 35  
20 minutes 00 seconds West, a distance of 536.83 feet; thence North  
21 87 degrees 55 minutes 09 seconds West, a distance of 739.10  
22 feet; thence North 02 degrees 04 minutes 51 seconds East, a  
23 distance of 100.00 feet; thence South 87 degrees 55 minutes 09  
24 seconds East, a distance of 1694.81 feet; thence North 02

1 degrees 04 minutes 51 seconds East, a distance of 338.12 feet;  
2 thence North 28 degrees 09 minutes 21 seconds East, a distance  
3 of 218.13 feet to the southeasterly right of way line of  
4 C.S.A.H. No. 42, according to the plat of Wright County Highway  
5 Right-of-Way Plat No. 1, on file and of record in the office of  
6 the County Recorder and Registrar of Titles, Wright County,  
7 Minnesota; thence northwesterly along the said right of way  
8 line, a distance of 2,438.64 feet to the north line of said  
9 Government Lot 3; thence South 89 degrees 39 minutes 23 seconds  
10 West along the north line of said Government Lot 3, a distance  
11 of 90.09 feet to the northwest corner of said Government Lot 3;  
12 thence South 00 degrees 29 minutes 13 seconds West along the  
13 west line of said Government Lot 3; a distance of 1302.55 feet  
14 to the southwest corner of said Government Lot 3 also being the  
15 northeast corner of the said Southeast Quarter of the Southwest  
16 Quarter; thence South 89 degrees 25 minutes 45 seconds West  
17 along the north line of the said Southeast Quarter of the  
18 Southwest Quarter, a distance of 1059.64 feet to the east right  
19 of way line of Minnesota Trunk Highway No. 101 according to the  
20 plat of Minnesota Department of Transportation Right-of-Way Plat  
21 No. 86-27 on file and of record in the office of the County  
22 Recorder, Wright County, Minnesota; thence southerly along the  
23 said right of way line, a distance of 608.18 feet; thence North  
24 88 degrees 16 minutes 40 seconds East, a distance of 412.37 feet  
25 to a point on a line 705.00 feet north of the south line of the  
26 said Southeast Quarter of the Southwest Quarter, said line is  
27 drawn north from a point on the south line of the said Southeast  
28 Quarter of the Southwest Quarter distant 657.05 feet east of the  
29 southwest corner of the said Southeast Quarter of the Southwest  
30 Quarter at an angle of 90 degrees 34 minutes 15 seconds from  
31 west to north; thence South 00 degrees 12 minutes 47 seconds  
32 East along the said line, a distance of 487.20 feet; thence  
33 North 89 degrees 12 minutes 58 seconds East, a distance of  
34 400.00 feet; thence North 00 degrees 12 minutes 47 seconds West,  
35 a distance of 109.17 feet; thence North 89 degrees 42 minutes 26  
36 seconds East, a distance of 669.34 feet; thence on a bearing of

1 South, a distance of 109.17 feet; thence on a bearing of East, a  
2 distance of 400.00 feet; thence on a bearing of South, a  
3 distance of 217.80 feet to the south line of said Southwest  
4 Quarter of the Southeast Quarter; thence on a bearing of East  
5 along the said south line a distance of 162.09 feet to the point  
6 of beginning. Subject to the right of way of 70th Street  
7 Northeast along the south line of the said Southwest Quarter of  
8 the Southeast Quarter.

9 PARCEL B

10 That part of Government Lot 4 and that part of the  
11 Southwest Quarter of the Southeast Quarter of Section 26,  
12 Township 121, Range 23, Wright County, Minnesota, described as  
13 follows:

14 Commencing at the intersection of a line parallel with and  
15 300 feet west of the east line of said Government Lot 4, as  
16 measured at right angles to said east line, and the center of  
17 Wright County Highway Number 36 (old Minnesota State Highway  
18 Number 101); thence South 0 degrees 39 minutes 37 seconds East,  
19 assumed bearing, on said parallel line, a distance of 220.15  
20 feet; thence North 63 degrees 58 minutes 37 seconds West, a  
21 distance of 210.55 feet to the actual point of beginning; thence  
22 South 0 degrees 53 minutes 23 seconds West, a distance of 118.65  
23 feet; thence South 82 degrees 28 minutes 37 seconds East, a  
24 distance of 193.30 feet to a point distant 300 feet west of the  
25 east line of said Government Lot 4 and distant 742.50 feet north  
26 of the south line of said Government Lot 4; thence South 0  
27 degrees 39 minutes 37 seconds East along a line parallel with  
28 and distant 300 feet west of the east line of said Government  
29 Lot 4, a distance of 255.15 feet to a point distant 487.35 feet  
30 north of the south line of said Government Lot 4 as measured  
31 along said parallel line; thence North 87 degrees 55 minutes 07  
32 seconds West, a distance of 2101.92 feet; thence North 2 degrees  
33 04 minutes 53 seconds East, a distance of 100.00 feet; thence  
34 South 87 degrees 55 minutes 07 seconds East, a distance of  
35 1894.81 feet; thence North 2 degrees 04 minutes 53 seconds East,  
36 a distance of 291.81 feet to the point of beginning.

1 Lying west of the following described line:  
2 Commencing at the southeast corner of the said Government  
3 Lot 4; thence on an assumed bearing of West along the south line  
4 of said Government Lot 4 and the south line of said Southwest  
5 Quarter of the Southeast Quarter, a distance of 1662.09 feet;  
6 thence North 0 degrees 35 minutes 00 seconds West, a distance of  
7 536.83 feet; thence South 87 degrees 55 minutes 09 seconds East,  
8 a distance of 955.71 feet to the actual point of beginning of  
9 the line to be described; thence North 02 degrees 04 minutes 51  
10 seconds East, a distance of 100.00 feet and terminating thereat.

11 Subject to right-of-way of 70th Street Northeast along the  
12 South line of the Southwest Quarter of Southeast Quarter  
13 aforsaid Section, Township and Range.

14 Subject to right-of-way of Wright County Highway No. 122  
15 over the South 33 feet of the East 117.40 feet of the Southeast  
16 Quarter of Southwest Quarter aforsaid Section, Township and  
17 Range.

1 Senator ..... moves to amend S.F. No. 692 as follows:

2 Delete everything after the enacting clause and insert:

3 "Section 1. [DELETION FROM MISSISSIPPI RIVER RECREATIONAL  
4 LAND USE DISTRICT IN WRIGHT COUNTY.]

5 The following area is deleted from the Mississippi  
6 Recreational River Land Use District in Wright County: That  
7 part of government lots 3 and 4 located in Section 26, Township  
8 121 North, Range 23 West, lying south and west of Wright County  
9 State-Aid Highway Number 42."

1 Senator ..... moves to amend the SCS0692A-1 amendment to  
2 S.F. No. 692 as follows:

3 Page 1, line 4, delete "COUNTY" and insert "AND SHERBURNE  
4 COUNTIES"

5 Page 1, line 5, before "The" insert "(a)"

6 Page 1, after line 9, insert:

7 "(b) The following area is deleted from the Mississippi  
8 Recreational River Land Use District in Sherburne County: That  
9 part of government lots 1, 2, and 3 in Section 35, Township 33  
10 North, Range 28 West, lying north and east of Sherburne County  
11 Road Number 14; and that part of government lot 2 of Section 36,  
12 Township 33 North, Range 28 West, lying north and east of  
13 Sherburne County Road Number 14.

14 Delete the title and insert:

15 "A bill for an act relating to natural resources; deleting  
16 land from the Mississippi River Recreational Land Use District  
17 in Wright and Sherburne Counties."

## **Senate File 692/House File 990**

### **Otsego Wild, Scenic and Recreational River Exemption**

This legislation seeks to exempt certain property in the City of Otsego, Minnesota from the Mississippi River Wild, Scenic, and Recreational River District. The property, approximately 100 acres, is adjacent to the Mississippi River and is located northeast of Highway 101 and County Road 37 in Otsego:

- The requested exemption is consistent with Otsego's recently-approved Comprehensive Plan which designates the property for low and medium density housing and commercial uses.
- Rottlund Homes, one of Minnesota's premier home construction builders, seeks to construct a residential development on the property. The development will be separated from the Mississippi River by a highway.
- On December 13, 2004, the Otsego City Council approved a Concept Plan for the Rottlund development proposal. In addition, the City Council supports Senate File 692/House File 990. Otsego is a fast-growing community which engaged in a comprehensive review of its land planning. The ability to attract homeowners to a site close to the Mississippi River is a goal the City believes is in its best interest and the best interest of its residents and the residents of the region. The proposed development will incorporate the river in an environmentally sound way.

The Department of Natural Resources has worked with the City and Rottlund to develop the proposed legislation. The DNR has no objection to the legislation.

Rottlund respectfully requests your support for Senate File 692/House File 990.



## Department of Natural Resources Fact Sheet



### RECREATIONAL VEHICLE REGISTRATION AND EXPANDED CRITICAL HABITAT PLATES HF 684/SF 788

#### Summary

This bill will:

1. Extend availability of critical habitat license plates to recreational vehicles and camping trailers. This program currently generates funds to protect critical habitat through a \$30 contribution per plate for passenger automobiles, pick-up trucks, and vans, but is not available for RVs and camping trailer plates.
2. Allow for the use of a temporary identification number for recreational vehicles registered through the telephone or internet.
3. Allow refunds for certain recreational vehicle registration/title fees.
4. Provide an alternative location for displaying OHM registration and provide an exception for display of registration for OHM's while being operated on private property or while competing in a closed course race event.

#### It is needed because:

1. **Allowing recreational vehicle (RVs) and recreational trailer owners to also purchase the CHM plates** will give them the opportunity to participate in this valuable program to help Minnesota's critical natural resources.

*Background:* By law (M.S. § 168.1296, subd. 1), critical habitat license plates are currently available only for passenger automobiles, pickup trucks, or vans. They are not available for recreational vehicles (RVs) or camping trailers. There are currently 39,700 RVs and 102,200 camping trailers licensed in Minnesota. If participation for those vehicles is similar to the rate of purchase of critical habitat plates for passenger vehicles, the critical habitat plate program could anticipate selling an additional 3,700 plates annually. This would generate an additional \$111,000 per year for the purchase and management of

critical habitats. This program currently has over 108,000 registered plates that generate over \$3.2 million per year. Since its inception in 1996, conservation-minded motorists have contributed a total of \$11 million to the program.

2. **Authority to use temporary license identification numbers for recreational vehicles issued by telephone or internet** will allow users to operate their vehicles until they receive their registration materials in the mail.

*Background:* Authority for use of a temporary identification numbers on recreational vehicles will allow users to use their vehicles immediately upon registration, regardless of whether they purchase them in person, over the telephone, or on the internet. This is similar to current authority for a temporary identification number that is issued for a hunting or angling license obtained by telephone or internet and allows the purchaser to immediately use the license.

3. **Authority to issue refunds for recreational vehicle registrations/titles under the following conditions:** a) vehicle is registered incorrectly by agent (e.g. snowmobile registered as an ATV, registration not required, incorrect boat length, type of boat, etc.) resulting in an over charge to the customer; b) customer charged a title fee on a boat not required to be titled by law; or c) vehicle/boat accidentally registered twice (e.g. once by dealer and once by customer).

*Background:* Refund requests for the reasons listed above would be allowed if the request is received within 12 months of the original registration. Refunds would not include the issuing fees paid under current statutes. DNR can identify the validity of these requests through the electronic licensing system, ensuring that refunds are warranted. Currently, DNR has similar authority to issue refunds for hunting and angling licenses under certain circumstances.



4. **Provide an alternative location for displaying off-highway motorcycle (OHM) registrations** that is a reasonable alternative to the current registration plate requirement.

*Background:* While the alternative OHM registration display location may be difficult for law enforcement and the public to identify when placed on the fork or other visible location, the rear fender location simply doesn't work for off-highway motorcycles. In closed course racing situations in particular, the plate often gets damaged or knocked off within a very short period of time. This also creates a hazard for the operator and other riders on the course. Display of the registration sticker would not be required when the OHM is being operated on private lands or in closed course races, but would be required if the OHV is operated on public lands or waters.

**Financial implications (if appropriate)**

Critical habitat funds are appropriated to the commissioner of natural resources to acquire and improve critical wildlife and fish habitat as directed by statute (M.S. § 84.943). The potential increased funding for the expansion of critical habitat plates to include recreational vehicles and camping trailers is \$111,000, which would represent a 3.5% increase over current annual revenues of \$3.2 million. This would enhance the ability of the DNR to protect critical habitats across the state.

**For further information contact:**

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Senators Saxhaug, Bakk, Olson, Jungbauer and Sams introduced--

S.F. No. 788: Referred to the Committee on Environment and Natural Resources.

1 A bill for an act

2 relating to natural resources; modifying certain  
3 temporary permit provisions for recreational vehicles;  
4 allowing refunds for certain registrations, licenses,  
5 and titles; extending availability of critical habitat  
6 license plates; amending Minnesota Statutes 2004,  
7 sections 84.027, subdivision 15; 84.788, subdivision  
8 3, by adding a subdivision; 84.798, subdivision 3, by  
9 adding a subdivision; 84.82, subdivision 2, by adding  
10 a subdivision; 84.922, subdivision 2, by adding a  
11 subdivision; 86B.415, by adding a subdivision;  
12 168.1296, subdivision 1.

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

14 Section 1. Minnesota Statutes 2004, section 84.027,  
15 subdivision 15, is amended to read:

16 Subd. 15. [ELECTRONIC TRANSACTIONS.] (a) The commissioner  
17 may receive an application for, sell, and issue any license,  
18 stamp, permit, registration, or transfer under the jurisdiction  
19 of the commissioner by electronic means, including by  
20 telephone. Notwithstanding section 97A.472, electronic and  
21 telephone transactions may be made outside of the state. The  
22 commissioner may:

23 (1) provide for the electronic transfer of funds generated  
24 by electronic transactions, including by telephone;

25 (2) assign ~~a license~~ an identification number to an  
26 applicant who purchases a hunting or fishing license or  
27 recreational vehicle registration by electronic means, to serve  
28 as temporary authorization to engage in the ~~licensed~~ activity  
29 requiring a license or registration until the license or

1 registration is received or expires;

2 (3) charge and permit agents to charge a fee of individuals  
3 who make electronic transactions and transactions by telephone,  
4 including the issuing fee under section 97A.485, subdivision 6,  
5 and an additional transaction fee not to exceed \$3.50;

6 (4) collect issuing or filing fees as provided under  
7 sections 84.788, subdivision 3, paragraph (e); 84.798,  
8 subdivision 3, paragraph (b); 84.82, subdivision 2, paragraph  
9 ~~(d)~~ (e); 84.8205, subdivisions 5 and 6; 84.922, subdivision 2,  
10 paragraph (e); 85.41, subdivision 5; 86B.415, subdivision 8; and  
11 97A.485, subdivision 6, and collect an electronic licensing  
12 system commission on sales of licenses as provided under  
13 sections 85.43, paragraph (b), and 97A.485, subdivision 7; and

14 (5) adopt rules to administer the provisions of this  
15 subdivision.

16 (b) Establishment of the transaction fee under paragraph  
17 (a), clause (3), is not subject to the rulemaking procedures of  
18 chapter 14 and section 14.386 does not apply.

19 (c) Money received from fees and commissions collected  
20 under this subdivision, including interest earned, is annually  
21 appropriated from the game and fish fund and the natural  
22 resources fund to the commissioner for the cost of electronic  
23 licensing.

24 Sec. 2. Minnesota Statutes 2004, section 84.788,  
25 subdivision 3, is amended to read:

26 Subd. 3. [APPLICATION; ISSUANCE; REPORTS.] (a) Application  
27 for registration or continued registration must be made to the  
28 commissioner or an authorized deputy registrar of motor vehicles  
29 in a form prescribed by the commissioner. The form must state  
30 the name and address of every owner of the off-highway  
31 motorcycle.

32 (b) A person who purchases from a retail dealer an  
33 off-highway motorcycle shall make application for registration  
34 to the dealer at the point of sale. The dealer shall issue a  
35 dealer temporary ten-day registration permit to each purchaser  
36 who applies to the dealer for registration. The dealer shall

1 submit the completed registration applications and fees to the  
2 deputy registrar at least once each week. No fee may be charged  
3 by a dealer to a purchaser for providing the temporary permit.

4 (c) Upon receipt of the application and the appropriate  
5 fee, the commissioner or deputy registrar shall issue to the  
6 applicant, or provide to the dealer, ~~a-60-day-temporary-receipt~~  
7 ~~and-shall-assign-a~~ an assigned registration number that or a  
8 commissioner or deputy registrar temporary ten-day permit. Once  
9 issued, the registration number must be affixed to the  
10 ~~motorcycle in-a-manner-prescribed-by-the-commissioner~~ according  
11 to paragraph (f). A dealer subject to paragraph (b) shall  
12 provide the registration materials and or temporary receipt  
13 permit to the purchaser within the ten-day temporary permit  
14 period.

15 (d) The commissioner shall develop a registration system to  
16 register vehicles under this section. A deputy registrar of  
17 motor vehicles acting under section 168.33, is also a deputy  
18 registrar of off-highway motorcycles. The commissioner of  
19 natural resources in agreement with the commissioner of public  
20 safety may prescribe the accounting and procedural requirements  
21 necessary to ensure efficient handling of registrations and  
22 registration fees. Deputy registrars shall strictly comply with  
23 the accounting and procedural requirements.

24 (e) In addition to other fees prescribed by law, a filing  
25 fee of \$4.50 is charged for each off-highway motorcycle  
26 registration renewal, duplicate or replacement registration  
27 card, and replacement decal and a filing fee of \$7 is charged  
28 for each off-highway motorcycle registration and registration  
29 transfer issued by:

30 (1) a deputy registrar and must be deposited in the  
31 treasury of the jurisdiction where the deputy is appointed, or  
32 kept if the deputy is not a public official; or

33 (2) the commissioner and must be deposited in the state  
34 treasury and credited to the off-highway motorcycle account.

35 (f) Unless exempted under paragraph (g), the owner of an  
36 off-highway motorcycle must display a registration decal issued

1 by the commissioner. If the motorcycle is licensed as a motor  
2 vehicle, a registration decal must be affixed on the upper left  
3 corner of the rear license plate. If the motorcycle is not  
4 licensed as a motor vehicle, the decal must be attached on the  
5 side of the motorcycle and may be attached to the fork tube.  
6 The decal must be attached so that it is visible while a rider  
7 is on the motorcycle. The issued decals must be of a size to  
8 work within the constraints of the electronic licensing system,  
9 not to exceed three inches high and three inches wide.

10 (g) Display of a registration decal is not required for an  
11 off-highway motorcycle while being operated on private property  
12 or while competing in a closed-course competition event.

13 Sec. 3. Minnesota Statutes 2004, section 84.788, is  
14 amended by adding a subdivision to read:

15 Subd. 11. [REFUNDS.] The commissioner may issue a refund  
16 on a registration, not including any issuing fees paid under  
17 subdivision 3, paragraph (e), or section 84.027, subdivision 15,  
18 paragraph (a), clause (3), if the refund request is received  
19 within 12 months of the original registration and:

20 (1) the off-highway motorcycle was registered incorrectly  
21 by the commissioner or the deputy registrar; or

22 (2) the off-highway motorcycle was registered twice, once  
23 by the dealer and once by the customer.

24 Sec. 4. Minnesota Statutes 2004, section 84.798,  
25 subdivision 3, is amended to read:

26 Subd. 3. [APPLICATION; ISSUANCE.] (a) Application for  
27 registration or continued registration must be made to the  
28 commissioner, or an authorized deputy registrar of motor  
29 vehicles in a form prescribed by the commissioner. The form  
30 must state the name and address of every owner of the off-road  
31 vehicle. Upon receipt of the application and the appropriate  
32 fee, the commissioner shall register the off-road vehicle and  
33 assign a registration number that must be affixed to the vehicle  
34 in accordance with subdivision 4.

35 (b) A deputy registrar of motor vehicles acting under  
36 section 168.33 is also a deputy registrar of off-road vehicles.

1 The commissioner of natural resources in cooperation with the  
2 commissioner of public safety may prescribe the accounting and  
3 procedural requirements necessary to ensure efficient handling  
4 of registrations and registration fees. Deputy registrars shall  
5 strictly comply with the accounting and procedural  
6 requirements. In addition to other fees prescribed by law, a  
7 filing fee of \$4.50 is charged for each off-road vehicle  
8 registration renewal, duplicate or replacement registration  
9 card, and replacement decal and a filing fee of \$7 is charged  
10 for each off-road vehicle registration and registration transfer  
11 issued by:

12 (1) a deputy registrar and must be deposited in the  
13 treasury of the jurisdiction where the deputy is appointed, or  
14 retained if the deputy is not a public official; or

15 (2) the commissioner and must be deposited in the state  
16 treasury and credited to the off-road vehicle account.

17 (c) A person who purchases an off-road vehicle for off-road  
18 use from a retail dealer shall make application for registration  
19 to the dealer at the point of sale. The dealer shall issue a  
20 dealer temporary ten-day registration permit to each purchaser  
21 who applies to the dealer for registration. Each retail dealer  
22 shall submit completed registration and fees to the deputy  
23 registrar at least once a week. No fee may be charged by a  
24 dealer to a purchaser for providing the temporary permit.

25 (d) Upon receipt of the application and the appropriate  
26 fee, the commissioner or deputy registrar shall issue to the  
27 applicant, or provide to the dealer, an assigned registration  
28 number or a commissioner or deputy registrar temporary ten-day  
29 permit. Once issued, the registration number must be affixed to  
30 the off-road vehicle according to subdivision 4. A dealer  
31 subject to paragraph (c) shall provide the registration  
32 materials or temporary permit to the purchaser within the  
33 ten-day temporary permit period.

34 Sec. 5. Minnesota Statutes 2004, section 84.798, is  
35 amended by adding a subdivision to read:

36 Subd. 10. [REFUNDS.] The commissioner may issue a refund

1 on a registration, not including any issuing fees paid under  
2 subdivision 3, paragraph (b), or section 84.027, subdivision 15,  
3 paragraph (a), clause (3), if the refund request is received  
4 within 12 months of the original registration and:

5 (1) the vehicle was registered incorrectly by the  
6 commissioner or the deputy registrar; or

7 (2) the vehicle was registered twice, once by the dealer  
8 and once by the customer.

9 Sec. 6. Minnesota Statutes 2004, section 84.82,  
10 subdivision 2, is amended to read:

11 Subd. 2. [APPLICATION, ISSUANCE, REPORTS, ADDITIONAL FEE.]

12 (a) Application for registration or reregistration shall be made  
13 to the commissioner or an authorized deputy registrar of motor  
14 vehicles in a format prescribed by the commissioner and shall  
15 state the legal name and address of every owner of the  
16 snowmobile.

17 (b) A person who purchases a snowmobile from a retail  
18 dealer shall make application for registration to the dealer at  
19 the point of sale. The dealer shall issue a dealer temporary  
20 ten-day registration permit to each purchaser who applies to the  
21 dealer for registration. ~~The temporary registration is valid~~  
22 ~~for 60 days from the date of issue.~~ Each retail dealer shall  
23 submit completed registration and fees to the deputy registrar  
24 at least once a week. No fee may be charged by a dealer to a  
25 purchaser for providing the temporary permit.

26 (c) Upon receipt of the application and the appropriate fee  
27 as hereinafter provided, ~~such snowmobile shall be registered and~~  
28 ~~a~~ the commissioner or deputy registrar shall issue to the  
29 applicant, or provide to the dealer, an assigned registration  
30 ~~number assigned which shall~~ or a commissioner or deputy  
31 registrar temporary ten-day permit. Once issued, the  
32 registration number must be affixed to the snowmobile in a  
33 clearly visible and permanent manner for enforcement purposes as  
34 the commissioner of natural resources shall prescribe. A dealer  
35 subject to paragraph (b) shall provide the registration  
36 materials or temporary permit to the purchaser within the

1 temporary ten-day permit period. The registration is not valid  
2 unless signed by at least one owner.

3 ~~(e)~~ (d) Each deputy registrar of motor vehicles acting  
4 pursuant to section 168.33, shall also be a deputy registrar of  
5 snowmobiles. The commissioner of natural resources in agreement  
6 with the commissioner of public safety may prescribe the  
7 accounting and procedural requirements necessary to assure  
8 efficient handling of registrations and registration fees.  
9 Deputy registrars shall strictly comply with these accounting  
10 and procedural requirements.

11 ~~(d)~~ (e) A fee of \$2 in addition to that otherwise  
12 prescribed by law shall be charged for:

13 (1) each snowmobile registered by the registrar or a deputy  
14 registrar and the additional fee shall be disposed of in the  
15 manner provided in section 168.33, subdivision 2; or

16 (2) each snowmobile registered by the commissioner and the  
17 additional fee shall be deposited in the state treasury and  
18 credited to the snowmobile trails and enforcement account in the  
19 natural resources fund.

20 Sec. 7. Minnesota Statutes 2004, section 84.82, is amended  
21 by adding a subdivision to read:

22 Subd. 11. [REFUNDS.] The commissioner may issue a refund  
23 on a registration, not including any issuing fees paid under  
24 subdivision 2, paragraph (e), or section 84.027, subdivision 15,  
25 paragraph (a), clause (3), if the refund request is received  
26 within 12 months of the original registration and:

27 (1) the snowmobile was registered incorrectly by the  
28 commissioner or the deputy registrar; or

29 (2) the snowmobile was registered twice, once by the dealer  
30 and once by the customer.

31 Sec. 8. Minnesota Statutes 2004, section 84.922,  
32 subdivision 2, is amended to read:

33 Subd. 2. [APPLICATION, ISSUANCE, REPORTS.] (a) Application  
34 for registration or continued registration shall be made to the  
35 ~~commissioner of natural resources, the commissioner of public~~  
36 ~~safety~~ or an authorized deputy registrar of motor vehicles in a



1 form prescribed by the commissioner. The form must state the  
2 name and address of every owner of the vehicle.

3 (b) A person who purchases an all-terrain vehicle from a  
4 retail dealer shall make application for registration to the  
5 dealer at the point of sale. The dealer shall issue a dealer  
6 temporary ten-day registration permit to each purchaser who  
7 applies to the dealer for registration. The dealer shall submit  
8 the completed registration application and fees to the deputy  
9 registrar at least once each week. No fee may be charged by a  
10 dealer to a purchaser for providing the temporary permit.

11 (c) Upon receipt of the application and the appropriate  
12 fee, the commissioner or deputy registrar shall issue to the  
13 applicant, or provide to the dealer, ~~a 60-day-temporary-receipt~~  
14 ~~and-shall-assign-a~~ an assigned registration number ~~that or a~~  
15 commissioner or deputy registrar temporary ten-day permit. Once  
16 issued, the registration number must be affixed to the vehicle  
17 in a manner prescribed by the commissioner. A dealer subject to  
18 paragraph (b) shall provide the registration materials and or  
19 temporary receipt permit to the purchaser within the ten-day  
20 temporary permit period. The commissioner shall use the  
21 snowmobile registration system to register vehicles under this  
22 section.

23 (d) Each deputy registrar of motor vehicles acting under  
24 section 168.33, is also a deputy registrar of all-terrain  
25 vehicles. The commissioner of natural resources in agreement  
26 with the commissioner of public safety may prescribe the  
27 accounting and procedural requirements necessary to assure  
28 efficient handling of registrations and registration fees.  
29 Deputy registrars shall strictly comply with the accounting and  
30 procedural requirements.

31 (e) In addition to other fees prescribed by law, a filing  
32 fee of \$4.50 is charged for each all-terrain vehicle  
33 registration renewal, duplicate or replacement registration  
34 card, and replacement decal and a filing fee of \$7 is charged  
35 for each all-terrain vehicle registration and registration  
36 transfer issued by:

1 (1) a deputy registrar and shall be deposited in the  
2 treasury of the jurisdiction where the deputy is appointed, or  
3 retained if the deputy is not a public official; or

4 (2) the commissioner and shall be deposited to the state  
5 treasury and credited to the all-terrain vehicle account in the  
6 natural resources fund.

7 Sec. 9. Minnesota Statutes 2004, section 84.922, is  
8 amended by adding a subdivision to read:

9 Subd. 12. [REFUNDS.] The commissioner may issue a refund  
10 on a registration, not including any issuing fees paid under  
11 subdivision 2, paragraph (e), or section 84.027, subdivision 15,  
12 paragraph (a), clause (3), if the refund request is received  
13 within 12 months of the original registration and:

14 (1) the vehicle was registered incorrectly by the  
15 commissioner or the deputy registrar; or

16 (2) the vehicle was registered twice, once by the dealer  
17 and once by the customer.

18 Sec. 10. Minnesota Statutes 2004, section 86B.415, is  
19 amended by adding a subdivision to read:

20 Subd. 11. [REFUNDS.] The commissioner may issue a refund  
21 on a license or title, not including any issuing fees paid under  
22 subdivision 8 or section 84.027, subdivision 15, paragraph (a),  
23 clause (3), or 86B.870, subdivision 1, paragraph (b), if the  
24 refund request is received within 12 months of the original  
25 license or title and:

26 (1) the watercraft was licensed or titled incorrectly by  
27 the commissioner or the deputy registrar;

28 (2) the customer was incorrectly charged a title fee; or

29 (3) the watercraft was licensed or titled twice, once by  
30 the dealer and once by the customer.

31 Sec. 11. Minnesota Statutes 2004, section 168.1296,  
32 subdivision 1, is amended to read:

33 Subdivision 1. [GENERAL REQUIREMENTS AND PROCEDURES.] (a)  
34 The registrar shall issue special critical habitat license  
35 plates to an applicant who:

36 (1) is an owner or joint owner of a passenger automobile,

1 pickup truck, or van or of recreational equipment;

2 (2) pays a fee of \$10 to cover the costs of handling and  
3 manufacturing the plates;

4 (3) pays the registration tax required under section  
5 168.013;

6 (4) pays the fees required under this chapter;

7 (5) contributes a minimum of \$30 annually to the Minnesota  
8 critical habitat private sector matching account established in  
9 section 84.943; and

10 (6) complies with laws and rules governing registration and  
11 licensing of vehicles and drivers.

12 (b) The critical habitat license application form must  
13 clearly indicate that the annual contribution specified under  
14 paragraph (a), clause (5), is a minimum contribution to receive  
15 the license plate and that the applicant may make an additional  
16 contribution to the account.

# Proposed Mineral Management Account

(Values Reported in Thousands)

## Projections of Mineral Revenue Collected

Fiscal Year Forecasts Account	2006	2007	2008	2009
School Trust	9,204	10,715	9,797	7,197
University Trust	5,671	6,946	6,300	6,900
Tax-Forfeited*	655	529	363	363
Other Lands**	28	28	28	28
<b>Total Revenue</b>	<b>15,558</b>	<b>18,218</b>	<b>16,488</b>	<b>14,488</b>

\* Amount Collected For Tax-Forfeited Lands (80% to Counties & 20% to General Fund)

\*\* Amount Collected For Volstead and Con-Con Lands (50% to Counties & 50% to General Fund)

## Proposed Mineral Management Account Activity

Fiscal Year Account	2006	2007	2008	2009
Balance Start of Year	0	1,166	2,864	3,000
Receipts = 20% of Total Revenue*	3,112	3,644	3,299	2,899
Expenditures - Management	1,526	1,526	1,946	1,946
Expenditures - Enhancement	420	420	n/a	n/a
Return to School and University Funds**	0	0	-1,217	-953
Year End Balance	1,166	2,864	3,000	3,000

\* For Tax-Forfeited, Con-Con and Volstead Lands, Mineral Management Account Receipts Come Only from General Fund

\*\* When the Account Balance exceeds \$3 million at end of Fiscal Year, Excess is Paid to the School & University Funds

## Impact on School and University Funds

Fiscal Year Account		2006	2007	2008	2009
School Trust Fund	Current Revenue*	9,204	10,715	9,797	7,197
	Management Fee	1,841	2,143	1,219	953
	<b>New Revenue**</b>	<b>7,363</b>	<b>8,572</b>	<b>8,578</b>	<b>6,244</b>
University Trust Fund	Current Revenue*	5,671	6,946	6,300	6,900
	Management Fee	1,134	1,389	784	914
	<b>New Revenue**</b>	<b>4,537</b>	<b>5,557</b>	<b>5,516</b>	<b>5,986</b>

\* Revenues are projected and Mineral Management is Paid by General Fund

\*\* Revenues are projected and Mineral Management is Paid by All Funds Receiving Mineral Revenue

## MINERAL MANAGEMENT INITIATIVE

The Mineral Management Account proposal contains \$420,000 for improved Mineral Management. The following projects are directed at maintaining current royalty revenue or increasing royalty revenue in existing mining areas or in new areas.

### **Drill Core Analysis \$100,000**

The purpose of the project is to market and lease state-owned metallic minerals. The tasks are to collect and compile information and develop new materials that support the marketing mineral properties. The product would be a summary of new assay data developed from drill cores available in the DNR core repository. This new information would be used to market the resources for industry evaluation, investment, and development. The objective would be to identify new zones of mineralization, such as kimberlite dikes, and new zones of alteration. Some drilling of new core may also occur. The materials developed would include:

- Location maps
- New geologic drill logs to support the selection of samples for analysis
- New drill core chemical and mineralogical analyses pertinent to ore deposits
- Summary of available resource inventory data relevant to further exploration or evaluation, including site-specific geophysical surveys related to the drill core
- Photographs of selected features in the drill core
- Development of cross section diagrams and other graphics that depict new information

The model for this work is the discovery of the Birch Lake copper-nickel-PGE deposit by a DNR geologist who recognized chromite and sulfides in a drill core. Subsequently, the core was assayed and platinum-palladium values were identified. Private investment followed.

### **Land and Mineral Title Research \$75,000**

The state owns large acreages of mineral rights for which there are poor ownership records. Companies and the DNR need to know the mineral owners for exploration to occur. Mineral ownership title work will be completed on 25,000 to 35,000 acres. The ownership identification would increase the acreage of state mineral rights available for leasing and ensure that the state's ownership interests are properly identified. Research will be focused on priority areas on the Mesabi Range and on other areas of the state that have non-ferrous metallic mineral potential.

### **Mineral Lease Property Portfolio \$50,000**

Development of mineral portfolios will aid in leasing and development of state-owned mineral deposits. The tasks are to compile information and develop materials that support marketing state mineral properties that have potential for near-term development. Property portfolios will be compiled from existing and new data. They will contain geology, drilling, deposit evaluation, ownership, access and infrastructure data. A similar prospectus was prepared for the LTV taconite site after the company's bankruptcy. Today, several redevelopment proposals are being considered at the site and a new stone business has been started. The goal would be to develop several portfolios each biennium.

### **Permitting and Environmental Review \$65,000**

Numerous projects that involve state-owned mineral rights have recently been proposed and are in various stages of permitting. Examples include Minnesota Steel Industries taconite mine and new plant facility near Nashwauk, Ispat Inland's proposed new taconite mine near McKinley, an exploration shaft development near Babbitt, the Mesabi Nugget project at the former LTV mine, and Minntac's tailings basin permitting. By expediting permitting and environmental review the state would experience additional economic development of its mineral resources.

### **Control of Mercury in Taconite Mining \$75,000**

Approximately two thirds of the lakes and rivers in Minnesota that are listed as impaired, are due to high concentrations of mercury in fish. High mercury results from increased atmospheric deposition of the element. Minnesota has joined national and international efforts to reduce mercury emissions and limit statewide emissions by 93%, (from 11,272 lbs/year in 1990 to 785 lbs/year in 2010). In order for Minnesota to reach its emission goal, significant reduction in mercury emitted by taconite processing will be needed, as this industry alone emits approximately 750 lbs/yr.

Mercury in taconite stack emissions is a range-wide problem best studied in a coordinated effort involving public and private industry scientists and engineers with special expertise in the field. In cooperation with the industry, US Environmental Protection Agency, and the PCA, the DNR has been actively studying mercury emissions and control options for the taconite plants. Additional funds will be used to initiate, coordinate, and communicate research associated with mercury in taconite stack emissions. The collective information gained from the coordinated studies will be used to design cost-effective and plant-specific mercury control strategies to reduce emissions.

### **Value-Added Iron and Coal Gas Production \$55,000**

This project would continue the past investigations into value-added iron processes and investigate options for coal gas from western coal. These investigations would examine technologies other than those proposed for the iron nugget plant that is planned for construction near Hoyt Lakes, Minnesota. The three following value-added processes should be investigated for applicability in Minnesota. These processes are capable of using western coal to produce pig iron and produce a high quality gas that can be used for taconite pellet induration or other industrial uses.

Voest Alpine, an Austrian, company developed the **FINEX** process. A commercial plant that produces 800,000 tons of pig iron per year has been operating at the Posco steel plant in South Korea since May of 2003. The off-gas from the process is used to pre-reduce iron for the furnace and produce electricity for the steel plant. Construction of a 1.2 million ton per year FINEX plant is currently being planned in South Korea.

A **Midrex-COREX** plant that produces 650,000 tons of pig iron in a COREX furnace and 800,000 tons of direct reduced iron in a Midrex furnace is operating at the Saldhana steel plant (Mittal Steel) in South Africa. Voest Alpine also designed this plant. The off-gas from the COREX furnace produces direct reduced iron in the Midrex furnace.

The **Hismelt** process also appears to be applicable in Minnesota. Outokumpu and Rio Tinto are currently constructing a facility in Australia that will produce 600,000 tons of pig iron per year. The plant will begin operation in May of 2005.

Three of six Minnesota taconite plants can only use natural gas as a fuel to fire taconite pellets due to furnace design. The price of natural gas has doubled in the last three years. A facility that would produce pig iron from western coal and at the same time produce an off-gas capable of use in pellet furnaces would be ideal for taconite production and value-added production.

**Summary**

The six projects listed above support recommendations contained in the *Governor's Committee on Minnesota's Mining Future*, dated September, 2004. These projects are the highest priority at the present time and would be started first. In the future projects would be evaluated based upon the feasibility of producing future mineral income.

February 23, 2005  
Division of Lands and Minerals



## Department of Natural Resources Fact Sheet



### MINERALS MANAGEMENT FEE

HF 1133/ SF 1088

#### Summary

The DNR proposal is to shift the cost for mineral management from the General Fund to the funds that currently benefit from the revenue. The Permanent School Fund, the University Fund, and any DNR accounts that receive mineral revenues will be charged for mineral management. This along with the mineral revenue that is currently paid into the General Fund for the management of minerals mined from tax-forfeited and a portion from consolidated conservation lands, will be paid into a new Mineral Management Account within the Natural Resources Fund. The proposal is to annually collect 20% of the mineral revenue generated to pay for mineral management. This amount has been selected because it equals the amount collected by the state since 1945 for the management of tax-forfeited minerals.

The proposed DNR Mineral Management Account will work as follows:

- 1) Each fiscal year (starting in FY 2006) the account will receive 20% of the mineral revenues generated from mining on state-owned lands;
- 2) Money from the fund would be appropriated for two purposes:
  - To pay for mineral management (\$1.526 million during each of FY 2006 and FY 2007); and
  - To conduct activities to enhance mineral income generating potential (\$420,000 per year);
- 3) Any remaining money (which is expected to vary from year to year, but is estimated to start at \$1,166,000 the first year) would be carried forward to cover shortfalls if mineral income drops from current levels (this amount is proposed to be capped as described below); and
- 4) Because mining is a cyclic activity, with good and bad years, money not spent in one year would be used to bridge any periods of reduced income.

The DNR is proposing that the account balance be capped at \$3.0 million (about two years worth of

mineral management costs). Any excess above that amount would be paid to the Permanent School and Permanent University Funds.

The spreadsheet on the back of this fact sheet depicts how the Mineral Management Account would function based on forecasts of mineral income over the next few years.

#### It is needed because

The DNR has fiduciary responsibilities established by the Minnesota Constitution that require the DNR to manage state-owned minerals for a number of funds. The cost of mineral management has been borne by the General Fund for years. This proposal to shift the payment for mineral management to the funds that actually benefit from mineral revenue would stabilize the source of management funding and ensure that essential activities will continue in a manner unaffected by economic fluctuations that have recently adversely impacted the General Fund.

#### Financial implications (if appropriate)

This bill will result in a continuation of mineral management activities at current levels (\$1,526,000 during each of the next two fiscal years). It will also make \$420,000 available to invest in activities designed to enhance future mineral income.

#### Background

The DNR currently manages mineral rights on about 12 million acres of land. In its capacity as mineral manager the DNR performs a number of tasks including:

- Collecting and maintaining geologic data and samples;
- Inspecting exploratory drill sites;
- Conducting mineral lease sales;
- Negotiating mineral leases and preparing lease documents and other legal contracts;
- Ensuring lease compliance through legal and financial administration and Inspections;



- Cooperatively working with industry to identify cost effective technologies;
- Identifying environmentally acceptable practices to ensure that mine areas continue to have utility and value when mining ceases; and
- Providing technical advice on new mining proposals when state funds are used.

The DNR has an annual budget of about \$1.5 million for mineral management. As a result of this investment, mineral income for 2004 was \$10.9 million (see the chart below for additional years' revenues).

With only a few exceptions, the DNR's mineral management program has been funded with appropriations from the General Fund. Those

exceptions occurred during periods in the 1990s when the General Fund was experiencing deficits and the Legislature determined that mineral management activities were essential for the continuation of mineral revenue generation.

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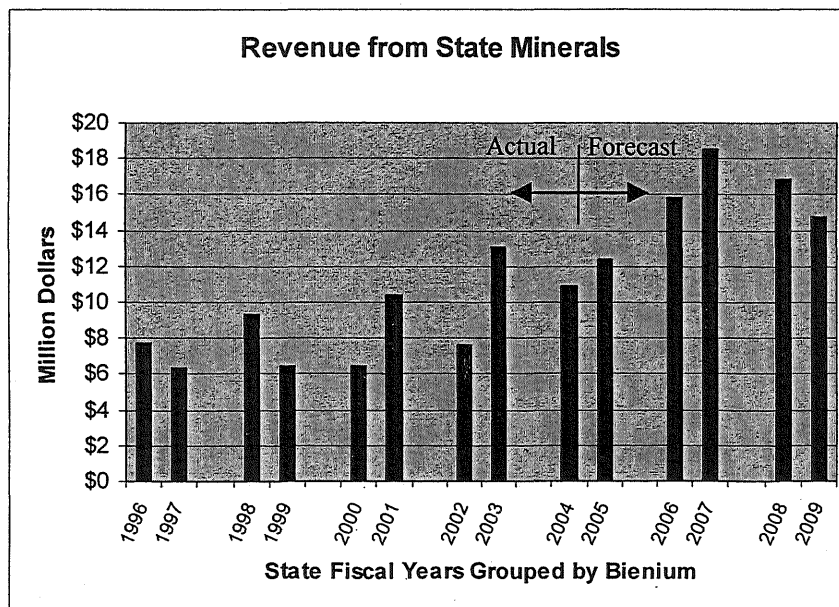
Marty Vadis, Assistant Director  
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January 25, 2005

**Spreadsheet Demonstrating How the Mineral Management Account is Intended to Operate**

	(in '000s)			
Mineral Management Account	FY 2006	FY 2007	FY 2008	FY 2009
Balance Start of Year		\$1,166	\$2,864	\$3,000
Receipts (20% of Total Mineral Revenue)	\$3,112	\$3,644	\$3,299	\$2,899
Expenditures for Management	\$1,526	\$1,526	\$1,946	\$1,946
Expenditures for Enhancement	\$420	\$420		
Return to School and University Funds**			(\$1,217)	(\$953)
Year End Balance	\$1,166	\$2,864	\$3,000	\$3,000

\*\* These funds would be in addition to the 80% of mineral revenue that is already going into the Permanent School and Permanent University Funds



Senators Stumpf and Kelley introduced--

S.F. No. 1088: Referred to the Committee on Environment and Natural Resources.

1 A bill for an act

2 relating to natural resources; creating minerals  
3 management account; modifying disposition of certain  
4 mineral payments; appropriating money; amending  
5 Minnesota Statutes 2004, section 93.22, subdivision 1;  
6 proposing coding for new law in Minnesota Statutes,  
7 chapter 93.

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

9 Section 1. Minnesota Statutes 2004, section 93.22,  
10 subdivision 1, is amended to read:

11 Subdivision 1. [GENERALLY.] (a) All payments under  
12 sections 93.14 to 93.285 shall be made to the Department of  
13 Natural Resources and shall be credited according to this  
14 section.

15 ~~(a)~~ (b) Twenty percent of all payments under sections 93.14  
16 to 93.285 shall be credited to the minerals management account  
17 in the natural resources fund as costs for the administration  
18 and management of state mineral resources by the commissioner of  
19 natural resources.

20 (c) The remainder of the payments shall be credited as  
21 follows:

22 (1) If the lands or minerals and mineral rights covered by  
23 a lease are held by the state by virtue of an act of Congress,  
24 payments made under the lease shall be credited to the permanent  
25 fund of the class of land to which the leased premises belong.

26 ~~(b)~~ (2) If a lease covers the bed of navigable waters,

1 payments made under the lease shall be credited to the permanent  
2 school fund of the state.

3 ~~(e)~~ (3) If the lands or minerals and mineral rights covered  
4 by a lease are held by the state in trust for the taxing  
5 districts, payments made under the lease shall be distributed  
6 annually on the first day of September as follows:

7 ~~(1)-20-percent-to-the-general-fund,-and~~

8 ~~(2)-80-percent~~ to the respective counties in which the  
9 lands lie, to be apportioned among the taxing districts  
10 interested therein as follows: county, three-ninths; town or  
11 city, two-ninths; and school district, four-ninths.

12 (4) If the lands or mineral rights covered by a lease  
13 became the absolute property of the state under the provisions  
14 of chapter 84A, payments made under the lease shall be  
15 distributed as follows: county containing the land from which  
16 the income was derived, five-eighths; and general fund of the  
17 state, three-eighths.

18 ~~(d)~~ (5) Except as provided under this section and except  
19 where the disposition of payments may be otherwise directed by  
20 law, all payments made under a lease shall be paid into the  
21 general fund of the state.

22 Sec. 2. [93.2236] [MINERALS MANAGEMENT ACCOUNT.]

23 (a) The minerals management account is created as an  
24 account in the natural resources fund. Interest earned on money  
25 in the account accrues to the account. Money in the account may  
26 be spent or distributed only as provided in paragraphs (b) and  
27 (c).

28 (b) If the balance in the minerals management account  
29 exceeds \$3,000,000 on June 30, the amount exceeding \$3,000,000  
30 must be distributed to the permanent school fund and the  
31 permanent university fund. The amount distributed to each fund  
32 must be in the same proportion as the total mineral lease  
33 revenue received in the previous biennium from school trust  
34 lands and university lands.

35 (c) Subject to appropriation by the legislature, money in  
36 the minerals management account may be spent by the commissioner

1 of natural resources for mineral resource management and  
2 projects to enhance future mineral income and promote new  
3 mineral resource opportunities.

4 Sec. 3. [APPROPRIATIONS.]

5 \$1,946,000 in fiscal year 2006 and \$1,946,000 in fiscal  
6 year 2007 are appropriated from the minerals management account  
7 to the commissioner of natural resources. Of the amount,  
8 \$1,526,000 each year is for mineral resource management and  
9 \$420,000 each year is for projects to enhance future income and  
10 promote new opportunities, including value-added iron products,  
11 geological mapping, and mercury research. The appropriation is  
12 from the revenue deposited to the minerals management account  
13 under Minnesota Statutes, section 93.22, subdivision 1,  
14 paragraph (b).

1 To: Senator Marty, Chair  
 2 Committee on Environment and Natural Resources  
 3 Senator Saxhaug,  
 4 Chair of the Subcommittee on Public Lands and Waters, to  
 5 which was referred

6 S.F. No. 712: A bill for an act relating to natural  
 7 resources; providing for evaluation of construction aggregate  
 8 located on school trust lands; appropriating money; amending  
 9 Minnesota Statutes 2004, section 16A.125, subdivision 5, by  
 10 adding a subdivision.

11 Reports the same back with the recommendation that the bill  
 12 be amended as follows:

13 Page 2, line 15, before "\$50,000" insert "In fiscal years  
 14 2006 and 2007,"

15 Page 2, line 17, delete everything after the first "the"

16 Page 2, line 18, delete "Department" and insert  
 17 "commissioner"

18 Page 2, line 19, delete "The"

19 Page 2, delete lines 20 and 21

20 And when so amended that the bill be recommended to pass  
 21 and be referred to the full committee.

22 .....  
 23 (Subcommittee Chair)

24  
 25 March 1, 2005.....  
 26 (Date of Subcommittee action)

**Senator Stumpf introduced--**

**S.F. No. 712: Referred to the Committee on Environment and Natural Resources.**

1 A bill for an act

2 relating to natural resources; providing for  
3 evaluation of construction aggregate located on school  
4 trust lands; appropriating money; amending Minnesota  
5 Statutes 2004, section 16A.125, subdivision 5, by  
6 adding a subdivision.

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

8 Section 1. Minnesota Statutes 2004, section 16A.125,  
9 subdivision 5, is amended to read:

10 Subd. 5. [FOREST TRUST LANDS.] The term "state forest  
11 trust fund lands" as used in this subdivision, means public land  
12 in trust under the Constitution set apart as "forest lands under  
13 the authority of the commissioner" of natural resources as  
14 defined by section 89.001, subdivision 13.

15 The commissioner of finance shall credit the revenue from  
16 the forest trust fund lands to the forest suspense account. The  
17 account must specify the trust funds interested in the lands and  
18 the respective receipts of the lands.

19 After a fiscal year, the commissioner of finance shall  
20 certify the total costs incurred for forestry during that year  
21 under appropriations for the protection, improvement,  
22 administration, and management of state forest trust fund lands  
23 and construction and improvement of forest roads to enhance the  
24 forest value of the lands. The certificate must specify the  
25 trust funds interested in the lands. The commissioner of  
26 natural resources shall supply the commissioner of finance with

1 the information needed for the certificate.

2 After a fiscal year and after the appropriation under  
3 subdivision 11, the commissioner shall distribute the receipts  
4 credited to the suspense account during that fiscal year as  
5 follows:

6 (a) The amount of the certified costs incurred by the state  
7 for forest management during the fiscal year shall be  
8 transferred to the general fund.

9 (b) The balance of the receipts shall then be returned  
10 prorated to the trust funds in proportion to their respective  
11 interests in the lands which produced the receipts.

12 Sec. 2. Minnesota Statutes 2004, section 16A.125, is  
13 amended by adding a subdivision to read:

14 Subd. 11. [APPROPRIATION TO EVALUATE CONSTRUCTION  
15 AGGREGATE POTENTIAL.] \$50,000 is annually appropriated from  
16 money accruing and credited to the forest suspense account for  
17 school trust lands to the Division of Lands and Minerals in the  
18 Department of Natural Resources to identify, evaluate, and lease  
19 construction aggregates located on school trust lands. The  
20 appropriation is supervised and controlled by the commissioner  
21 of natural resources.



## *Department of Natural Resources Fact Sheet*



### **AGGREGATE INVENTORY ON SCHOOL TRUST LAND HF 813/SF 712**

#### **Summary**

This bill will increase revenues generated to the Permanent School Fund (PSF), in accordance with directives in the Minnesota Constitution, by identifying and leasing sand and gravel resources. The bill also requires the DNR to develop a mine plan that will ensure the protection of surrounding features such as wetlands and groundwater.

#### **It is needed because**

The DNR has completed a number of site-specific resource evaluations for aggregate deposits on lands managed by the DNR's Divisions of Forestry and Fish & Wildlife. A number of these lands have been leased for aggregate development and are generating royalty revenues. The extent and quality of these deposits was unknown until the evaluation was completed.

As part of the DNR's fiduciary responsibility related to managing school trust lands, the agency has determined that some lands should be evaluated for the occurrence of aggregates. Currently, however, there are no funds available for such evaluations. This bill will annually direct \$50,000 from school trust land revenues to the DNR for conducting aggregate evaluations. This investment will ultimately result in increased revenue to the Permanent School Fund. The evaluation will provide information necessary to place a fair value on a deposit and to develop a mine plan necessary to assure mineland reclamation and protection of surrounding features such as wetlands.

#### **Financial implications**

Beginning in FY 2006, the DNR requests that \$50,000 be appropriated annually from the Forest Suspense Account (where income from school trust lands is initially deposited) to be invested in aggregate evaluation activities.

#### **Background**

This is an initiative by the agency to improve aggregate resource management on land assets of the Permanent School Fund to meet the statutory directives of Minn. Stat. § 127A.31 "Goals of the Permanent School Fund."

#### **For further information contact:**

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[William.Brice@dnr.state.mn.us](mailto:William.Brice@dnr.state.mn.us)

February 9, 2005



- 1 Senator ..... moves to amend S.F. No. 788 as follows:
- 2 Pages 4 and 5, delete section 4
- 3 Page 6, line 4, delete the colon
- 4 Page 6, line 5, delete "(1)"
- 5 Page 6, line 6, delete "; or"
- 6 Page 6, delete line 7
- 7 Page 6, line 8, delete everything before the period
- 8 Renumber the sections in sequence and correct the internal
- 9 references
- 10 Amend the title accordingly

Senators Dibble, Marty and Frederickson introduced--

S.F. No. 1098: Referred to the Committee on Environment and Natural Resources.

A bill for an act

relating to natural resources; modifying commercial fishing restrictions in infested waters; providing for a water recreation account; modifying expiration of certain committees; modifying disposition of certain unrefunded tax receipts; modifying terms of certain reports; eliminating commissioner approval of county expenditures of county timber receipts; amending Minnesota Statutes 2004, sections 84D.03, subdivision 4; 97A.055, subdivision 4b; 97A.4742, subdivision 4; 282.08; 282.38, subdivision 1; 296A.18, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 86B.

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

Section 1. Minnesota Statutes 2004, section 84D.03, subdivision 4, is amended to read:

Subd. 4. [COMMERCIAL FISHING AND TURTLE, FROG, AND CRAYFISH HARVESTING RESTRICTIONS IN INFESTED AND NONINFESTED WATERS.] (a) All nets, traps, buoys, anchors, stakes, and lines used for commercial fishing or turtle, frog, or crayfish harvesting in an infested waters, water that is designated because the-waters-contain it contains invasive fish or invertebrates, may not be used in noninfested any other waters. If a commercial licensee operates in both noninfested-waters-and an infested waters water designated because the-waters-contain it contains invasive fish or invertebrates and other waters, all nets, traps, buoys, anchors, stakes, and lines used for commercial fishing or turtle, frog, or crayfish harvesting in noninfested waters not designated as infested with invasive fish

1 or invertebrates must be tagged with tags provided by the  
2 commissioner, as specified in the commercial licensee's license  
3 or permit, and may not be used in infested waters designated  
4 because the waters contain invasive fish or invertebrates.

5 (b) ~~In infested waters designated solely because the waters~~  
6 ~~contain Eurasian water milfoil~~; All nets, traps, buoys, anchors,  
7 stakes, and lines used for commercial fishing or turtle, frog,  
8 or crayfish harvesting in an infested water that is designated  
9 solely because it contains Eurasian water milfoil must be dried  
10 for a minimum of ten days or frozen for a minimum of two days  
11 before they are used in ~~noninfested~~ any other waters, except as  
12 provided in this paragraph. Commercial operators licensees must  
13 notify the department's regional or area fisheries office or a  
14 conservation officer when before removing nets or equipment from  
15 an infested waters water designated solely because it contains  
16 Eurasian water milfoil and before resetting those nets or  
17 equipment in ~~noninfested~~ any other waters. ~~All aquatic~~  
18 ~~macrophytes~~ Upon such notification, the commissioner may  
19 authorize a commercial licensee to move nets or equipment to  
20 another water without freezing or drying, if that water is  
21 designated as infested solely because it contains Eurasian water  
22 milfoil.

23 (c) A commercial licensee must be removed remove all  
24 aquatic macrophytes from nets and other equipment when the nets  
25 and equipment are removed from infested waters of the state.

26 (d) The commissioner shall provide a commercial licensee  
27 with a current listing of designated infested waters at the time  
28 that a license or permit is issued.

29 Sec. 2. [86B.706] [WATER RECREATION ACCOUNT; RECEIPTS AND  
30 PURPOSE.]

31 Subdivision 1. [CREATION.] The water recreation account is  
32 created in the state treasury in the natural resources fund.

33 Subd. 2. [MONEY DEPOSITED IN ACCOUNT.] The following shall  
34 be deposited in the state treasury and credited to the water  
35 recreation account:

36 (1) fees and surcharges from titling and licensing of

1 watercraft under this chapter;

2 (2) fines, installment payments, and forfeited bail

3 according to section 86B.705, subdivision 2;

4 (3) civil penalties according to section 84D.13;

5 (4) mooring fees and receipts from the sale of marine gas

6 at state-operated or state-assisted small craft harbors and

7 mooring facilities according to section 86A.21; and

8 (5) the unrefunded gasoline tax attributable to watercraft

9 use under section 296A.18.

10 Subd. 3. [PURPOSES.] The money in the account may be  
11 expended only as appropriated by law for the following purposes:

12 (1) as directed under section 296A.18, subdivision 2, for  
13 acquisition, development, maintenance, and rehabilitation of  
14 public water access and boating facilities on public waters;  
15 lake and river improvements; and boat and water safety;

16 (2) from the fees collected at state-operated or  
17 state-assisted small craft harbors and mooring facilities from  
18 daily and seasonal moorings and the sale of marine gas, for  
19 maintenance, operation, replacement, and expansion of these  
20 facilities and for the debt service on state bonds sold to  
21 finance these facilities;

22 (3) for administration and enforcement of this chapter as  
23 it pertains to titling and licensing of watercraft and use and  
24 safe operation of watercraft; grants for county-sponsored and  
25 administered boat and water safety programs; and state boat and  
26 water safety efforts; and

27 (4) for management of aquatic nonnative species and the  
28 enforcement of chapter 84D as it pertains to aquatic nonnative  
29 species.

30 Sec. 3. Minnesota Statutes 2004, section 97A.055,  
31 subdivision 4b, is amended to read:

32 Subd. 4b. [CITIZEN OVERSIGHT SUBCOMMITTEES.] (a) The  
33 commissioner shall appoint subcommittees of affected persons to  
34 review the reports prepared under subdivision 4; review the  
35 proposed work plans and budgets for the coming year; propose  
36 changes in policies, activities, and revenue enhancements or

1 reductions; review other relevant information; and make  
2 recommendations to the legislature and the commissioner for  
3 improvements in the management and use of money in the game and  
4 fish fund.

5 (b) The commissioner shall appoint the following  
6 subcommittees, each comprised of at least three affected persons:

7 (1) a Fisheries Operations Subcommittee to review fisheries  
8 funding, excluding activities related to trout and salmon stamp  
9 funding;

10 (2) a Wildlife Operations Subcommittee to review wildlife  
11 funding, excluding activities related to migratory waterfowl,  
12 pheasant, and turkey stamp funding and excluding review of the  
13 amounts available under section 97A.075, subdivision 1,  
14 paragraphs (b) and (c);

15 (3) a Big Game Subcommittee to review the report required  
16 in subdivision 4, paragraph (a), clause (2);

17 (4) an Ecological Services Operations Subcommittee to  
18 review ecological services funding;

19 (5) a subcommittee to review game and fish fund funding of  
20 enforcement, support services, and Department of Natural  
21 Resources administration;

22 (6) a subcommittee to review the trout and salmon stamp  
23 report and address funding issues related to trout and salmon;

24 (7) a subcommittee to review the report on the migratory  
25 waterfowl stamp and address funding issues related to migratory  
26 waterfowl;

27 (8) a subcommittee to review the report on the pheasant  
28 stamp and address funding issues related to pheasants; and

29 (9) a subcommittee to review the report on the turkey stamp  
30 and address funding issues related to wild turkeys.

31 (c) The chairs of each of the subcommittees shall form a  
32 Budgetary Oversight Committee to coordinate the integration of  
33 the subcommittee reports into an annual report to the  
34 legislature; recommend changes on a broad level in policies,  
35 activities, and revenue enhancements or reductions; provide a  
36 forum to address issues that transcend the subcommittees; and

1 submit a report for any subcommittee that fails to submit its  
2 report in a timely manner.

3 (d) The Budgetary Oversight Committee shall develop  
4 recommendations for a biennial budget plan and report for  
5 expenditures on game and fish activities. By August 15 of each  
6 even-numbered year, the committee shall submit the budget plan  
7 recommendations to the commissioner.

8 (e) Each subcommittee shall choose its own chair, except  
9 that the chair of the Budgetary Oversight Committee shall be  
10 appointed by the commissioner and may not be the chair of any of  
11 the subcommittees.

12 (f) The Budgetary Oversight Committee must make  
13 recommendations to the commissioner for outcome goals from  
14 expenditures.

15 (g) Notwithstanding section 15.059, subdivision 5, or other  
16 law to the contrary, the Budgetary Oversight Committee and  
17 subcommittees do not expire until June 30, ~~2005~~ 2010.

18 [EFFECTIVE DATE.] This section is effective the day  
19 following final enactment.

20 Sec. 4. Minnesota Statutes 2004, section 97A.4742,  
21 subdivision 4, is amended to read:

22 Subd. 4. [ANNUAL REPORT.] By December 15 each year, the  
23 commissioner shall submit a report to the legislative committees  
24 having jurisdiction over environment and natural resources  
25 appropriations and environment and natural resources policy.  
26 The report shall state the amount of revenue received in and  
27 expenditures made from revenue transferred from the lifetime  
28 fish and wildlife trust fund to the game and fish fund ~~and shall~~  
29 ~~describe-projects-funded, locations-of-the-projects, and results~~  
30 ~~and-benefits-from-the-projects.~~ The report may be included in  
31 the game and fish fund report required by section 97A.055,  
32 subdivision 4. The commissioner shall make the annual report  
33 available to the public.

34 Sec. 5. Minnesota Statutes 2004, section 282.08, is  
35 amended to read:

36 282.08 [APPORTIONMENT OF PROCEEDS TO TAXING DISTRICTS.]

1 The net proceeds from the sale or rental of any parcel of  
2 forfeited land, or from the sale of products from the forfeited  
3 land, must be apportioned by the county auditor to the taxing  
4 districts interested in the land, as follows:

5 (1) the amounts necessary to pay the state general tax levy  
6 against the parcel for taxes payable in the year for which the  
7 tax judgment was entered, and for each subsequent payable year  
8 up to and including the year of forfeiture, must be apportioned  
9 to the state;

10 (2) the portion required to pay any amounts included in the  
11 appraised value under section 282.01, subdivision 3, as  
12 representing increased value due to any public improvement made  
13 after forfeiture of the parcel to the state, but not exceeding  
14 the amount certified by the clerk of the municipality must be  
15 apportioned to the municipal subdivision entitled to it;

16 (3) the portion required to pay any amount included in the  
17 appraised value under section 282.019, subdivision 5,  
18 representing increased value due to response actions taken after  
19 forfeiture of the parcel to the state, but not exceeding the  
20 amount of expenses certified by the Pollution Control Agency or  
21 the commissioner of agriculture, must be apportioned to the  
22 agency or the commissioner of agriculture and deposited in the  
23 fund from which the expenses were paid;

24 (4) the portion of the remainder required to discharge any  
25 special assessment chargeable against the parcel for drainage or  
26 other purpose whether due or deferred at the time of forfeiture,  
27 must be apportioned to the municipal subdivision entitled to it;  
28 and

29 (5) any balance must be apportioned as follows:

30 (i) The county board may annually by resolution set aside  
31 no more than 30 percent of the receipts remaining to be used for  
32 timber forest development on tax-forfeited land and dedicated  
33 memorial forests, to be expended under the supervision of the  
34 county board. It must be expended only on projects ~~approved-by~~  
35 ~~the-commissioner-of-natural-resources~~ improving the health and  
36 management of the forest resource.

1 (ii) The county board may annually by resolution set aside  
2 no more than 20 percent of the receipts remaining to be used for  
3 the acquisition and maintenance of county parks or recreational  
4 areas as defined in sections 398.31 to 398.36, to be expended  
5 under the supervision of the county board.

6 (iii) Any balance remaining must be apportioned as  
7 follows: county, 40 percent; town or city, 20 percent; and  
8 school district, 40 percent, provided, however, that in  
9 unorganized territory that portion which would have accrued to  
10 the township must be administered by the county board of  
11 commissioners.

12 Sec. 6. Minnesota Statutes 2004, section 282.38,  
13 subdivision 1, is amended to read:

14 Subdivision 1. [DEVELOPMENT.] In any county where the  
15 county board by proper resolution sets aside funds for timber  
16 forest development pursuant to section 282.08,  
17 clause ~~(3)(a)~~ (5), item (i), or section 459.06, subdivision 2,  
18 the ~~Commission~~ commissioner of Iron Range resources and  
19 rehabilitation may upon request of the county board assist said  
20 county in carrying out any project for the long range  
21 development of its timber forest resources through matching of  
22 funds or otherwise, ~~provided that any such project shall first~~  
23 ~~be approved by the commissioner of natural resources.~~

24 Sec. 7. Minnesota Statutes 2004, section 296A.18,  
25 subdivision 2, is amended to read:

26 Subd. 2. [MOTORBOAT.] Approximately 1-1/2 percent of all  
27 gasoline received in this state and 1-1/2 percent of all  
28 gasoline produced or brought into this state, except gasoline  
29 used for aviation purposes, is being used as fuel for the  
30 operation of motorboats on the waters of this state and of the  
31 total revenue derived from the imposition of the gasoline fuel  
32 tax for uses other than for aviation purposes, 1-1/2 percent of  
33 such revenues is the amount of tax on fuel used in motorboats  
34 operated on the waters of this state. The amount of unrefunded  
35 tax paid on gasoline used for motor boat purposes as computed in  
36 this chapter shall be paid into the state treasury and credited



1 to a water recreation account in the special revenue fund for  
2 acquisition, development, maintenance, and rehabilitation of  
3 sites for public access and boating facilities on public waters;  
4 lake and river improvement; ~~state-park-development~~; and boat and  
5 water safety.



# Department of Natural Resources Fact Sheet



## DNR TECHNICAL BILL HF 1081/SF 1098

### Summary

**Section 1.** Various language revisions relating to commercial fishing and invasive species.

**Section 2.** Adds language for the creation of the Water Recreation Account in the Natural Resources Fund.

**Section 3.** Adds five years before the Game and Fish Citizen Budget Oversight Committee is scheduled to sunset.

**Section 4.** Modifies contents of the annual report on the Lifetime Fish and Wildlife Trust Fund.

**Section 5.** Removes the DNR commissioner from approval process for county forest management projects.

**Section 6.** Similar to Section 5; removes the commissioner from approval process for county forest management projects.

**Section 7.** Modifies purposes for which money in the Water Recreation Account can be spent.

### It is needed because:

**Section 1.** The changes noted will help prevent commercial fishing operations from spreading aquatic invasive species to Minnesota's lakes and rivers. The proposed changes will affect a limited number of commercial fishing operators who net in infested and non-infested waters. Operators will be able to continue commercial fishing activities, but will be required to take additional precautions to prevent spreading invasive species.

**Section 2.** Missing from statute is the specific language to create the Water Recreation Account in the Natural Resources Fund. The change will make statute consistent with practice: The account exists in the state treasury and has been used for many years.

**Section 3.** The efforts of the Game and Fish Citizen Oversight Committee have been beneficial to the department. The sunset date for the committees is extended by five years, to June 30, 2010.

**Section 4.** The change removes a reporting requirement on game and fish operations and outcomes to be included in the annual report on the Lifetime License Trust Fund. The information required is not generated or kept in a manner that enables the agency to meet this reporting requirement.

**Sections 5 and 6.** In current practice counties rarely request approval from the DNR on spending county timber receipts for county forest development projects. Eliminating the requirement will make state statute consistent with current practice.

**Section 7.** The DNR contends the phrase *state park development* is too broad a descriptor in setting the parameters for the purpose of spending from the Water Recreation Account. This change will delete that phrase from the description of account purpose.

### Financial implications:

No financial impact is associated with the amendments contained in the bill's seven sections.

### Background:

**Section 1.** Invasive species are a significant threat to the ecology of Minnesota's lakes and rivers, and the recreation and local economies that depend on healthy waters. During the 2004 legislative session, changes were made to commercial fishing regulations to help prevent the spread of invasive species. The changes required commercial fishing operators to use separate gear when operating in waters infested with invasive fish or invertebrates and in non-infested waters. The gear used in non-infested waters must be identified with tags provided by the DNR, and the gear used in waters infested with Eurasian water milfoil (EWM) must be frozen or dried before using the gear in non-infested waters.

While these changes help prevent the spread of invasive species from infested to non-infested waters, statute does not adequately address the potential spread of invasive species between infested waters. For example, the law does not require freezing or drying of commercial fishing gear when it is moved from waters infested with EWM to infested waters without EWM. Similarly, commercial gear could be moved directly from water infested with invasive fish or invertebrates to water that was infested only with EWM.

The proposed language will help prevent commercial fishing operations from transferring different invasive species between infested waters.

**Section 2.** The Water Recreation Account has been in existence in the Natural Resources Fund for many years. Primary sources of revenue to the account are watercraft titling, licensing surcharge and registration fees, and the gas tax receipts associated with the use of watercraft on state waters. Other sources of revenue include fines, penalties and restitutions; harbor and marina fees; license issuing fees; and police state aid (to supplement peace officer retirement costs).

The new section of statute as proposed authorizes the creation of the Water Recreation Account, lists the sources of revenue to the account, and describes the purposes for which money in the account may be spent. This will match statute with practice: The account already exists, receipts are deposited, and appropriations authorized from the account.

**Section 3.** The recommendations of the Game and Fish Citizens Oversight Committee have been an important source of stakeholder feedback since their inception in the mid-1990s. The commissioner names the members to nine separate subcommittees, with the subcommittee chairs making up the Budget Oversight Committee for the Game and Fish Fund. Current statute stipulates the Budget Oversight Committee will sunset on June 30, 2005. This change resets that date to June 30, 2010.

**Section 4.** Based on the number of lifetime license holders who annually use their lifetime license, the department transfers funds from the Lifetime License Trust Fund to the Game and Fish operations, deer/bear management, deer habitat improvement and wildlife acquisition accounts. The funds transferred into each of the four accounts listed are blended with other receipts deposited to each account, and game and fish

project spending is not directly linked to a particular source of revenue.

This change removes a reporting requirement that would be impractical to implement. The detailed operational reporting in the annual Game and Fish Fund report now answers how the DNR spends resources from each of the accounts.

**Sections 5 and 6.** This change request will eliminate the requirement within Minn. Stat. § 282.08, (5) (i) and Minn. Stat. § 282.38, subdivision 1 that the DNR commissioner must approve the expenditure of county timber receipts on county forest development projects. Counties rarely seek this approval. Most counties with substantial forestland holdings have land departments with professional forestry staff who make well-informed decisions on forest resource management. Eliminating the requirement will make state statute consistent with current practice.

**Section 7.** This section is related to the change in Section 2 that references M.S. 296A.18 subdivision 2 in its description of the purposes for which money in the Water Recreation Account can be spent. Given receipts are generated by watercraft owners, the department contends money must be spent for purposes directly related to watercraft. The phrase *state park development* is broader in scope and will be removed from the description of expenditure purpose.

**For further information contact:**

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[jen.meyer@dnr.state.mn.us](mailto:jen.meyer@dnr.state.mn.us)

March 4, 2005

1 Senator ..... moves to amend S.F. No. 1098 as follows:

2 Page 3, line 7, delete "and"

3 Page 3, line 9, before the period, insert "; and

4 (6) fees for permits issued to control or harvest aquatic  
5 plants other than wild rice under section 103G.615, subdivision  
6 2"

7 Page 3, line 26, delete "and"

8 Page 3, lines 27 and 28, delete "nonnative" and insert  
9 "invasive"

10 Page 3, line 28, delete "enforcement" and insert  
11 "implementation"

12 Page 3, line 29, before the period, insert ", including  
13 control, public awareness, law enforcement, assessment and  
14 monitoring, management planning, and research; and

15 (5) for management of aquatic plants and the implementation  
16 of section 103G.615 as it pertains to aquatic plants, including  
17 plant removal permitting, control, public awareness, law  
18 enforcement, assessment and monitoring, management planning, and  
19 research"

20 Page 5, after line 33, insert:

21 "Sec. 5. Minnesota Statutes 2004, section 103G.615,  
22 subdivision 2, is amended to read:

23 Subd. 2. [FEES.] (a) The commissioner shall establish a  
24 fee schedule for permits to control or harvest aquatic plants  
25 other than wild rice. The fees must be set by rule, and section  
26 16A.1283 does not apply. The fees may not exceed \$750 per  
27 permit based upon the cost of receiving, processing, analyzing,  
28 and issuing the permit, and additional costs incurred after the  
29 application to inspect and monitor the activities authorized by  
30 the permit, and enforce aquatic plant management rules and  
31 permit requirements.

32 (b) The fee for a permit for the control of rooted aquatic  
33 vegetation is \$35 for each contiguous parcel of shoreline owned  
34 by an owner. This fee may not be charged for permits issued in  
35 connection with purple loosestrife control or lakewide Eurasian  
36 water milfoil control programs.

1 (c) A fee may not be charged to the state or a federal  
2 governmental agency applying for a permit.

3 (d) The money received for the permits under this  
4 subdivision shall be deposited in the treasury and credited to  
5 the ~~game-and-fish-fund~~ water recreation account."

6 Renumber the sections in sequence and correct the internal  
7 references

8 Amend the title accordingly

Senators Ruud, Koering and Sams introduced--

S.F. No. 1214: Referred to the Committee on Environment and Natural Resources.

1 A bill for an act

2 relating to the county of Crow Wing; providing for a  
3 sewer district and a sewer commission; authorizing the  
4 delegation of authority with respect to individual  
5 sewage treatment systems; providing for the levying of  
6 service charges.

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

8 Section 1. [SEWER DISTRICT; SEWER COMMISSION.]

9 Subdivision 1. [SEWER DISTRICT.] Notwithstanding the  
10 provisions of Minnesota Statutes, chapter 116A, the county board  
11 of the county of Crow Wing by resolution may create a sewer  
12 district under Minnesota Statutes, chapter 116A, which  
13 encompasses the entire area of the county, whether organized or  
14 unorganized. The county board shall have the authority to  
15 exercise the rights and perform the duties of a statutory city  
16 under Minnesota Statutes, chapters 117, 412, 429, and 475, and  
17 sections 115.46, 444.075, and 471.59, or other law with respect  
18 to the sewer district. No action by or approval of the district  
19 court shall be required as a condition of the exercise of the  
20 powers described. The county board by resolution may designate  
21 areas within the sewer district where special services,  
22 including inspection services related to wastewater treatment  
23 and individual sewage treatment, may be provided. Each special  
4 service area or combination thereof shall constitute a system  
25 under Minnesota Statutes, chapter 116A.

26 Subd. 2. [SEWER COMMISSION; POWERS RESERVED TO COUNTY

1 BOARD; DELEGATION.] Upon creation of the sewer district  
2 described in subdivision 1, the county board shall provide for  
3 the appointment of a sewer commission, in accordance with the  
4 requirements of Minnesota Statutes, chapter 116A. Neither the  
5 approval nor the waiver of the county board, nor confirmation by  
6 order of the district court, shall be required for the sewer  
7 commission to exercise the powers set forth in Minnesota  
8 Statutes, section 116A.24; provided that the county board shall  
9 be reserved the power to:

10 (1) levy special assessments for sewer improvements in the  
11 sewer district or portion thereof;

12 (2) establish a system of rates and charges for use of the  
13 sewer system upon the recommendation of the commission; and

14 (3) issue general obligation bonds to defray in whole or in  
15 part the costs of establishment, construction, improvement, or  
16 extension of a sewer system.

17 The county board by resolution may delegate to the sewer  
18 commission all or a portion of its administrative and  
19 enforcement obligations with respect to individual sewage  
20 treatment systems under Minnesota Statutes, chapter 115, or  
21 other law.

22 Subd. 3. [CHARGES.] Upon adoption of the next annual  
23 budget following the appointment of the sewer commission, the  
24 county board may include in the budget appropriate provisions  
25 for the operation of the commission and its activities described  
26 in subdivision 2, including, as deemed appropriate by the county  
27 board upon the recommendation of the commission, either a  
28 property tax levied only on property within a system created  
29 pursuant to subdivision 1, or a levy of a service charge against  
30 the users of a service provided within the district or a portion  
31 thereof, or any combination of a property tax and a service  
32 charge.

33 [EFFECTIVE DATE.] This section is effective the day after  
34 compliance with Minnesota Statutes, section 645.021, subdivision  
35 2.

1 Senator ..... moves to amend S.F. No. 1214 as follows:

2 Delete everything after the enacting clause and insert:

3 "Section 1. [CROW WING COUNTY SEWER DISTRICT; PILOT  
4 PROJECT.]

5 Subdivision 1. [POWERS.] In addition to the powers granted  
6 in Minnesota Statutes, chapter 116A, the county board for Crow  
7 Wing County, by resolution, may grant the following powers to a  
8 sewer district created by the county board under Minnesota  
9 Statutes, chapter 116A:

10 (1) provide that an authorized representative of the  
11 district, after presentation of credentials, may enter at  
12 reasonable times any premise to inspect or maintain an  
13 individual sewage treatment system, as defined in Minnesota  
14 Statutes, section 115.55, subdivision 1, paragraph (g);

15 (2) include areas of the county within the sewer district  
16 that are not contiguous and establish different systems for  
17 wastewater treatment in specific areas of the county;

18 (3) provide that each special service area that is managed  
19 by the sewer system or combination thereof constitutes a system  
20 under Minnesota Statutes, chapter 116A;

21 (4) delegate to the sewer district, by resolution, all or a  
22 portion of its administrative and enforcement obligations with  
23 respect to individual sewage treatment systems under Minnesota  
24 Statutes, chapter 115, and rules adopted by the Pollution  
25 Control Agency; and

26 (5) modify any individual sewage treatment system to  
27 provide reasonable access to it for inspection and maintenance.

28 Subd. 2. [REPORT.] If the Crow Wing County Board exercises  
29 the additional powers granted under subdivision 1, the county  
30 shall provide a report by August 1, 2009, to the senate and  
31 house committees with jurisdiction over environmental policy on  
32 the establishment and operation of the sewer district. The  
33 report must include:

34 (1) a description of the implementation of the additional  
35 powers granted under subdivision 1;

36 (2) available information on the effectiveness of the



1 additional powers to control pollution in the county;

2 (3) a recommendation on whether to continue the authority  
3 for the additional powers granted under subdivision 1; and

4 (4) any recommendations for changes to Minnesota Statutes,  
5 chapter 116A, to broaden the authority for sewer districts to  
6 include any of the additional powers granted under subdivision 1.

7 Subd. 3. [EXPIRATION.] This section expires on July 31,  
8 2010.

9 [EFFECTIVE DATE.] This section is effective the day  
10 following compliance with Minnesota Statutes, section 645.021,  
11 subdivision 2."

12 Delete the title and insert:

13 "A bill for an act relating to the environment; authorizing  
14 a pilot project in Crow Wing County for the establishment of a  
15 sewer district; providing additional powers for the sewer  
16 district."

1 To: Senator Marty, Chair  
2 Committee on Environment and Natural Resources  
3 Senator Saxhaug,  
4 Chair of the Subcommittee on Public Lands and Waters, to  
5 which was referred

6 S.F. No. 1214: A bill for an act relating to the county of  
7 Crow Wing; providing for a sewer district and a sewer  
8 commission; authorizing the delegation of authority with respect  
9 to individual sewage treatment systems; providing for the  
10 levying of service charges.

11 Reports the same back with the recommendation that the bill  
12 be referred to the full committee without recommendation.  
13 Report adopted.

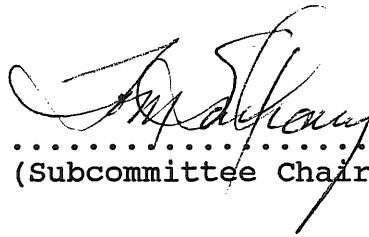
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15

16

17

18

  
.....  
(Subcommittee Chair)

19

20

March 1, 2005.....  
(Date of Subcommittee action)

**CROW WING COUNTY PROPOSED LEGISLATION COMPARED TO EXISTING AUTHORITY**

	<b>(A) Cite to S.F. 1214 and H.F. 702</b>	<b>(B) Proposed Authority</b>	<b>(C) Existing Authority</b>	<b>(D) Proposed Change</b>
1.	Section 1, subd. 1, first sentence	Authorizes the county to created a sewer district, which encompasses the entire area of the county, whether organized or unorganized.	The same authority is granted in M.S., sec. 116A.02, subd. 4.	None.
2.	Section 1, subd. 1, second and third sentences	Grants the county board the authority to exercise the rights and perform the duties of a statutory city under M.S., chs. 117, 412, 429, and 475, and 1.17 and secs. 115.46, 444.075, and 471.59, or other law with respect to the sewer district (the "municipal powers").  Provides that no action by or approval of the district court shall be required as a condition of the exercise of the powers described.	M.S., sec. 116A.01, subd. 1.a. grants municipal powers to a county only if the county board files a petition to the district court asking that the county board be granted such authority. Upon receipt of the petition, the district court holds a hearing on the petition after published notice and written notice to the MCA. The court may by order grant the petition if it finds that it is for the best interests of the county board to be granted such authority.	Eliminates the requirement for a district court order and related procedures.
3.	Section 1, subd. 1, fourth sentence	The county board by resolution may designate areas within the sewer district where special services may be provided.	M.S., ch. 375B allows a county to create subordinate service districts in which one or more governmental services or additions to countywide services are provided by the county and financed from revenues secured from within that district.	Eliminates the procedural requirement of M.S. ch. 375B for creation of subordinate service districts such as publication of the approving resolution and public hearing.
4.	Section 1, subd. 1, fifth sentence	Each special service area or combination thereof shall constitute a system under M.S., ch. 116A.	M.S., sec. 116A.02, subd. 3 allows a county board to designate "systems" or areas to be served within the district.	No change, but ties the special service districts to M.S., ch. 116A.
5.	Section 1, subd. 2, first sentence	Upon creation of the sewer district described in subdivision 1, the county board shall provide for the appointment of a sewer commission, in accordance with the requirements of M.S. ch. 116A.	M.S., sec 116A.24 provides for the appointment of a sewer commission.	None.

	(A) <u>Cite to S.F. 1214 and H.F. 702</u>	(B) <u>Proposed Authority</u>	(C) <u>Existing Authority</u>	(D) <u>Proposed Change</u>
6.	Section 1, subd. 2, second sentence; first half	Neither the approval nor the waiver of the county board, nor confirmation by order of the district court, shall be required for the sewer commission to exercise the powers set forth in M.S., sec. 116A.24;	M.S., sec. 116A.24, subd. 2 provides that the sewer commission can only exercise the listed powers with the approval of the county board, unless the county board waives the requirement for its approval in an order filed with and confirmed by order of the district court.	Eliminates the requirement that the county board must waive its approval of the exercise of powers by the sewer commission and eliminates requirement that county board's waiver be confirmed by the district court.
7.	Section 1, subd. 2, second sentence; second half	provided that the county board shall be reserved the power to: (1) levy special assessments for sewer improvements in the sewer district or portion thereof; (2) establish a system of rates and charges for use of the sewer system upon the recommendation of the commission; and (3) issue general obligation bonds to defray in whole or in part the costs of establishment, construction, improvement, or extension of a sewer system.	M.S., sec. 116A.24 does not list the power to levy special assessments or to establish rates and charges as powers which can be delegated to a sewer commission, although there is a "catch all" set forth in M.S., sec. 116A.24, subd. 2(h). M.S., sec. 166A.24, subd. 3(b) allows a sewer commission to issue revenue bonds, but only a county can issue general obligation bonds.	Clarifies and defines powers reserved to the county.
8.	Section 1, subd. 2	Chapter 116A reserves to the County the right to levy special assessments, establish a system of rate and charges and issue general obligation bonds.	Same.	None.
9.	Section 1, subd. 2, third sentence	The county board by resolution may delegate to the sewer commission all or a portion of its administrative and enforcement obligations with respect to individual sewage treatment systems under M.S., ch. 115, or other law.	No clear existing authority to delegate, although the authority to delegate may be implied.	Clarifies the authority of the county board to delegate administrative and enforcement obligations for on site systems to the sewer commission.

	(A) <u>Cite to S.F. 1214 and H.F. 702</u>	(B) <u>Proposed Authority</u>	(C) <u>Existing Authority</u>	(D) <u>Proposed Change</u>
10.	Section 1, subd. 3, first half	Upon adoption of the next annual budget following the appointment of the sewer commission, the county board may include in the budget appropriate provisions for the operation of the commission and its activities.	County has general authority to budget for such activities.	None.
11.	Section 1, subd. 3, second half	including, as deemed appropriate by the county board upon the recommendation of the commission, either a property tax levied only on property within a system created pursuant to subdivision 1, or a levy of a service charge against the users of a service provided within the district or a portion thereof, or any combination of a property tax and a service charge.	M.S. ch. 375B allows a county to create subordinate service districts within which it can levy ad valorem taxes or a special service charge on users of the system and place the charge on the tax rolls.	Allows the county to put a administrative charge on the tax rolls for properties receiving the service without the requirement of creating one or more subordinate service districts. Piggybacks the authority of M.S., ch. 375B with ch. 116A.