SENATE
STATE OF MINNESOTA
NINETY-FOURTH SESSION

S.F. No. 1535

(SENATE AUTHORS: HAWJ, Johnson Stewart and Lang)

DATE	D-PG	OFFICIAL STATUS
02/17/2025	417	Introduction and first reading
		Referred to Environment, Climate, and Legacy
03/24/2025	1027	Author stricken Eichorn
04/03/2025	1339	Comm report: To pass and re-referred to Capital Investment
		See First Special Session, HF14

A bill for an act

relating to capital investment; appropriating money for the local road wetland replacement program; authorizing the sale and issuance of state bonds.

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

Section 1. **LOCAL ROAD WETLAND REPLACEMENT PROGRAM.**

Subdivision 1. **Onetime appropriations.** $15,000,000 from the bond proceeds fund and $11,500,000 from the general fund in fiscal year 2026 are appropriated to the Board of Water and Soil Resources to acquire land or permanent easements and to restore, create, enhance, and preserve wetlands to replace those wetlands drained or filled as a result of the repair, reconstruction, replacement, or rehabilitation of existing public roads as required by Minnesota Statutes, section 103G.222, subdivision 1, paragraphs (l) and (m). The board may vary the priority order of Minnesota Statutes, section 103G.222, subdivision 3, paragraph (a), to implement an in-lieu fee agreement approved by the United States Army Corps of Engineers under section 404 of the federal Clean Water Act. The purchase price paid for acquisition of land or perpetual easement must be a fair market value as determined by the board. The board may enter into agreements with the federal government, other state agencies, political subdivisions, nonprofit organizations, fee title owners, or other qualified private entities to acquire wetland replacement credits in accordance with Minnesota Rules, chapter 8420.

Subd. 2. **Bond sale.** To provide the money appropriated in this section from the bond proceeds fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to $15,000,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

Subd. 3. **Base appropriations.** (a) $7,500,000 in fiscal year 2026 and $7,500,000 in fiscal year 2027 are appropriated from the general fund to the Board of Water and Soil Resources to acquire land or permanent easements and to restore, create, enhance, and preserve wetlands to replace those wetlands drained or filled as a result of the repair, reconstruction, replacement, or rehabilitation of existing public roads as required by Minnesota Statutes, section 103G.222, subdivision 1, paragraphs (l) and (m). The board may vary the priority order of Minnesota Statutes, section 103G.222, subdivision 3, paragraph (a), to implement an in-lieu fee agreement approved by the United States Army Corps of Engineers under section 404 of the federal Clean Water Act. The purchase price paid for acquisition of land or perpetual easement must be a fair market value as determined by the board. The board may enter into agreements with the federal government, other state agencies, political subdivisions, nonprofit organizations, fee title owners, or other qualified private entities to acquire wetland replacement credits in accordance with Minnesota Rules, chapter 8420.

(b) $2,000,000 in fiscal year 2026 and $2,000,000 in fiscal year 2027 are appropriated from the general fund to the Board of Water and Soil Resources to administer the local government roads wetland replacement program. Any portion of this appropriation that is not needed for administration may be used for the purposes described in paragraph (a).

EFFECTIVE DATE. This section is effective the day following final enactment.