

STATE OF MINNESOTA

NINETIETH SESSION — 2018

 EIGHTY-SECOND DAY

SAINT PAUL, MINNESOTA, WEDNESDAY, APRIL 18, 2018

The House of Representatives convened at 12:00 noon and was called to order by Kurt Daudt, Speaker of the House.

Prayer was offered by the Reverend Oliver White, Clark-Grace United Church of Christ, South St. Paul, Minnesota.

The members of the House gave the pledge of allegiance to the flag of the United States of America.

The roll was called and the following members were present:

Albright	Dehn, R.	Heintzeman	Lillie	O'Driscoll	Smith
Allen	Dettmer	Hertaus	Loeffler	Olson	Sundin
Anderson, P.	Drazkowski	Hilstrom	Lohmer	O'Neill	Swedzinski
Anderson, S.	Ecklund	Hoppe	Loon	Pelowski	Theis
Anselmo	Erickson	Hornstein	Loonan	Peppin	Thissen
Backer	Fabian	Hortman	Lucero	Petersburg	Torkelson
Bahr, C.	Fenton	Howe	Lueck	Peterson	Uglem
Baker	Fischer	Jessup	Mahoney	Pierson	Urdahl
Barr, R.	Flanagan	Johnson, B.	Marquart	Pinto	Vogel
Becker-Finn	Franke	Johnson, C.	Masin	Poppe	Wagenius
Bennett	Franson	Jurgens	Maye Quade	Poston	Ward
Bernardy	Freiberg	Kiel	McDonald	Pryor	West
Bliss	Garofalo	Knoblach	Metsa	Pugh	Whelan
Bly	Green	Koegel	Miller	Quam	Wills
Carlson, A.	Grossell	Koznick	Moran	Rarick	Youakim
Carlson, L.	Gruenhagen	Kresha	Munson	Rosenthal	Zerwas
Christensen	Gunther	Kunesh-Podein	Murphy, E.	Runbeck	Spk. Daudt
Considine	Haley	Layman	Murphy, M.	Sandstede	
Daniels	Halverson	Lee	Nash	Sauke	
Davids	Hamilton	Lesch	Nelson	Schomacker	
Davnie	Hansen	Liebling	Newberger	Schultz	
Dean, M.	Hausman	Lien	Nornes	Scott	

A quorum was present.

Applebaum; Clark; Johnson, S.; Mariani; Neu; Omar and Slocum were excused.

The Chief Clerk proceeded to read the Journal of the preceding day. There being no objection, further reading of the Journal was dispensed with and the Journal was approved as corrected by the Chief Clerk.

REPORTS OF STANDING COMMITTEES AND DIVISIONS

Knoblach from the Committee on Ways and Means to which was referred:

H. F. No. 3195, A bill for an act relating to health occupations; requiring the Council of Health Boards to study and make recommendations on increasing access to clinical experiences through the use of technology; appropriating money.

Reported the same back with the following amendments:

Page 2, line 18, after the period, insert "This is a onetime appropriation."

With the recommendation that when so amended the bill be placed on the General Register.

The report was adopted.

Knoblach from the Committee on Ways and Means to which was referred:

H. F. No. 3261, A bill for an act relating to transportation; modifying certain eligibility requirements for specific service signs; amending Minnesota Statutes 2016, section 160.295, subdivision 5.

Reported the same back with the recommendation that the bill be placed on the General Register.

The report was adopted.

Knoblach from the Committee on Ways and Means to which was referred:

H. F. No. 3612, A bill for an act relating to human services; directing the commissioners of human services and employment and economic development to review certain data related to federal SNAP waivers.

Reported the same back with the following amendments:

Page 1, delete lines 17 and 18 and insert "the waiver request meets the requirements in Code of Federal Regulations, title 7, part 273.24, paragraph (f)."

With the recommendation that when so amended the bill be placed on the General Register.

The report was adopted.

Hamilton from the Committee on Agriculture Finance to which was referred:

H. F. No. 3719, A bill for an act relating to agriculture; modifying eligibility requirements for the renewable chemical production incentive program; amending Minnesota Statutes 2016, section 41A.17, subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
AGRICULTURE APPROPRIATIONS

Section 1. Laws 2017, chapter 88, article 1, section 2, subdivision 1, is amended to read:

Subdivision 1. Total Appropriation	\$53,096,000	<u>\$ 53,148,000</u> <u>53,395,000</u>
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Appropriations by Fund

	2018	2019
General	52,703,000	<u>52,751,000</u>
		<u>52,998,000</u>
Remediation	393,000	397,000

The amounts that may be spent for each purpose are specified in the following subdivisions.

Sec. 2. Laws 2017, chapter 88, article 1, section 2, subdivision 2, is amended to read:

Subd. 2. Protection Services	17,821,000	17,825,000
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Appropriations by Fund

	2018	2019
General	17,428,000	17,428,000
Remediation	393,000	397,000

(a) \$25,000 the first year and \$25,000 the second year are to develop and maintain cottage food license exemption outreach and training materials.

(b) \$75,000 the first year and \$75,000 the second year are to coordinate the correctional facility vocational training program and to assist entities that have explored the feasibility of establishing a USDA-certified or state "equal to" food processing facility within 30 miles of the Northeast Regional Corrections Center.

(c) \$125,000 the first year and \$125,000 the second year are for additional funding for the noxious weed and invasive plant program. These are onetime appropriations.

(d) \$250,000 the first year and \$250,000 the second year are for transfer to the pollinator habitat and research account in the agricultural fund. These are onetime transfers.

(e) \$393,000 the first year and \$397,000 the second year are from the remediation fund for administrative funding for the voluntary cleanup program.

(f) \$200,000 the first year and \$200,000 the second year are for the industrial hemp pilot program under Minnesota Statutes, section 18K.09. These are onetime appropriations.

(g) \$175,000 the first year and \$175,000 the second year are for compensation for destroyed or crippled livestock under Minnesota Statutes, section 3.737. This appropriation may be spent to compensate for livestock that were destroyed or crippled during fiscal year 2017. If the amount in the first year is insufficient, the amount in the second year is available in the first year. The commissioner may use up to \$5,000 of this appropriation each year to reimburse expenses incurred by university extension educators to provide fair market values of destroyed or crippled livestock.

(h) \$155,000 the first year and \$155,000 the second year are for compensation for crop damage under Minnesota Statutes, section 3.7371. If the amount in the first year is insufficient, the amount in the second year is available in the first year. The commissioner may use up to \$30,000 of the appropriation each year to reimburse expenses incurred by the commissioner or the commissioner's approved agent to investigate and resolve claims.

If the commissioner determines that claims made under Minnesota Statutes, section 3.737 or 3.7371, are unusually high, amounts appropriated for either program may be transferred to the appropriation for the other program.

(i) \$250,000 the first year and \$250,000 the second year are to expand current capabilities for rapid detection, identification, containment, control, and management of high priority plant pests and pathogens. These are onetime appropriations.

(j) \$300,000 the first year and \$300,000 the second year are for transfer to the noxious weed and invasive plant species assistance account in the agricultural fund to award grants to local units of government under Minnesota Statutes, section 18.90, with preference given to local units of government responding to Palmer amaranth or other weeds on the eradicate list. These are onetime transfers.

(k) \$120,000 the first year and \$120,000 the second year are for wolf-livestock conflict prevention grants under article 2, section 89. The commissioner must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture policy and finance by January 15, 2020, on the outcomes of the wolf-livestock conflict prevention grants and whether livestock compensation claims were reduced in the areas that grants were awarded. These are onetime appropriations.

Sec. 3. Laws 2017, chapter 88, article 1, section 2, subdivision 4, is amended to read:

Subd. 4. Agriculture, Bioenergy, and Bioproduct Advancement	22,581,000	22,636,000
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(a) \$9,300,000 the first year and \$9,300,000 the second year are for transfer to the agriculture research, education, extension, and technology transfer account under Minnesota Statutes, section 41A.14, subdivision 3. Of these amounts: at least \$600,000 the first year and \$600,000 the second year are for the Minnesota Agricultural Experiment Station's agriculture rapid response fund under Minnesota Statutes, section 41A.14, subdivision 1, clause (2); \$2,000,000 the first year and \$2,000,000 the second year are for grants to the Minnesota Agriculture Education Leadership Council to enhance agricultural education with priority given to Farm Business Management challenge grants; \$350,000 the first year and \$350,000 the second year are for potato breeding; and \$450,000 the first year and \$450,000 the second year are for the cultivated wild rice breeding project at the North Central Research and Outreach Center to include a tenure track/research associate plant breeder. The commissioner shall transfer the remaining funds in this appropriation each year to the Board of Regents of the University of Minnesota for purposes of Minnesota Statutes, section 41A.14. Of the amount transferred to the Board of Regents, up to \$1,000,000 each year is for research on avian influenza, including prevention measures that can be taken.

To the extent practicable, funds expended under Minnesota Statutes, section 41A.14, subdivision 1, clauses (1) and (2), must supplement and not supplant existing sources and levels of funding. The commissioner may use up to one percent of this appropriation for costs incurred to administer the program.

(b) \$13,256,000 the first year and \$13,311,000 the second year are for the agricultural growth, research, and innovation program in Minnesota Statutes, section 41A.12. Except as provided below, the commissioner may allocate the appropriation each year among the following areas: facilitating the start-up, modernization, or expansion of livestock operations including beginning and transitioning livestock operations; developing new markets for Minnesota farmers by providing more fruits, vegetables, meat, grain, and dairy for Minnesota school children; assisting value-added agricultural businesses to begin or expand, access new markets, or diversify; providing funding not to exceed \$250,000 each year for urban youth agricultural education or urban agriculture community development; providing funding not to exceed \$250,000 each year for the good food access program under Minnesota Statutes, section 17.1017; facilitating the start-up, modernization, or expansion of other beginning and transitioning farms including by providing loans under Minnesota Statutes, section 41B.056; sustainable agriculture on-farm research and

demonstration; development or expansion of food hubs and other alternative community-based food distribution systems; enhancing renewable energy infrastructure and use; crop research; Farm Business Management tuition assistance; good agricultural practices/good handling practices certification assistance; establishing and supporting farmer-led water management councils; and implementing farmer-led water quality improvement practices. The commissioner may use up to 6.5 percent of this appropriation for costs incurred to administer the program.

Of the amount appropriated for the agricultural growth, research, and innovation program in Minnesota Statutes, section 41A.12:

(1) \$1,000,000 the first year and \$1,000,000 the second year are for distribution in equal amounts to each of the state's county fairs to preserve and promote Minnesota agriculture; and

(2) \$1,500,000 the first year and \$1,500,000 the second year are for incentive payments under Minnesota Statutes, sections 41A.16, 41A.17, and 41A.18. Notwithstanding Minnesota Statutes, section 16A.28, the first year appropriation is available until June 30, 2019, and the second year appropriation is available until June 30, 2020. If this appropriation exceeds the total amount for which all producers are eligible in a fiscal year, the ~~balance of the appropriation is available for the agricultural growth, research, and innovation program.~~ commissioner must issue incentive payments under Minnesota Statutes, section 41A.17, to facilities that otherwise satisfy the criteria and requirements in that section but began producing renewable chemical from forestry biomass between January 1, 2013, and January 1, 2015.

The commissioner may use funds appropriated under this subdivision to award up to two value-added agriculture grants per year of up to \$1,000,000 per grant for new or expanding agricultural production or processing facilities that provide significant economic impact to the region. The commissioner may use funds appropriated under this subdivision for additional value-added agriculture grants for awards between \$1,000 and \$200,000 per grant.

Appropriations in clauses (1) and (2) are onetime. Any unencumbered balance does not cancel at the end of the first year and is available for the second year. Notwithstanding Minnesota Statutes, section 16A.28, appropriations encumbered under contract on or before June 30, 2019, for agricultural growth, research, and innovation grants are available until June 30, 2021.

The base budget for the agricultural growth, research, and innovation program is \$14,275,000 for fiscal years 2020 and 2021 and includes funding for incentive payments under Minnesota Statutes, sections 41A.16, 41A.17, 41A.18, and 41A.20.

The commissioner must develop additional innovative production incentive programs to be funded by the agricultural growth, research, and innovation program.

The commissioner must consult with the commissioner of transportation, the commissioner of administration, and local units of government to identify parcels of publicly owned land that are suitable for urban agriculture.

(c) \$25,000 the first year and \$25,000 the second year are for grants to the Southern Minnesota Initiative Foundation to promote local foods through an annual event that raises public awareness of local foods and connects local food producers and processors with potential buyers.

Sec. 4. Laws 2017, chapter 88, article 1, section 2, subdivision 5, is amended to read:

Subd. 5. Administration and Financial Assistance	8,698,000	8,691,000
		<u>8,938,000</u>

(a) \$474,000 the first year and \$474,000 the second year are for payments to county and district agricultural societies and associations under Minnesota Statutes, section 38.02, subdivision 1. Aid payments to county and district agricultural societies and associations shall be disbursed no later than July 15 of each year. These payments are the amount of aid from the state for an annual fair held in the previous calendar year.

(b) \$1,000 the first year and \$1,000 the second year are for grants to the Minnesota State Poultry Association.

(c) \$18,000 the first year and \$18,000 the second year are for grants to the Minnesota Livestock Breeders Association.

(d) \$47,000 the first year and \$47,000 the second year are for the Northern Crops Institute. These appropriations may be spent to purchase equipment.

(e) \$220,000 the first year and ~~\$220,000~~ \$250,000 the second year are for farm advocate services.

(f) \$17,000 the first year and \$17,000 the second year are for grants to the Minnesota Horticultural Society.

(g) \$108,000 the first year and \$108,000 the second year are for annual grants to the Minnesota Turf Seed Council for basic and applied research on: (1) the improved production of forage and turf seed related to new and improved varieties; and (2) native plants, including plant breeding, nutrient management, pest management, disease management, yield, and viability. The grant recipient may subcontract with a qualified third party for some or

all of the basic or applied research. Any unencumbered balance does not cancel at the end of the first year and is available for the second year. These are onetime appropriations.

(h) \$113,000 the first year and ~~\$113,000~~ \$330,000 the second year are for transfer to the Board of Trustees of the Minnesota State Colleges and Universities for statewide mental health counseling support to farm families and business operators through the Minnesota State Agricultural Centers of Excellence. South Central College and Central Lakes College shall serve as the fiscal ~~agent~~ agents.

(i) \$550,000 the first year and \$550,000 the second year are for grants to Second Harvest Heartland on behalf of Minnesota's six Feeding America food banks for the purchase of milk for distribution to Minnesota's food shelves and other charitable organizations that are eligible to receive food from the food banks. Milk purchased under the grants must be acquired from Minnesota milk processors and based on low-cost bids. The milk must be allocated to each Feeding America food bank serving Minnesota according to the formula used in the distribution of United States Department of Agriculture commodities under The Emergency Food Assistance Program (TEFAP). Second Harvest Heartland must submit quarterly reports to the commissioner on forms prescribed by the commissioner. The reports must include, but are not limited to, information on the expenditure of funds, the amount of milk purchased, and the organizations to which the milk was distributed. Second Harvest Heartland may enter into contracts or agreements with food banks for shared funding or reimbursement of the direct purchase of milk. Each food bank receiving money from this appropriation may use up to two percent of the grant for administrative expenses. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(j) \$1,100,000 the first year and \$1,100,000 the second year are for grants to Second Harvest Heartland on behalf of the six Feeding America food banks that serve Minnesota to compensate agricultural producers and processors for costs incurred to harvest and package for transfer surplus fruits, vegetables, and other agricultural commodities that would otherwise go unharvested, be discarded, or sold in a secondary market. Surplus commodities must be distributed statewide to food shelves and other charitable organizations that are eligible to receive food from the food banks. Surplus food acquired under this appropriation must be from Minnesota producers and processors. Second Harvest Heartland must report in the form prescribed by the commissioner. Second Harvest Heartland may use up to 15 percent of each grant for matching administrative and transportation expenses. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(k) \$150,000 the first year and \$150,000 the second year are for grants to the Center for Rural Policy and Development.

(l) \$235,000 the first year and \$235,000 the second year are for grants to the Minnesota Agricultural Education and Leadership Council for programs of the council under Minnesota Statutes, chapter 41D.

(m) \$600,000 the first year and \$600,000 the second year are for grants to the Board of Regents of the University of Minnesota to develop, in consultation with the commissioner of agriculture and the Board of Animal Health, a software tool or application through the Veterinary Diagnostic Laboratory that empowers veterinarians and producers to understand the movement of unique pathogen strains in livestock and poultry production systems, monitor antibiotic resistance, and implement effective biosecurity measures that promote animal health and limit production losses. These are onetime appropriations.

(n) \$150,000 the first year is for the tractor rollover protection pilot program under Minnesota Statutes, section 17.119. This is a onetime appropriation and is available until June 30, 2019.

(o) \$400,000 the first year is for a grant to the Board of Trustees of the Minnesota State Colleges and Universities to expand and renovate the GROW-IT Center at Metropolitan State University. This is a onetime appropriation.

By January 15, 2018, the commissioner shall submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over agricultural policy and finance with a list of inspections the department conducts at more frequent intervals than federal law requires, an explanation of why the additional inspections are necessary, and provide recommendations for eliminating any unnecessary inspections.

Sec. 5. **RURAL FINANCE AUTHORITY.**

Subdivision 1. **Appropriation.** \$35,000,000 is appropriated from the bond proceeds fund to the Rural Finance Authority for the purposes set forth in the Minnesota Constitution, article XI, section 5, paragraph (h), to purchase participation interests in or to make direct agricultural loans to farmers under Minnesota Statutes, chapter 41B. This appropriation is from the bond proceeds account in the rural finance administration fund and is for the beginning farmer program under Minnesota Statutes, section 41B.039; the loan restructuring program under Minnesota Statutes, section 41B.04; the seller-sponsored program under Minnesota Statutes, section 41B.042; the agricultural improvement loan program under Minnesota Statutes, section 41B.043; and the livestock expansion loan program under Minnesota Statutes, section 41B.045. All debt service on bond proceeds used to finance this appropriation must be repaid by the Rural Finance Authority under Minnesota Statutes, section 16A.643. Loan participations must be priced to provide full interest and principal coverage and a reserve for potential losses. Priority for loans must be given first to basic beginning farmer loans, second to seller-sponsored loans, and third to agricultural improvement loans.

Subd. 2. **Bond sale expenses.** \$35,000 is appropriated from the bond proceeds fund to the commissioner of management and budget for bond sale expenses under Minnesota Statutes, section 16A.641, subdivision 8.

Subd. 3. **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 \$35,035,000 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.

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

ARTICLE 2 AGRICULTURE STATUTORY CHANGES

Section 1. Minnesota Statutes 2016, section 18C.425, subdivision 6, is amended to read:

Subd. 6. **Payment of inspection fee.** (a) The person who registers and distributes in the state a specialty fertilizer, soil amendment, or plant amendment under section 18C.411 shall pay the inspection fee to the commissioner.

(b) The person licensed under section 18C.415 who distributes a fertilizer to a person not required to be so licensed shall pay the inspection fee to the commissioner, except as exempted under section 18C.421, subdivision 1, paragraph (b).

(c) The person responsible for payment of the inspection fees for fertilizers, soil amendments, or plant amendments sold and used in this state must pay an inspection fee of 39 cents per ton, and until June 30, ~~2019~~ 2029, an additional 40 cents per ton, of fertilizer, soil amendment, and plant amendment sold or distributed in this state, with a minimum of \$10 on all tonnage reports. Notwithstanding section 18C.131, the commissioner must deposit all revenue from the additional 40 cents per ton fee in the agricultural fertilizer research and education account in section 18C.80. Products sold or distributed to manufacturers or exchanged between them are exempt from the inspection fee imposed by this subdivision if the products are used exclusively for manufacturing purposes.

(d) A registrant or licensee must retain invoices showing proof of fertilizer, plant amendment, or soil amendment distribution amounts and inspection fees paid for a period of three years.

Sec. 2. Minnesota Statutes 2017 Supplement, section 18C.70, subdivision 5, is amended to read:

Subd. 5. **Expiration.** This section expires June 30, ~~2020~~ 2030.

Sec. 3. Minnesota Statutes 2017 Supplement, section 18C.71, subdivision 4, is amended to read:

Subd. 4. **Expiration.** This section expires June 30, ~~2020~~ 2030.

Sec. 4. Minnesota Statutes 2016, section 18C.80, subdivision 2, is amended to read:

Subd. 2. **Expiration.** This section expires June 30, ~~2020~~ 2030.

Sec. 5. Minnesota Statutes 2016, section 28A.16, is amended to read:

28A.16 PERSONS SELLING LIQUOR.

(a) The provisions of the Minnesota consolidated food licensing law, sections 28A.01 to 28A.16 and acts amendatory thereto, shall not apply to persons licensed to sell 3.2 percent malt liquor "on-sale" as provided in section 340A.403, or to persons licensed to sell intoxicating liquors "on-sale" or "off-sale" as provided in sections 340A.404 to 340A.407, provided that these persons sell only ice manufactured and packaged by another, or bottled or canned soft drinks and prepackaged candy at retail.

(b) When an exclusive liquor store is not exempt under paragraph (a), the commissioner must exclude all gross sales of off-sale alcoholic beverages when determining the applicable license fee under section 28A.08, subdivision 3. For purposes of this paragraph, "exclusive liquor store" and "alcoholic beverage" have the meanings given in section 340A.101.

Sec. 6. Minnesota Statutes 2016, section 41A.16, subdivision 1, is amended to read:

Subdivision 1. **Eligibility.** (a) A facility eligible for payment under this section must source from Minnesota at least 80 percent ~~raw materials from Minnesota.~~ of the biomass used to produce an advanced biofuel, except that, if a facility is sited 50 miles or less from the state border, raw materials biomass used to produce an advanced biofuel may be sourced from outside of Minnesota, but only if at least 80 percent of the biomass is sourced from within a 100-mile radius of the facility or from within Minnesota. ~~Raw materials must be from agricultural or forestry sources or from solid waste.~~ The facility must be located in Minnesota, must begin production at a specific location by June 30, 2025, and must not begin operating above 23,750 MMBtu of quarterly advanced biofuel production before July 1, 2015. Eligible facilities include existing companies and facilities that are adding advanced biofuel production capacity, or retrofitting existing capacity, as well as new companies and facilities. Production of conventional corn ethanol and conventional biodiesel is not eligible. Eligible advanced biofuel facilities must produce at least ~~23,750~~ 1,500 MMBtu of advanced biofuel quarterly.

(b) No payments shall be made for advanced biofuel production that occurs after June 30, 2035, for those eligible biofuel producers under paragraph (a).

(c) An eligible producer of advanced biofuel shall not transfer the producer's eligibility for payments under this section to an advanced biofuel facility at a different location.

(d) A producer that ceases production for any reason is ineligible to receive payments under this section until the producer resumes production.

(e) Renewable chemical production for which payment has been received under section 41A.17, and biomass thermal production for which payment has been received under section 41A.18, are not eligible for payment under this section.

(f) Biobutanol is eligible under this section.

Sec. 7. Minnesota Statutes 2016, section 41A.16, subdivision 2, is amended to read:

Subd. 2. **Payment amounts; limits.** (a) The commissioner shall make payments to eligible producers of advanced biofuel. The amount of the payment for each eligible producer's annual production is \$2.1053 per MMBtu for advanced biofuel production from cellulosic biomass, and \$1.053 per MMBtu for advanced biofuel production from sugar ~~or~~ starch, oil, or animal fat at a specific location for ten years after the start of production.

(b) Total payments under this section to an eligible biofuel producer in a fiscal year may not exceed the amount necessary for 2,850,000 MMBtu of biofuel production. Total payments under this section to all eligible biofuel producers in a fiscal year may not exceed the amount necessary for 17,100,000 MMBtu of biofuel production. The commissioner shall award payments on a first-come, first-served basis within the limits of available funding.

(c) For purposes of this section, an entity that holds a controlling interest in more than one advanced biofuel facility is considered a single eligible producer.

Sec. 8. Minnesota Statutes 2016, section 41A.17, subdivision 1, is amended to read:

Subdivision 1. **Eligibility.** (a) A facility eligible for payment under this ~~program section~~ must source from Minnesota at least 80 percent ~~biobased content from Minnesota~~ of the biomass used to produce a renewable chemical, except that, if a facility is sited 50 miles or less from the state border, biobased content must biomass used to produce a renewable chemical may be sourced from outside of Minnesota, but only if at least 80 percent of the biomass is sourced from within a 100-mile radius of the facility or from within Minnesota. Biobased content must be from agricultural or forestry sources or from solid waste. The facility must be located in Minnesota, must begin production at a specific location by June 30, 2025, and must not begin production of ~~750,000~~ 250,000 pounds of chemicals quarterly before January 1, 2015. Eligible facilities include existing companies and facilities that are adding production capacity, or retrofitting existing capacity, as well as new companies and facilities. Eligible renewable chemical facilities must produce at least ~~750,000~~ 250,000 pounds of renewable chemicals quarterly. Renewable chemicals produced through processes that are fully commercial before January 1, 2000, are not eligible.

(b) No payments shall be made for renewable chemical production that occurs after June 30, 2035, for those eligible renewable chemical producers under paragraph (a).

(c) An eligible producer of renewable chemicals shall not transfer the producer's eligibility for payments under this section to a renewable chemical facility at a different location.

(d) A producer that ceases production for any reason is ineligible to receive payments under this section until the producer resumes production.

(e) Advanced biofuel production for which payment has been received under section 41A.16, and biomass thermal production for which payment has been received under section 41A.18, are not eligible for payment under this section.

Sec. 9. Minnesota Statutes 2016, section 41A.18, subdivision 1, is amended to read:

Subdivision 1. **Eligibility.** (a) A facility eligible for payment under this section must source from Minnesota at least 80 percent ~~raw materials from Minnesota~~ of the biomass used for biomass thermal production, except that, if a facility is sited 50 miles or less from the state border, raw materials should biomass used for biomass thermal production may be sourced from outside of Minnesota, but only if at least 80 percent of the biomass is sourced from within a 100-mile radius of the facility, or from within Minnesota. Raw materials Biomass must be from agricultural or forestry sources. The facility must be located in Minnesota, must have begun production at a specific location by June 30, 2025, and must not begin before July 1, 2015. Eligible facilities include existing companies and facilities that are adding production capacity, or retrofitting existing capacity, as well as new companies and facilities. Eligible biomass thermal production facilities must produce at least 250 MMBtu of biomass thermal quarterly.

(b) No payments shall be made for biomass thermal production that occurs after June 30, 2035, for those eligible biomass thermal producers under paragraph (a).

(c) An eligible producer of biomass thermal production shall not transfer the producer's eligibility for payments under this section to a biomass thermal production facility at a different location.

(d) A producer that ceases production for any reason is ineligible to receive payments under this section until the producer resumes production.

(e) Biofuel production for which payment has been received under section 41A.16, and renewable chemical production for which payment has been received under section 41A.17, are not eligible for payment under this section.

Sec. 10. Minnesota Statutes 2016, section 41B.056, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "Intermediary" means any lending institution or other organization of a for-profit or nonprofit nature that is in good standing with the state of Minnesota that has the appropriate business structure and trained personnel suitable to providing efficient disbursement of loan funds and the servicing and collection of loans.

(c) "Specialty crops" means crops produced in an aquaculture system and agricultural crops, such as annuals, flowers, perennials, and other horticultural products, that are intensively cultivated.

(d) "Eligible livestock" means fish produced in an aquaculture system, beef cattle, dairy cattle, swine, poultry, goats, mules, farmed Cervidae, Ratitae, bison, sheep, horses, and llamas.

Sec. 11. **[41B.058] RURAL ENERGY FEASIBILITY PROGRAM.**

Subdivision 1. **Establishment.** The authority must establish a rural energy feasibility loan program to provide feasibility study loans to farmers, local units of government, municipalities, and nonprofit entities to explore feasibility of renewable energy projects.

Subd. 2. **Loan criteria.** (a) The authority may impose a reasonable, nonrefundable application fee for a rural energy feasibility loan. The authority may review the fee annually and make adjustments as necessary. The initial application fee is \$50. Application fees received by the authority must be deposited in the Rural Finance Authority administrative account established in section 41B.03.

(b) Standards for loan amortization must be set by the authority and must not exceed five years.

(c) The borrower must demonstrate ability to repay the loan.

(d) Loans under this program must be made using money in the revolving loan account established in section 41B.06.

Subd. 3. **Loan participation.** The authority may participate in a rural energy feasibility loan with an eligible lender, as defined in section 41B.02, subdivision 8. Participation is limited to 90 percent of the principal amount of the loan or \$50,000 per project, whichever is less.

Sec. 12. Minnesota Statutes 2016, section 41B.06, is amended to read:

41B.06 RURAL FINANCE AUTHORITY REVOLVING LOAN ACCOUNT.

There is established in the rural finance administration fund a Rural Finance Authority revolving loan account that is eligible to receive appropriations and the transfer of loan funds from other programs. All repayments of financial assistance granted from this account, including principal and interest, must be deposited into this account. Interest earned on money in the account accrues to the account, and the money in the account is appropriated to the commissioner of agriculture for purposes of the Rural Finance Authority livestock equipment, methane digester, disaster recovery, value-added agricultural product, agroforestry, agricultural microloan, ~~and~~ farm opportunity loan, and rural energy feasibility programs, including costs incurred by the authority to establish and administer the programs.

Sec. 13. Minnesota Statutes 2016, section 103H.275, subdivision 1, is amended to read:

Subdivision 1. **Areas where groundwater pollution is detected.** (a) If groundwater pollution is detected, a state agency or political subdivision that regulates an activity causing or potentially causing a contribution to the pollution identified shall promote implementation of best management practices to prevent or minimize the source of pollution to the extent practicable.

(b) The Pollution Control Agency, or for agricultural chemicals and practices, the commissioner of agriculture may adopt water source protection requirements under subdivision 2 that are consistent with the goal of section 103H.001 and are commensurate with the groundwater pollution if the implementation of best management practices has proven to be ineffective.

(c) The water resources protection requirements must be:

(1) designed to prevent and minimize the pollution to the extent practicable;

(2) designed to prevent the pollution from exceeding the health risk limits; and

(3) submitted to the house of representatives and senate committees with jurisdiction over the environment, natural resources, and agriculture.

(d) The commissioner of agriculture shall not adopt water resource protection requirements under subdivision 2 for nitrogen fertilizer unless the water resource protection requirements are specifically approved by law."

Delete the title and insert:

"A bill for an act relating to agriculture; excluding sales of off-sale alcoholic beverages when determining a food handler license fee; modifying eligibility criteria for certain production incentive programs; extending a fertilizer research fee, council, and grant program; establishing a rural energy feasibility loan program; allowing the commissioner of agriculture to reimburse extension educators who determine the fair market value of certain destroyed or crippled livestock; increasing funding for farmer mental health counseling; creating a loan program; requiring approval of certain proposed rules; authorizing the sale of certain bonds; making technical changes; appropriating money; amending Minnesota Statutes 2016, sections 18C.425, subdivision 6; 18C.80, subdivision 2;

28A.16; 41A.16, subdivisions 1, 2; 41A.17, subdivision 1; 41A.18, subdivision 1; 41B.056, subdivision 2; 41B.06; 103H.275, subdivision 1; Minnesota Statutes 2017 Supplement, sections 18C.70, subdivision 5; 18C.71, subdivision 4; Laws 2017, chapter 88, article 1, section 2, subdivisions 1, 2, 4, 5; proposing coding for new law in Minnesota Statutes, chapter 41B."

With the recommendation that when so amended the bill be re-referred to the Committee on Ways and Means.

The report was adopted.

Knoblach from the Committee on Ways and Means to which was referred:

H. F. No. 3873, A bill for an act relating to workers' compensation; adopting recommendations of the Workers' Compensation Advisory Council; modifying quorum requirements for the Workers' Compensation Court of Appeals; increasing salaries of workers' compensation judges; modifying use of reports filed; coordinating Office of Administrative Hearings and Department of Labor and Industry interim filing requirements; amending Minnesota Statutes 2016, sections 175A.05; 176.231, subdivision 9; Minnesota Statutes 2017 Supplement, section 15A.083, subdivision 7; proposing coding for new law in Minnesota Statutes, chapter 176.

Reported the same back with the following amendments:

Page 5, after line 9, insert:

"Sec. 5. Laws 2017, chapter 94, article 1, section 6, is amended to read:

Sec. 6. WORKERS' COMPENSATION COURT OF APPEALS	\$1,913,000	\$ 1,913,000
		<u>1,946,000</u>

This appropriation is from the workers' compensation fund."

Amend the title as follows:

Page 1, line 6, after the semicolon, insert "appropriating money;"

Correct the title numbers accordingly

With the recommendation that when so amended the bill be placed on the General Register.

The report was adopted.

Knoblach from the Committee on Ways and Means to which was referred:

H. F. No. 4157, A bill for an act relating to claims against the state; providing for settlement of certain claims; appropriating money.

Reported the same back with the following amendments:

Page 1, after line 4, insert:

"Section 1. **EXONERATION AWARDS.**

The amounts in this section are appropriated in fiscal year 2019 from the general fund to the commissioner of management and budget for full payment of awards of damages under the Imprisonment and Exoneration Remedies Act, Minnesota Statutes, sections 611.362 to 611.368. This appropriation is available until June 30, 2019, for payment to:

(1) Sammy Gerald Jackson, \$20,446.08;

(2) Hollis John Larson, \$82,500; and

(3) Ronnie Earl Patterson, \$131,636.30.

Sec. 2. **DEPARTMENT OF REVENUE.**

\$12,305.67 in fiscal year 2019 is appropriated from the general fund to the commissioner of revenue for full and final payment of the claim by Randy Dooley of Willmar, Minnesota, for the amount of taxes paid to Minnesota for transactions occurring in South Dakota. This appropriation is available until June 30, 2019."

Page 1, line 15, delete the first "....." and insert "Joseph Rosales" and delete the second "....." and insert "to his right index, middle, and ring fingers sustained while performing assigned duties at Minnesota Correctional Facility - Stillwater, \$10,209."

Renumber the sections in sequence

With the recommendation that when so amended the bill be placed on the General Register.

The report was adopted.

Gunther from the Committee on Legacy Funding Finance to which was referred:

H. F. No. 4167, A bill for an act relating to legacy; modifying requirements for lands acquired with money from outdoor heritage fund; amending Minnesota Statutes 2016, section 97A.056, subdivisions 1, 15.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
OUTDOOR HERITAGE FUND

Section 1. **OUTDOOR HERITAGE APPROPRIATION.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the outdoor heritage fund for the fiscal year indicated for each purpose. The figures "2018" and "2019" used in this article mean that the appropriations listed under the figure are

available for the fiscal year ending June 30, 2018, or June 30, 2019, respectively. "The first year" is fiscal year 2018. "The second year" is fiscal year 2019. "The biennium" is fiscal years 2018 and 2019. These are onetime appropriations.

	<u>APPROPRIATIONS</u>	
	<u>Available for the Year</u>	
	<u>Ending June 30</u>	
	<u>2018</u>	<u>2019</u>
Sec. 2. <u>OUTDOOR HERITAGE FUND</u>		
Subdivision 1. <u>Total Appropriation</u>	<u>\$-0-</u>	<u>\$113,923,000</u>
<u>This appropriation is from the outdoor heritage fund. The amounts that may be spent for each purpose are specified in the following subdivisions.</u>		
Subd. 2. <u>Prairies</u>	<u>-0-</u>	<u>35,288,000</u>
(a) <u>DNR Wildlife Management Area and Scientific and Natural Area Acquisition - Phase X</u>		
<u>\$2,786,000 the second year is to the commissioner of natural resources to acquire in fee and restore lands for wildlife management under Minnesota Statutes, section 86A.05, subdivision 8, and to acquire lands in fee for scientific and natural areas under Minnesota Statutes, section 86A.05, subdivision 5. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquiring lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.</u>		
(b) <u>Accelerating Wildlife Management Area Acquisition - Phase X</u>		
<u>\$5,740,000 the second year is to the commissioner of natural resources for an agreement with Pheasants Forever to acquire in fee and restore lands for wildlife management under Minnesota Statutes, section 86A.05, subdivision 8. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquiring lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.</u>		
(c) <u>Minnesota Prairie Recovery Project - Phase VIII</u>		
<u>\$2,001,000 the second year is to the commissioner of natural resources for an agreement with The Nature Conservancy to acquire lands in fee and to restore and enhance native prairies,</u>		

grasslands, wetlands, and savannas. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquiring lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie. Annual income statements and balance sheets for income and expenses from land acquired with this appropriation must be submitted to the Lessard-Sams Outdoor Heritage Council no later than 180 days after The Nature Conservancy's fiscal year closes. A list of proposed land acquisitions must be provided as part of the required accomplishment plan, and the acquisitions must be consistent with the priorities identified in *Minnesota Prairie Conservation Plan*.

(d) Northern Tallgrass Prairie National Wildlife Refuge Land Acquisition - Phase IX

\$1,893,000 the second year is to the commissioner of natural resources for an agreement with The Nature Conservancy, in cooperation with the United States Fish and Wildlife Service, to acquire lands in fee or permanent conservation easements and to restore lands in the Northern Tallgrass Prairie Habitat Preservation Area in western Minnesota for addition to the Northern Tallgrass Prairie National Wildlife Refuge. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquiring lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie. A list of proposed land acquisitions must be provided as part of the required accomplishment plan, and the acquisitions must be consistent with the priorities in *Minnesota Prairie Conservation Plan*.

(e) Cannon River Headwaters Habitat Complex - Phase VIII

\$1,345,000 the second year is to the commissioner of natural resources for an agreement with The Trust for Public Land, in cooperation with Great River Greening, to acquire lands in fee in the Cannon River watershed for wildlife management under Minnesota Statutes, section 86A.05, subdivision 8; to acquire lands in fee for scientific and natural areas under Minnesota Statutes, section 86A.05, subdivision 5; to acquire lands in fee for state forests under Minnesota Statutes, section 86A.05, subdivision 7; and to restore lands in the Cannon River watershed. Of this amount, \$945,000 is to The Trust for Public Land and \$400,000 is to Great River Greening. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquiring lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie. A list of proposed land acquisitions and restorations must be provided as part of the required accomplishment plan.

(f) Accelerated Native Prairie Bank Protection - Phase VII

\$1,490,000 the second year is to the commissioner of natural resources to acquire permanent conservation easements to protect and restore native prairie according to Minnesota Prairie Conservation Plan. Of this amount, up to \$176,000 is for establishing monitoring and enforcement funds as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquiring lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie. A list of permanent conservation easements must be provided as part of the final report.

(g) Reinvest In Minnesota (RIM) Buffers for Wildlife and Water - Phase VIII

\$5,000,000 the second year is to the Board of Water and Soil Resources to acquire permanent conservation easements and restore habitat under Minnesota Statutes, section 103F.515, to protect, restore, and enhance habitat by expanding the riparian buffer program under the clean water fund for at least equal wildlife benefits from buffers on private land. Of this amount, up to \$745,000 is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of permanent conservation easements must be provided as part of the final report.

(h) Prairie Chicken Habitat Partnership of the Southern Red River Valley - Phase IV

\$1,162,000 the second year is to the commissioner of natural resources for an agreement with Pheasants Forever, in cooperation with the Minnesota Prairie Chicken Society, to acquire lands in fee and restore and enhance lands in the southern Red River valley for wildlife management under Minnesota Statutes, section 86A.05, subdivision 8, or to be designated and managed as waterfowl production areas in Minnesota in cooperation with the United States Fish and Wildlife Service. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquiring lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

(i) Martin County DNR WMA Acquisition - Phase II

\$2,447,000 the second year is to the commissioner of natural resources for an agreement with Fox Lake Conservation League Inc., in cooperation with Ducks Unlimited and The Conservation

Fund, to acquire lands in fee and restore and enhance strategic prairie grassland, wetland, and other wildlife habitat in Martin County for wildlife management under Minnesota Statutes, section 86A.05, subdivision 8. Of this amount, \$1,978,000 is to Fox Lake Conservation League Inc., \$400,000 is to Ducks Unlimited, and \$69,000 is to The Conservation Fund. A list of proposed acquisitions must be provided as part of the required accomplishment plan.

(j) Protect and Restore Minnesota's Important Bird Areas - Phase II

\$829,000 the second year is to the commissioner of natural resources for agreements to acquire conservation easements and enhance wildlife habitat in important bird areas identified in *Minnesota Prairie Conservation Plan*. Of this amount, \$209,000 is to Audubon Minnesota and \$620,000 is to Minnesota Land Trust. Up to \$120,000 to Minnesota Land Trust is for establishing monitoring and enforcement funds as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquiring lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie. A list of permanent conservation easements and enhancements must be provided as part of the required accomplishment plan.

(k) Grassland Conservation Partnership - Phase III

\$1,468,000 the second year is to the commissioner of natural resources for an agreement with The Conservation Fund, in cooperation with Minnesota Land Trust, to acquire permanent conservation easements and to restore and enhance high-priority grassland, prairie, and wetland habitats. Of this amount, \$69,000 is to The Conservation Fund and \$1,399,000 is to Minnesota Land Trust. Up to \$72,000 to Minnesota Land Trust is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquiring lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie. A list of proposed acquisitions must be provided as part of the required accomplishment plan, and the acquisitions must be consistent with the priorities in *Minnesota Prairie Conservation Plan*.

(l) Accelerating the USFWS Habitat Conservation Easement Program

\$2,960,000 the second year is to the commissioner of natural resources for an agreement with Ducks Unlimited, in cooperation with Pheasants Forever and the United States Fish and Wildlife Service, to acquire permanent conservation "working land" easements and to restore wetlands and prairie grasslands. Of this amount, \$2,000,000 is to Ducks Unlimited and \$960,000 is to Pheasants Forever. A list of proposed acquisitions must be provided as part of the required accomplishment plan.

(m) DNR Grassland Enhancement - Phase X

\$4,007,000 the second year is to the commissioner of natural resources to accelerate restoration and enhancement of prairies, grasslands, and savannas in wildlife management areas, in scientific and natural areas, on lands in the native prairie bank, in bluff prairies on state forest land in southeastern Minnesota, and in waterfowl production areas and refuge lands of the United States Fish and Wildlife Service. A list of proposed land restorations and enhancements must be provided as part of the required accomplishment plan.

(n) Enhanced Public-Land Grasslands - Phase III

\$2,160,000 the second year is to the commissioner of natural resources for an agreement with Pheasants Forever to enhance and restore grassland and wetland habitat on public lands. A list of proposed land restorations and enhancements must be provided as part of the required accomplishment plan.

Subd. 3. Forests

-0-

9,131,000

(a) Camp Ripley Partnership - Phase VII

\$1,229,000 the second year is to the Board of Water and Soil Resources, in cooperation with the Morrison County Soil and Water Conservation District and The Conservation Fund, to acquire permanent conservation easements and restore forest wildlife habitat within the boundaries of the Minnesota National Guard Camp Ripley Sentinel Landscape and Army Compatible Use Buffer. Of this amount, \$39,000 is to the Morrison County Soil and Water Conservation District, \$207,000 is to The Conservation Fund, and \$983,000 is to the Board of Water and Soil Resources. Up to \$45,500 to the Board of Water and Soil Resources is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of permanent conservation easements must be provided as part of the final report.

(b) Southeast Minnesota Protection and Restoration - Phase VI

\$2,142,000 the second year is to the commissioner of natural resources for agreements to acquire lands in fee for wildlife management under Minnesota Statutes, section 86A.05, subdivision 8; to acquire lands in fee for scientific and natural areas under Minnesota Statutes, section 86A.05, subdivision 5; to acquire lands in fee for state forests under Minnesota Statutes, section 86A.05, subdivision 7; to acquire permanent conservation easements; and to restore and enhance prairies, grasslands, forests, and savannas. Of this amount, \$742,000 is to The Nature Conservancy, \$700,000 is to The Trust for Public Land, and \$700,000 is to Minnesota Land Trust. Up to \$120,000 to Minnesota Land Trust is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. Annual income statements and balance sheets for income and expenses from land acquired with this appropriation must be submitted to the Lessard-Sams Outdoor Heritage Council no later than 180 days after The Nature Conservancy's fiscal year closes. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

(c) Minnesota Forests for the Future - Phase VI

\$1,473,000 the second year is to the commissioner of natural resources to acquire lands in fee and to acquire easements for forest, wetland, and shoreline habitat through working forest permanent conservation easements under the Minnesota forests for the future program according to Minnesota Statutes, section 84.66. A conservation easement acquired with money appropriated under this paragraph must comply with Minnesota Statutes, section 97A.056, subdivision 13. The accomplishment plan must include an easement monitoring and enforcement plan. Of this amount, up to \$25,000 is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of proposed land acquisitions must be provided as part of the required accomplishment plan. A list of permanent conservation easements must be provided as part of the final report.

(d) State Forest Acquisitions, Richard J. Dorer Memorial Forest - Phase V

\$1,255,000 the second year is to the commissioner of natural resources to acquire in fee and enhance lands for wildlife habitat in the Richard J. Dorer Memorial Hardwood State Forest under Minnesota Statutes, section 86A.05, subdivision 7. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

(e) Critical Shoreland Protection Program - Phase V

\$1,094,000 the second year is to the commissioner of natural resources for an agreement with Minnesota Land Trust to acquire permanent conservation easements along rivers and lakes in the northern forest region. Of this amount, up to \$120,000 is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of proposed permanent conservation easements must be provided as part of the required accomplishment plan.

(f) Minnesota Moose Habitat Collaborative - Phase III

\$1,938,000 the second year is to the commissioner of natural resources for an agreement with the Minnesota Deer Hunters Association to restore and enhance public forest lands in the northern forest region for moose habitat. A list of proposed land restoration and enhancements must be provided as part of the required accomplishment plan.

Subd. 4. **Wetlands**

-0-

28,116,000

(a) Accelerating the Waterfowl Production Area Acquisition - Phase X

\$5,061,000 the second year is to the commissioner of natural resources for an agreement with Pheasants Forever to acquire lands in fee and to restore and enhance wetlands and grasslands to be designated and managed as waterfowl production areas in Minnesota, in cooperation with the United States Fish and Wildlife Service. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

(b) Shallow Lake and Wetland Protection Program - Phase VII

\$4,770,000 the second year is to the commissioner of natural resources for an agreement with Ducks Unlimited to acquire lands in fee and to restore and enhance prairie lands, wetlands, and land buffering shallow lakes for wildlife management under Minnesota Statutes, section 86A.05, subdivision 8. A list of proposed acquisitions must be provided as part of the required accomplishment plan.

(c) RIM Wetlands Partnership - Phase IX

\$10,000,000 the second year is to the Board of Water and Soil Resources to acquire permanent conservation easements and to restore wetlands and native grassland habitat under Minnesota Statutes, section 103F.515. Of this amount, up to \$292,500 is for establishing a monitoring and enforcement fund as approved in the

accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of permanent conservation easements must be provided as part of the final report.

(d) Wetland Habitat Protection Program - Phase III

\$1,786,000 the second year is to the commissioner of natural resources for an agreement with Minnesota Land Trust to acquire permanent conservation easements and to restore and enhance prairie, wetland, and other habitat in high-priority wetland habitat complexes in the prairie and forest/prairie transition regions. Of this amount, up to \$240,000 is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of proposed conservation easement acquisitions and restorations and enhancements must be provided as part of the required accomplishment plan.

(e) Accelerated Shallow Lakes and Wetlands Enhancement - Phase X

\$2,759,000 the second year is to the commissioner of natural resources to enhance and restore shallow lakes and wetland habitat statewide. A list of proposed land restorations and enhancements must be provided as part of the required accomplishment plan.

(f) Living Shallow Lakes and Wetland Initiative - Phase VII

\$3,740,000 the second year is to the commissioner of natural resources for an agreement with Ducks Unlimited to restore and enhance shallow lakes and wetlands on public lands and wetlands under permanent conservation easement for wildlife management. A list of proposed shallow lake enhancements and wetland restorations must be provided as part of the required accomplishment plan.

Subd. 5. **Habitats**

-0-

40,978,000

(a) Metro Big Rivers - Phase VIII

\$2,630,000 the second year is to the commissioner of natural resources for agreements to acquire lands in fee and permanent conservation easements and to restore and enhance natural systems associated with the Mississippi, Minnesota, and St. Croix Rivers in the metropolitan area. Of this amount, \$500,000 is to Minnesota Valley National Wildlife Refuge Trust Inc., \$300,000 is to Friends of the Mississippi River, \$700,000 is to Great River Greening, and \$1,130,000 is to Minnesota Land Trust. Up to \$120,000 to Minnesota Land Trust is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to

Minnesota Statutes, section 97A.056, subdivision 17. A list of proposed land acquisitions and permanent conservation easements must be provided as part of the required accomplishment plan.

(b) Mississippi Headwaters Habitat Corridor Partnership - Phase IV

\$2,073,000 the second year is to the commissioner of natural resources for agreements to acquire lands in fee and restore wildlife habitat in the Mississippi headwaters. Of this amount, \$73,000 is to the Mississippi Headwaters Board and \$2,000,000 is to The Trust for Public Land. \$925,000 the second year is to the Board of Water and Soil Resources to acquire lands in permanent conservation easements and to restore wildlife habitat, of which up to \$65,000 is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of proposed acquisitions must be included as part of the required accomplishment plan.

(c) Fisheries Habitat Protection on Strategic North Central Minnesota Lakes - Phase IV

\$2,801,000 the second year is to the commissioner of natural resources for agreements to acquire lands in fee and permanent conservation easements to sustain healthy fish habitat on coldwater lakes in Aitkin, Cass, Crow Wing, and Hubbard Counties. Of this amount, \$1,005,000 is to the Leech Lake Area Watershed Foundation and \$1,796,000 is to Minnesota Land Trust. Up to \$120,000 to Minnesota Land Trust is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of acquisitions must be provided as part of the required accomplishment plan.

(d) DNR Trout Stream Conservation Easements

\$642,000 the second year is to the commissioner of natural resources to acquire land in permanent conservation easements to protect trout stream aquatic habitat. Up to \$52,500 is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of permanent conservation easements must be provided as part of the required accomplishment plan.

(e) Metro Wildlife Management Areas

\$1,174,000 the second year is to the commissioner of natural resources for an agreement with The Conservation Fund to acquire lands in fee in the metro area planning region for wildlife

management under Minnesota Statutes, section 86A.05, subdivision 8. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

(f) Dakota County Habitat Protection/Restoration - Phase VI

\$2,288,000 the second year is to the commissioner of natural resources for an agreement with Dakota County to acquire permanent conservation easements and lands in fee and to restore and enhance riparian and other habitats in Dakota County. A list of proposed land acquisitions and restorations and enhancements must be provided as part of the required accomplishment plan.

(g) Hennepin County Habitat Conservation Program

\$1,514,000 the second year is to the commissioner of natural resources for an agreement with Hennepin County, in cooperation with Minnesota Land Trust, to acquire permanent conservation easements and to restore and enhance habitats in Hennepin County. Of this amount, \$194,000 is to Hennepin County and \$1,320,000 is to Minnesota Land Trust. Up to \$192,000 to Minnesota Land Trust is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of proposed permanent conservation easements and restorations and enhancements must be provided as part of the required accomplishment plan.

(h) Minnesota Trout Unlimited Coldwater Fish Habitat Enhancement and Restoration - Phase X

\$2,291,000 the second year is to the commissioner of natural resources for an agreement with Minnesota Trout Unlimited to acquire permanent conservation stream easements using the payment method prescribed in Minnesota Statutes, section 84.0272, subdivision 2, and to restore and enhance habitat for trout and other species in and along coldwater rivers, lakes, and streams in Minnesota. Up to \$20,000 is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of proposed land acquisitions and restorations and enhancements must be provided as part of the required accomplishment plan.

(i) Lower Mississippi River Habitat Partnership - Phase IV

\$1,555,000 the second year is to the commissioner of natural resources to restore and enhance aquatic and forest habitats in the lower Mississippi River watershed, upper Pool 9 backwater. A list of proposed restorations and enhancements must be provided as part of the required accomplishment plan.

(j) St. Louis River Restoration Initiative - Phase V

\$2,013,000 the second year is to the commissioner of natural resources to restore aquatic habitats in the St. Louis River estuary. Of this appropriation, up to \$1,350,000 is for an agreement with Minnesota Land Trust. A list of proposed restorations must be provided as part of the required accomplishment plan.

(k) Knife River Habitat Rehabilitation - Phase III

\$927,000 the second year is to the commissioner of natural resources for an agreement with Zeitgeist, in cooperation with the Lake Superior Steelhead Association, to enhance trout habitat in the Knife River watershed. A list of proposed enhancements must be provided as part of the required accomplishment plan.

(l) Shell Rock River Watershed Habitat Restoration Program - Phase VII

\$1,421,000 the second year is to the commissioner of natural resources for an agreement with the Shell Rock River Watershed District to acquire lands in fee and to restore and enhance aquatic habitat in the Shell Rock River watershed. A list of proposed acquisitions, restorations, and enhancements must be provided as part of the required accomplishment plan.

(m) Lake George Dam and Rum River Erosion

\$539,000 the second year is to the commissioner of natural resources for an agreement with Anoka County to enhance aquatic habitat in and adjacent to Lake George in Anoka County and to restore and enhance aquatic habitat on the Rum River. A list of proposed habitat enhancements and restorations must be provided as part of the required accomplishment plan.

(n) Buffalo River Watershed Stream Habitat Program

\$1,195,000 the second year is to the commissioner of natural resources for an agreement with the Buffalo-Red River Watershed District to restore and enhance aquatic and upland habitat associated with the south branch of the Buffalo River and Whisky Creek in the Buffalo River watershed. A list of proposed restorations and enhancements must be provided as part of the required accomplishment plan.

(o) Two Rivers Fish Passage Restoration and Habitat Enhancement

\$2,000,000 the second year is to the commissioner of natural resources for an agreement with the city of Hallock to restore and enhance fish passage and habitat in the South Branch Two Rivers. A list of proposed restorations must be provided as part of the required accomplishment plan.

(p) Six Mile Creek – Halsted Bay Habitat Restoration

\$567,000 the second year is to the commissioner of natural resources for an agreement with the Minnehaha Creek Watershed District to restore and enhance fish habitat in the Six Mile Creek - Halsted Bay subwatershed. A list of proposed restorations and enhancements must be provided as part of the required accomplishment plan.

(q) DNR Aquatic Habitat Restoration and Enhancement

\$2,834,000 the second year is to the commissioner of natural resources to restore and enhance aquatic habitat in degraded streams and aquatic management areas and to facilitate fish passage. A list of proposed land restorations and enhancements must be provided as part of the required accomplishment plan.

(r) Conservation Partners Legacy Grant Program: Statewide and Metro Habitat - Phase X

\$11,589,000 the second year is to the commissioner of natural resources for a program to provide competitive matching grants of up to \$400,000 to local, regional, state, and national organizations for enhancing, restoring, or protecting forests, wetlands, prairies, or habitat for fish, game, or wildlife in Minnesota. Of this amount, up to \$2,567,000 is for grants in the seven-county metropolitan area and cities with a population of 50,000 or greater. Grants must not be made for activities required to fulfill the duties of owners of lands subject to conservation easements. Grants must not be made from the appropriation in this paragraph for projects that have a total project cost exceeding \$575,000. Of the total appropriation, \$536,000 may be spent for personnel costs and other direct and necessary administrative costs. Grantees may acquire land or interests in land. Easements must be permanent. Grants may not be used to establish easement stewardship accounts. Land acquired in fee must be open to hunting and fishing during the open season unless otherwise provided by law. The program must require a match of at least ten percent from nonstate sources for all grants. The match may be cash or in-kind resources. For grant applications of \$25,000 or less, the commissioner must provide a separate, simplified application process. Subject to Minnesota Statutes, the commissioner of natural resources must, when evaluating projects of equal value, give priority to organizations that have a history of receiving, or a charter to receive, private contributions for local conservation or habitat projects. If acquiring land in fee or a conservation easement, priority must be given to projects associated with or within one mile of existing wildlife management areas under Minnesota Statutes, section 86A.05, subdivision 8; scientific and natural areas under Minnesota Statutes, sections 84.033 and 86A.05, subdivision 5; or aquatic management areas under Minnesota Statutes, sections

86A.05, subdivision 14, and 97C.02. All restoration or enhancement projects must be on land permanently protected by a permanent covenant ensuring perpetual maintenance and protection of restored and enhanced habitat, by a conservation easement or by public ownership, or in public waters as defined in Minnesota Statutes, section 103G.005, subdivision 15. Priority must be given to restoration and enhancement projects on public lands. Minnesota Statutes, section 97A.056, subdivision 13, applies to grants awarded under this paragraph. This appropriation is available until June 30, 2022. No less than five percent of the amount of each grant must be held back from reimbursement until the grant recipient has completed a grant accomplishment report by the deadline and in the form prescribed by and satisfactory to the Lessard-Sams Outdoor Heritage Council. The commissioner must provide notice of the grant program in the summary of game and fish law prepared under Minnesota Statutes, section 97A.051, subdivision 2.

Subd. 6. Administration

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410,000

(a) Contract Management

\$210,000 the second year is to the commissioner of natural resources for contract management duties assigned in this section. The commissioner must provide an accomplishment plan in the form specified by the Lessard-Sams Outdoor Heritage Council on expending this appropriation. The accomplishment plan must include a copy of the grant contract template and reimbursement manual. No money may be expended before the Lessard-Sams Outdoor Heritage Council approves the accomplishment plan.

(b) Technical Evaluation Panel

\$150,000 the second year is to the commissioner of natural resources for a technical evaluation panel to conduct up to 25 restoration and enhancement evaluations under Minnesota Statutes, section 97A.056, subdivision 10.

(c) High-Priority Pretransaction Service Acceleration for Lessard-Sams Outdoor Heritage Council

\$50,000 the second year is to the commissioner of natural resources to provide land-acquisition pretransaction services including but not limited to appraisals, surveys, or title research for acquisition proposals being considered by the Lessard-Sams Outdoor Heritage Council. A list of activities must be included in the final accomplishment plan.

Subd. 7. Availability of Appropriation

Money appropriated in this section may not be spent on activities unless they are directly related to and necessary for a specific appropriation and are specified in the accomplishment plan approved by the Lessard-Sams Outdoor Heritage Council. Money appropriated in this section must not be spent on indirect costs or other institutional overhead charges that are not directly related to and necessary for a specific appropriation. Unless otherwise provided, the amounts in this section are available until June 30, 2021. For acquisition of real property, the amounts in this section are available until June 30, 2022, if a binding agreement with a landowner or purchase agreement is entered into by June 30, 2021, and closed no later than June 30, 2022. Funds for restoration or enhancement are available until June 30, 2023, or five years after acquisition, whichever is later, in order to complete initial restoration or enhancement work. If a project receives at least 15 percent of its funding from federal funds, the time of the appropriation may be extended to equal the availability of federal funding to a maximum of six years if that federal funding was confirmed and included in the second draft accomplishment plan. Funds appropriated for fee title acquisition of land may be used to restore, enhance, and provide for public use of the land acquired with the appropriation. Public-use facilities must have a minimal impact on habitat in acquired lands.

Subd. 8. Payment Conditions and Capital Equipment Expenditures

All agreements referred to in this section must be administered on a reimbursement basis unless otherwise provided in this section. Notwithstanding Minnesota Statutes, section 16A.41, expenditures directly related to each appropriation's purpose made on or after July 1, 2018, or the date of accomplishment plan approval, whichever is later, are eligible for reimbursement unless otherwise provided in this section. For the purposes of administering appropriations and legislatively authorized agreements paid out of the outdoor heritage fund, an expense must be considered reimbursable by the administering agency when the recipient presents the agency with an invoice, or a binding agreement with the landowner, and the recipient attests that the goods have been received or the landowner agreement is binding. Periodic reimbursement must be made upon receiving documentation that the items articulated in the accomplishment plan approved by the Lessard-Sams Outdoor Heritage Council have been achieved, including partial achievements as evidenced by progress reports approved by the Lessard-Sams Outdoor Heritage Council. Reasonable amounts may be advanced to projects to accommodate cash flow needs, support future management of acquired lands, or match a federal share. The advances must be approved as part of the accomplishment plan. Capital equipment expenditures for specific items over \$10,000 must be itemized in and approved as part of the accomplishment plan.

Subd. 9. Mapping

Each direct recipient of money appropriated in this section, as well as each recipient of a grant awarded pursuant to this section, must provide geographic information to the Lessard-Sams Outdoor Heritage Council for mapping of any lands acquired in fee with funds appropriated in this section and open to public taking of fish and game. The commissioner of natural resources must include the lands acquired in fee with money appropriated in this section on maps showing public recreational opportunities. Maps must include information on and acknowledgment of the outdoor heritage fund, including a notation of any restrictions.

Subd. 10. Carryforwards

(a) The availability of the appropriation in Laws 2014, chapter 256, article 1, section 2, subdivision 5, paragraph (e), for Mustinka River Fish and Wildlife Habitat Corridor Rehabilitation is extended to June 30, 2022.

(b) The availability of the appropriation in Laws 2015, First Special Session chapter 2, article 1, section 2, subdivision 2, paragraph (j), for Wild Rice River Corridor Habitat Restoration is extended to June 30, 2021.

(c) This subdivision is effective the day following final enactment.

Sec. 3. Minnesota Statutes 2016, section 97A.056, subdivision 3, is amended to read:

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

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

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

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

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

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

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

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

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

(j) By July 1 each year, the council shall provide counties with a list of project proposals that include potential fee title land acquisitions in the county that is based on that year's funding requests received by the council from nongovernmental organizations.

Sec. 4. Minnesota Statutes 2016, section 97A.056, subdivision 13, is amended to read:

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

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

(1) be permanent;

(2) specify the parties to the easement;

(3) specify all of the provisions of an agreement that are permanent;

(4) specify the habitat types and location being protected;

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

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

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

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

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

(c) For all restorations, a recipient must prepare and retain an ecological restoration and management plan that, to the degree practicable, is consistent with current conservation science and ecological goals for the restoration site. Consideration should be given to soil, geology, topography, and other relevant factors that would provide the best chance for long-term success and durability of the restoration. The plan must include the proposed timetable for implementing the restoration, including, but not limited to, site preparation, establishment of diverse plant species, maintenance, and additional enhancement to establish the restoration; identify long-term maintenance and management needs of the restoration and how the maintenance, management, and enhancement will be financed; and use current conservation science to achieve the best restoration.

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

(e) To ensure public accountability for the use of public funds, a recipient must provide to the Lessard-Sams Outdoor Heritage Council documentation of the process used to select parcels acquired in fee or as permanent conservation easements and must provide the council with documentation of all related transaction costs, including, but not limited to, appraisals, legal fees, recording fees, commissions, other similar costs, and donations. This information must be provided for all parties involved in the transaction. The recipient must also report to the Lessard-Sams Outdoor Heritage Council any difference between the acquisition amount paid to the seller and the state-certified or state-reviewed appraisal, if a state-certified or state-reviewed appraisal was conducted. The commissioner of natural resources may conduct or require additional appraisals of parcels to be acquired in fee title or as conservation easements. Acquisition data such as appraisals may remain private during negotiations but must ultimately be made public according to chapter 13.

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

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

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

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

(j) At least 30 days before closing on an acquisition of land in fee title with money in whole or in part from the outdoor heritage fund, a nongovernmental organization must notify in writing the county board and town board where the land is located and furnish them a description of the land to be acquired.

ARTICLE 2
CLEAN WATER FUND

Section 1. **CLEAN WATER FUND APPROPRIATIONS.**

Subdivision 1. **Department of Agriculture.** \$500,000 in fiscal year 2018 is appropriated from the clean water fund to the commissioner of agriculture for grants to the Board of Regents of the University of Minnesota to fund the Forever Green Agriculture Initiative and to protect the state's natural resources while increasing the efficiency, profitability, and productivity of Minnesota farmers by incorporating perennial and winter-annual crops into existing agricultural practices. This is a onetime appropriation and is available until June 30, 2022.

Subd. 2. **Public Facilities Authority.** \$1,250,000 in fiscal year 2018 is appropriated from the clean water fund to the Public Facilities Authority for the point source implementation grants program under Minnesota Statutes, section 446A.073. This is a onetime appropriation and is available until June 30, 2022.

Subd. 3. **Pollution Control Agency.** \$10,000 in fiscal year 2019 is appropriated from the clean water fund to the commissioner of the Pollution Control Agency to support activities of the Clean Water Council according to Minnesota Statutes, section 114D.30, subdivision 1. This is a onetime appropriation.

Subd. 4. **Department of Natural Resources.** \$1,000,000 in fiscal year 2018 is appropriated from the clean water fund to the commissioner of natural resources to acquire permanent conservation easements in targeted areas to protect the forests and shorelands that supply clean water to lakes, rivers, and streams under Minnesota Statutes, section 84.66. This is a onetime appropriation and is available until June 30, 2022.

Subd. 5. **Board of Water and Soil Resources.** (a) \$3,671,000 in fiscal year 2018 and \$629,000 in fiscal year 2019 are appropriated from the clean water fund to the Board of Water and Soil Resources for a pilot program to provide performance-based grants to local government units. The grants may be used to implement projects that protect, enhance, and restore surface water quality in lakes, rivers, and streams; protect groundwater from degradation; and protect drinking water sources. Projects must be identified in a comprehensive watershed plan developed under the One Watershed, One Plan or metropolitan surface water management frameworks or groundwater plans. Grant recipients must identify a nonstate match and may use other legacy funds to supplement projects funded under this paragraph.

(b) \$3,500,000 in fiscal year 2018 is appropriated from the clean water fund to the Board of Water and Soil Resources for grants to protect and restore drinking water sources. The projects must use practices demonstrated to be effective, be of long-lasting public benefit, and include a match. Projects must be consistent with wellhead protection, protection plans for surface water intake, strategies for groundwater restoration and protection, or local water management plans or their equivalents or develop protection plans for surface water intakes. A portion of these funds may be used to seek administrative efficiencies through shared resources by multiple local government units.

(c) \$10,000,000 in fiscal year 2018 is appropriated from the clean water fund to the Board of Water and Soil Resources to purchase and restore permanent conservation sites via easements or contracts to treat and store water on the land for water quality improvement purposes and related technical assistance. This work may be done in cooperation with the United States Department of Agriculture with a first priority use to accomplish a conservation reserve enhancement program, or equivalent, in the state. Up to \$1,080,000 is for deposit in a monitoring and enforcement account.

(d) \$5,000,000 in fiscal year 2018 is appropriated from the clean water fund to the Board of Water and Soil Resources for grants to soil and water conservation districts for cost-sharing contracts with landowners or authorized agents to implement riparian buffers or alternative practices on public waters or public ditches consistent with Minnesota Statutes, section 103F.48. Of this amount, up to \$2,500,000 may be targeted outside the 54-county Conservation Reserve Enhancement Area.

(e) \$500,000 in fiscal year 2018 is appropriated from the clean water fund to the Board of Water and Soil Resources to provide support to the University of Minnesota Water Resources Center and partners to further develop and expand the use of the existing Irrigation Management Assistance tool and implement an outreach and education program that supports the tool in consultation with the University of Minnesota Extension Service. The Water Resources Center must explore supplemental funding opportunities with the United States Department of Agriculture to further this activity. The Board of Water and Soil Resources must approve a spending plan before making money available.

(f) The board may shift grant or cost-share funds in this section and may adjust the technical and administrative assistance portion of the funds to leverage federal or other nonstate funds or to address oversight responsibilities or high-priority needs identified in local water management plans.

(g) The board shall require grantees to specify the outcomes that will be achieved by the grants before any grant awards.

(h) The appropriations in this subdivision are onetime and available until June 30, 2022. Returned grant funds must be regranted consistent with the purposes of this subdivision.

Subd. 6. **University of Minnesota.** \$343,000 in fiscal year 2018 is appropriated from the clean water fund to the Board of Regents of the University of Minnesota to provide guidance documents and tools evaluating the clean water fund's return on investment to measure impacts on water quality and human well-being as well as assist in future funding decisions. This is a onetime appropriation and is available until June 30, 2022.

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

ARTICLE 3 ARTS AND CULTURAL HERITAGE FUND

Section 1. Minnesota Statutes 2016, section 15B.32, as amended by Laws 2017, First Special Session chapter 8, article 2, section 1, is amended to read:

15B.32 STATE CAPITOL PRESERVATION COMMISSION.

Subdivision 1. **Definitions.** (a) As used in this section and section 15B.36, the terms defined in this subdivision have the following meanings.

(b) "Commission" means the State Capitol Preservation Commission created under this section.

(c) "Capitol Area" means the geographic area defined in section 15B.02.

(d) "Board" means the Capitol Area Architectural and Planning Board created under section 15B.03.

(e) "Predesign" has the meaning given in section 16B.335, subdivision 3, paragraph (a).

Subd. 2. **Membership.** The State Capitol Preservation Commission consists of ~~22~~ 24 members, appointed as follows:

(1) the governor;

(2) the lieutenant governor;

- (3) the attorney general;
- (4) the chief justice of the Supreme Court, or the chief justice's designee, who shall be a member of the Supreme Court;
- (5) the majority leader of the senate or the majority leader's designee, who shall be a member of the senate;
- (6) the minority leader of the senate or the minority leader's designee, who shall be a member of the senate;
- (7) the speaker of the house or the speaker's designee, who shall be a member of the house of representatives;
- (8) the minority leader of the house of representatives or the minority leader's designee, who shall be a member of the house of representatives;
- (7) (9) two members of the senate, including one member from the majority party appointed by the majority leader and one member from the minority party appointed by the minority leader;
- (8) (10) two members of the house of representatives, including one member appointed by the speaker of the house and one member from the minority party appointed by the minority leader;
- (9) (11) the chair and ranking minority member of the house of representatives committee with jurisdiction over capital investment and the chair and ranking minority member of the senate committee with jurisdiction over capital investment;
- (10) (12) the commissioner of administration or the commissioner's designee;
- (11) (13) the commissioner of public safety or the commissioner's designee;
- (12) (14) the executive director of the Minnesota Historical Society or the executive director's designee;
- (13) (15) the executive secretary of the Capitol Area Architectural and Planning Board; and
- (14) (16) four public members appointed by the governor.

Subd. 3. **Terms and compensation.** (a) A member serving on the commission because the member or the appointing authority for the member holds an elected or appointed office shall serve on the commission as long as the member or the appointing authority holds the office.

(b) Public members of the commission shall serve two-year terms. The public members may not serve for more than three consecutive terms.

(c) The removal of members and filling of vacancies on the commission are as provided in section 15.059. ~~Public members may receive compensation and expenses as provided under section 15.059, subdivision 3.~~

Subd. 4. **Officers and meetings.** (a) The governor is the chair of the commission. The lieutenant governor is the vice-chair of the commission and may act as the chair of the commission in the absence of the governor. The governor may designate a staff member to attend commission meetings and vote on the governor's behalf in the absence of the governor.

(b) The commission shall meet at least annually and at other times at the call of the chair. Meetings of the commission are subject to chapter 13D.

Subd. 5. **Administrative support.** ~~The commission may designate an executive secretary and obtain administrative support through a contract with a state agency or other means. The commissioner of administration shall provide administrative support to the commission.~~

Subd. 6. **Duties.** (a) The commission:

(1) shall exercise ongoing coordination of the ~~restoration~~, protection, risk management, and preservation of the Capitol building;

(2) shall consult with and advise the commissioner of administration, the board, and the Minnesota Historical Society regarding their applicable statutory responsibilities for and in the Capitol building;

~~(3) may assist in the selection of an architectural firm to assist in the preparation of the predesign plan for the restoration of the Capitol building;~~

~~(4) (3) shall develop a comprehensive, multiyear, predesign maintenance and preservation plan for the restoration of the Capitol building, review the plan periodically, and, as appropriate, amend and modify the plan. The predesign plan shall identify appropriate and required functions of the Capitol building; identify and address space requirements for legislative, executive, and judicial branch functions; and identify and address the long-term maintenance and preservation requirements of the Capitol building. In developing the predesign plan, the commission shall take into account the comprehensive plan for the Minnesota State Capitol Area, as amended in 2010, the rules governing zoning and design for the Capitol Area, citizen access, information technology needs, energy efficiency, security, educational programs including public and school tours, and any additional space needs for the efficient operation of state government and shall take into account the recommendations of the long-range strategic plan under section 16B.24;~~

~~(5) (4) shall develop and implement a plan to ~~reopen the~~ ensure a welcoming and accessible Minnesota State Capitol and reintroduce it to the citizens of Minnesota for all Minnesotans and visitors;~~

~~(6) (5) shall develop and implement a comprehensive financial plan to fund the ongoing preservation and restoration of the Capitol building;~~

~~(7) (6) shall provide annual reports about the condition of the Capitol building and its needs, as well as all activities related to the ~~restoration~~ preservation of the Capitol building; and~~

~~(8) (7) may solicit gifts, grants, or donations of any kind from any private or public source to carry out the purposes of this section. For purposes of this section, the commissioner of administration may expend money appropriated by the legislature for these purposes in the same manner as private persons, firms, corporations, and associations make expenditures for these purposes. All gifts, grants, or donations received by the commission shall be deposited in a State Capitol preservation account established in the special revenue fund. Money in the account is appropriated to the commissioner of administration for the activities of clause (5), the commission, and implementation of the predesign plan under this section. ~~The gift acceptance procedures under sections 16A.013 to 16A.016 do not apply to this clause.~~ Appropriations under this clause do not cancel and are available until expended; and~~

~~(8) shall approve any exhibit of works of art to be displayed in a space in the Capitol building that is listed in section 15B.36, subdivision 1, before the exhibit may be displayed for two weeks or longer.~~

(b) By January 15 of each year, the commission shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over ~~the commission state government operations, capital investment, finance, ways and means, and legacy~~ regarding the activities and efforts of the commission in the preceding calendar

~~year~~ maintenance and preservation needs of the Capitol building, including recommendations adopted by the commission, the comprehensive financial plan required under paragraph (a), clause (6), and any proposed draft legislation necessary to implement the recommendations of the commission.

Sec. 2. **[15B.36] CAPITOL ART EXHIBIT ADVISORY COMMITTEE.**

Subdivision 1. Application. This section applies to art exhibits in the following spaces within the State Capitol: third floor east wing, the egress lobbies added as part of the Capitol restoration completed in 2017, the tunnels connecting legislative office buildings to the Capitol, room 104A of the Capitol, and the entire Capitol basement, excluding the historic Rathskeller, Governor's Dining Room, and Justices' Dining Room. The house of representatives, senate, and Chief Justice of the Minnesota Supreme Court may request the advisory committee to provide recommendations on art in their respective hearing rooms and other tenant spaces.

Subd. 2. Creation, duties. (a) The Capitol Art Exhibit Advisory Committee is established to advise and make recommendations to the State Capitol Preservation Commission regarding art exhibits to be displayed in State Capitol spaces listed in subdivision 1. To develop these recommendations, the committee shall:

(1) receive proposals from a broad diversity of Minnesota artists, art organizations, and other individuals and evaluate the extent to which proposals meet the criteria in paragraph (b); and

(2) prepare a list of recommended art exhibits for consideration by the commission, including information on the availability of the exhibits, a summary of how the recommended exhibits meet the criteria in paragraph (b) and reflect Minnesota history not covered by previous art exhibits, and the estimated costs and logistical needs for recommended exhibits.

(b) Art exhibits displayed in the State Capitol should tell Minnesota stories and engage people to:

(1) reflect on Minnesota history;

(2) understand Minnesota government;

(3) recognize the contributions of Minnesota's diverse peoples;

(4) inspire citizen engagement; and

(5) appreciate the varied landscapes of Minnesota.

(c) The commissioner of administration shall provide administrative support and curatorial services to the advisory committee and shall implement display of the art exhibits approved by the commission under section 15B.32, subdivision 6, paragraph (a), clause (8).

Subd. 3. Membership. (a) The advisory committee consists of members of the public appointed as follows:

(1) five appointed by the governor;

(2) two appointed by the majority leader of the senate and two appointed by the minority leader of the senate; and

(3) two appointed by the speaker of the house and two appointed by the minority leader of the house of representatives.

(b) To the extent practicable, the appointing authorities shall appoint individuals with knowledge or experience in art, Minnesota history, or Native American history, so that the advisory committee reflects the demographic and geographic diversity of the state. The public members appointed by the governor must be appointed using the public appointments process under section 15.0597.

(c) The State Arts Board, the Minnesota Historical Society, the Capitol Area Architectural and Planning Board, and the commissioner of administration shall each appoint one individual to serve ex-officio on the advisory committee as a nonvoting member.

(d) The advisory committee may meet as frequently as needed to complete its work and shall annually, or when requested by the commissioner, provide the commissioner with a list of recommended exhibits of works of art by Minnesota artists for possible display in the State Capitol.

Subd. 4. **Terms; removal; vacancies; compensation.** Except as otherwise provided in this section, terms, removal, vacancies, and compensation are as provided in section 15.059. Terms of advisory committee members begin the first Tuesday after the first Monday in January and are for four years.

Subd. 5. **Chair.** The committee shall elect a chair from among its members. The committee may elect other officers as it deems necessary.

Subd. 6. **Open meetings.** Committee meetings are subject to chapter 13D.

Subd. 7. **Conflict of interest.** A member of the committee may not participate in the discussion of or vote on a decision of the committee relating to an organization in which the member has either a direct or indirect financial interest.

Subd. 8. **Gifts; grants; donations.** The committee may accept gifts and grants, which are accepted on behalf of the state and constitute donations to the state. Funds received under this paragraph are appropriated to the commissioner of administration for purposes of the committee.

Sec. 3. Minnesota Statutes 2016, section 129D.17, subdivision 2, is amended to read:

Subd. 2. **Expenditures; accountability.** (a) Funding from the arts and cultural heritage fund may be spent only for arts, arts education, and arts access, and to preserve Minnesota's history and cultural heritage. A project or program receiving funding from the arts and cultural heritage fund must include measurable outcomes, and a plan for measuring and evaluating the results. A project or program must be consistent with current scholarship, or best practices, when appropriate and must incorporate state-of-the-art technology when appropriate.

(b) Funding from the arts and cultural heritage fund may be granted for an entire project or for part of a project so long as the recipient provides a description and cost for the entire project and can demonstrate that it has adequate resources to ensure that the entire project will be completed.

(c) Money from the arts and cultural heritage fund shall be expended for benefits across all regions and residents of the state.

(d) A state agency or other recipient of a direct appropriation from the arts and cultural heritage fund must compile and submit all information for funded projects or programs, including the proposed measurable outcomes and all other items required under section 3.303, subdivision 10, to the Legislative Coordinating Commission as soon as practicable or by January 15 of the applicable fiscal year, whichever comes first. The Legislative Coordinating Commission must post submitted information on the Web site required under section 3.303, subdivision 10, as soon as it becomes available.

(e) Grants funded by the arts and cultural heritage fund must be implemented according to section 16B.98 and must account for all expenditures of funds. Priority for grant proposals must be given to proposals involving grants that will be competitively awarded.

(f) Individual recipients of arts and cultural heritage funds must be residents of Minnesota. All money from the arts and cultural heritage fund must be for projects located in Minnesota. Recipients of funding from the arts and cultural heritage fund must complete the project in Minnesota. If a grant recipient is no longer able to complete the project in Minnesota, the grant recipient must return any remaining grant funds to the state.

(g) When practicable, a direct recipient of an appropriation from the arts and cultural heritage fund shall prominently display on the recipient's Web site home page the legacy logo required under Laws 2009, chapter 172, article 5, section 10, as amended by Laws 2010, chapter 361, article 3, section 5, accompanied by the phrase "Click here for more information." When a person clicks on the legacy logo image, the Web site must direct the person to a Web page that includes both the contact information that a person may use to obtain additional information, as well as a link to the Legislative Coordinating Commission Web site required under section 3.303, subdivision 10.

(h) Future eligibility for money from the arts and cultural heritage fund is contingent upon a state agency or other recipient satisfying all applicable requirements in this section, as well as any additional requirements contained in applicable session law. If the Office of the Legislative Auditor, in the course of an audit or investigation, publicly reports that a recipient of money from the arts and cultural heritage fund has not complied with the laws, rules, or regulations in this section or other laws applicable to the recipient, the recipient must be listed in an annual report to the legislative committees with jurisdiction over the legacy funds. The list must be publicly available. The legislative auditor shall remove a recipient from the list upon determination that the recipient is in compliance. A recipient on the list is not eligible for future funding from the arts and cultural heritage fund until the recipient demonstrates compliance to the legislative auditor.

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

Sec. 4. Minnesota Statutes 2016, section 129D.17, is amended by adding a subdivision to read:

Subd. 6. **Prohibited activities.** Funding from the arts and cultural heritage fund must not be used for projects that promote domestic terrorism or criminal activities.

Sec. 5. **WOMEN'S SUFFRAGE 100TH ANNIVERSARY COMMEMORATION COMMISSION.**

Subdivision 1. **Establishment.** The Women's Suffrage 100th Anniversary Commemoration Commission is established to commemorate the ratification of the 19th Amendment to the United States Constitution and to celebrate the role of Minnesotans and the state in this national and international milestone.

Subd. 2. **Duties.** The commission must coordinate a statewide commemoration of the 100th anniversary of the ratification of the 19th Amendment. The commemoration must include a series of events that provide opportunities for Minnesotans in all geographic regions of the state to learn the history of the women's suffrage movement, with a specific focus on the contributions of Minnesotans to the movement.

Subd. 3. **Membership; appointments; compensation.** (a) The commission consists of the following members:

(1) the lieutenant governor or the lieutenant governor's designee;

(2) the secretary of state or the secretary's designee;

(3) the executive director of the Minnesota Historical Society or the executive director's designee;

(4) the president of the Minnesota Humanities Center or the president's designee;

(5) eight members of the public, each representing a different congressional district, appointed by the governor;

(6) one member appointed by the president of the senate;

(7) one member appointed by the minority leader of the senate;

(8) one member appointed by the speaker of the house; and

(9) one member appointed by the minority leader of the house of representatives.

(b) The members of the commission must elect a chair and other appropriate officers at the commission's first meeting.

(c) Appointed members serve at the pleasure of the appointing authority. Initial appointments to the commission must be made no later than July 1, 2018, and expire January 8, 2019. An incumbent appointed member is eligible for reappointment at the discretion of the appointing authority.

(d) Members of the commission may be reimbursed for expenses as provided in Minnesota Statutes, section 15.0575, subdivision 3, but otherwise receive no compensation.

Subd. 4. **Open meetings.** Meetings of the commission are subject to Minnesota Statutes, chapter 13D, and must be held in different geographic regions of the state. The first meeting must be convened by the secretary of state no later than August 1, 2018.

Subd. 5. **Administrative and other support.** As necessary to fulfill its duties, the commission may enter contracts and may request the assistance of any state agency, department, council, or commission. Within available resources, all agencies, departments, councils, and commissions must be responsive to these requests. The Minnesota Humanities Center shall provide office and meeting space and administrative support as requested by the commission.

Subd. 6. **Legislative report.** No later than December 31, 2018, and annually thereafter until the commission expires, the commission must submit a report describing its work to the chairs and ranking minority members of the legislative committees with jurisdiction over state government operations, state government finance, and the arts and cultural heritage fund.

Subd. 7. **Expiration.** The commission expires December 31, 2020.

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

Sec. 6. **CAPITOL ART EXHIBIT ADVISORY COMMITTEE; FIRST APPOINTMENTS AND FIRST MEETING.**

(a) Appointing authorities for membership of the Capitol Art Exhibit Advisory Committee under Minnesota Statutes, section 15B.36, shall make first appointments to the committee by September 15, 2018. The commissioner of administration shall convene the first meeting of the committee by November 1, 2018, and serves as chair until the committee elects a chair from among its members at its first meeting.

(b) The following members are appointed to an initial term that ends January 5, 2021: two members appointed by the governor; one member each appointed by the majority leader of the senate, the minority leader of the senate, the speaker of the house, and the minority leader of the house of representatives. The remaining members are appointed to terms that end on January 3, 2023.

Sec. 7. **DEPARTMENT OF ADMINISTRATION; APPROPRIATIONS.**

Subdivision 1. **Appropriations.** (a) These amounts are appropriated to the commissioner of administration for grants to the named organizations for the purposes specified in this subdivision. The commissioner of administration may use a portion of this appropriation for costs that are directly related to and necessary to the administration of grants in this subdivision.

(b) Grant agreements entered into by the commissioner and recipients of appropriations under this subdivision must ensure that money appropriated in this subdivision is used to supplement and not substitute for traditional sources of funding.

(c) All appropriations in this article are onetime.

Subd. 2. **Lake Superior Center Authority.** \$300,000 in fiscal year 2019 is appropriated from the arts and cultural heritage fund to the commissioner of administration for a grant to the Lake Superior Center Authority to develop, prepare, and construct an exhibit on river systems to help educate Minnesotans on how to protect, enhance, and restore water quality in Minnesota rivers.

Subd. 3. **Minnesota China Friendship Garden Society.** \$150,000 in fiscal year 2019 is appropriated from the arts and cultural heritage fund to the commissioner of administration for a grant to the Minnesota China Friendship Garden Society to plan and design portions of the Chinese garden project in Phalen Park in St. Paul.

Subd. 4. **Veterans' Voices.** \$50,000 in fiscal year 2019 is appropriated from the arts and cultural heritage fund to the commissioner of administration for a grant to the Association of Minnesota Public Educational Radio Stations for statewide programming to promote the Veterans' Voices program to educate and engage communities regarding veterans' contributions, knowledge, skills, and experiences with an emphasis on Korean War veterans.

Subd. 5. **Preston grain elevator.** \$150,000 in fiscal year 2019 is appropriated from the arts and cultural heritage fund to the commissioner of administration for a grant to the Preston Historical Society for the Preston grain elevator restoration and recreation project.

Subd. 6. **Litchfield Opera House.** \$100,000 in fiscal year 2019 is appropriated from the arts and cultural heritage fund to the commissioner of administration for a grant to the Greater Litchfield Opera House Association to repair and update the electrical capabilities and interior walls in the Litchfield Opera House.

Subd. 7. **Grove City Mill.** \$10,000 in fiscal year 2019 is appropriated from the arts and cultural heritage fund to the commissioner of administration for a grant to the city of Grove City for the Grove City Mill restoration.

Subd. 8. **Capitol Art Exhibit Advisory Committee.** \$60,000 is appropriated from the arts and cultural heritage fund to the commissioner of administration for staffing the Capitol Art Exhibit Advisory Committee as directed under Minnesota Statutes, section 15B.36. The commissioner may enter into an interagency agreement with the Minnesota State Arts Board to help perform duties related to soliciting art and art proposals, art curation, and promotion of recommended and approved exhibits in the Capitol building. This appropriation is available for use until December 31, 2019.

Sec. 8. **MINNESOTA HUMANITIES CENTER; APPROPRIATION.**

\$1,000,000 in fiscal year 2019 is appropriated from the arts and cultural heritage fund to the Minnesota Humanities Center for the purpose of supporting the work of the Women's Suffrage 100th Anniversary Commemoration Commission. All appropriations in this article are onetime."

Delete the title and insert:

"A bill for an act relating to legacy; appropriating money from legacy funds; modifying requirements for certain recipients of legacy funds; modifying provisions for Capitol art displays; providing for women's suffrage commemoration; amending Minnesota Statutes 2016, sections 15B.32, as amended; 97A.056, subdivisions 3, 13; 129D.17, subdivision 2, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 15B."

With the recommendation that when so amended the bill be re-referred to the Committee on Ways and Means.

The report was adopted.

Knoblach from the Committee on Ways and Means to which was referred:

H. F. No. 4193, A bill for an act relating to health occupations; modifying and establishing new Board of Optometry fees; amending Minnesota Statutes 2016, section 148.59.

Reported the same back with the recommendation that the bill be placed on the General Register.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 3195, 3261, 3612, 3873, 4157 and 4193 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Schultz and Olson introduced:

H. F. No. 4422, A bill for an act relating to state lands; clarifying certain property rights in the city of Duluth.

The bill was read for the first time and referred to the Committee on Government Operations and Elections Policy.

Theis and Thissen introduced:

H. F. No. 4423, A bill for an act relating to state government; establishing a grant program for skate parks throughout the state; authorizing the Minnesota Amateur Sports Commission to build skate parks; appropriating money; authorizing the sale and issuance of state bonds; proposing coding for new law in Minnesota Statutes, chapter 240A.

The bill was read for the first time and referred to the Committee on State Government Finance.

Kiel introduced:

H. F. No. 4424, A bill for an act relating to energy; establishing a grant program for residential biomass heating systems; appropriating money.

The bill was read for the first time and referred to the Committee on Job Growth and Energy Affordability Policy and Finance.

Miller introduced:

H. F. No. 4425, A bill for an act relating to capital investment; appropriating money for the Rural Finance Authority; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on Capital Investment.

Davids, Schultz and Loeffler introduced:

H. F. No. 4426, A bill for an act relating to taxation; gross revenues and gross receipts; repealing the repeal of the MinnesotaCare provider taxes; amending Minnesota Statutes 2016, section 295.52, subdivision 8; repealing Laws 2011, First Special Session chapter 9, article 6, section 97, subdivision 6.

The bill was read for the first time and referred to the Committee on Taxes.

Schultz, Ecklund and Metsa introduced:

H. F. No. 4427, A bill for an act relating to taxation; property taxes; providing an exemption for certain nonprofit property.

The bill was read for the first time and referred to the Committee on Taxes.

Jessup; Fenton; Barr, R.; Becker-Finn; Sandstede; Haley; Theis and Heintzeman introduced:

H. F. No. 4428, A bill for an act relating to public safety; authorizing disclosure of emergency contacts on driver's license applications; amending Minnesota Statutes 2016, section 171.12, by adding a subdivision; Minnesota Statutes 2017 Supplement, section 171.06, subdivision 3.

The bill was read for the first time and referred to the Committee on Transportation and Regional Governance Policy.

Pryor and Becker-Finn introduced:

H. F. No. 4429, A bill for an act relating to motor vehicles; establishing an Air Medal special veterans license plate; amending Minnesota Statutes 2016, section 168.123, subdivision 2.

The bill was read for the first time and referred to the Veterans Affairs Division.

Becker-Finn introduced:

H. F. No. 4430, A bill for an act relating to public safety; requiring criminal background checks for firearm transfers; excepting certain transfers; amending Minnesota Statutes 2016, sections 609.66, by adding a subdivision; 624.7132, subdivision 12; proposing coding for new law in Minnesota Statutes, chapter 624; repealing Minnesota Statutes 2016, sections 609.66, subdivision 1f; 624.7132, subdivision 14.

The bill was read for the first time and referred to the Committee on Public Safety and Security Policy and Finance.

Urdahl and Baker introduced:

H. F. No. 4431, A bill for an act relating to human services; appropriating money for Live Well at Home grant program.

The bill was read for the first time and referred to the Committee on Health and Human Services Finance.

Metsa introduced:

H. F. No. 4432, A bill for an act relating to taxation; property; clarifying land eligible for the sustainable forest incentive program; amending Minnesota Statutes 2017 Supplement, section 290C.02, subdivision 6.

The bill was read for the first time and referred to the Committee on Taxes.

Theis; Daudt; McDonald; Heintzeman; Lucero; Jessup; Neu; Nash; Munson; Dean, M.; Gruenhagen; Peterson; O'Driscoll; Miller; Pugh; Albright; Bliss; Lien; Nelson; Zerwas; Scott; Peppin; Knobloch; Garofalo; Marquart; Vogel; Anderson, S.; Fenton; Baker and Gunther introduced:

H. F. No. 4433, A bill for an act relating to labor and industry; prohibiting mandatory fire sprinkler installation; amending Minnesota Statutes 2016, sections 299F.011, by adding a subdivision; 326B.809.

The bill was read for the first time and referred to the Committee on Commerce and Regulatory Reform.

Hertaus introduced:

H. F. No. 4434, A bill for an act relating to taxation; property; requiring a fractional homestead to be determined based on the percentage of ownership specified in the county land records; amending Minnesota Statutes 2016, sections 273.124, by adding a subdivision; 273.13, subdivision 35; Minnesota Statutes 2017 Supplement, section 273.1384, subdivision 2.

The bill was read for the first time and referred to the Committee on Taxes.

Clark introduced:

H. F. No. 4435, A bill for an act relating to workforce development; appropriating money for a grant to Somali American Women Action Center.

The bill was read for the first time and referred to the Committee on Job Growth and Energy Affordability Policy and Finance.

Hornstein introduced:

H. F. No. 4436, A bill for an act relating to taxation; income and corporate franchise; adopting certain federal provisions relating to the taxation of income of foreign corporations; amending Minnesota Statutes 2016, sections 290.0132, by adding a subdivision; 290.0133, subdivision 6, by adding a subdivision; 290.21, by adding a subdivision; Minnesota Statutes 2017 Supplement, section 290.01, subdivisions 19, 31.

The bill was read for the first time and referred to the Committee on Taxes.

Torkelson and Petersburg introduced:

H. F. No. 4437, A bill for an act relating to transportation; governing transportation finance; proposing a constitutional amendment to the Minnesota Constitution, article XIV, to allocate state general sales tax revenue related to motor vehicle repair and replacement parts exclusively to fund roads; amending Minnesota Statutes 2017 Supplement, section 297A.94.

The bill was read for the first time and referred to the Committee on Transportation Finance.

Johnson, B., introduced:

H. F. No. 4438, A bill for an act relating to economic development; appropriating money for a grant to the city of Cambridge.

The bill was read for the first time and referred to the Committee on Job Growth and Energy Affordability Policy and Finance.

REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Peppin from the Committee on Rules and Legislative Administration, pursuant to rules 1.21 and 3.33, designated the following bills to be placed on the Calendar for the Day for Thursday, April 19, 2018 and established a prefiling requirement for amendments offered to the following bills:

H. F. Nos. 3551, 3249, 2768 and 2835.

MOTIONS AND RESOLUTIONS

Thisssen moved that the name of Moran be added as chief author on H. F. No. 142. The motion prevailed.

Fenton moved that the name of Jessup be added as an author on H. F. No. 501. The motion prevailed.

Thisssen moved that the name of Moran be shown as chief author on H. F. No. 1813. The motion prevailed.

Thisssen moved that the name of Moran be shown as chief author on H. F. No. 2580. The motion prevailed.

Allen moved that the name of Omar be added as an author on H. F. No. 2705. The motion prevailed.

Jessup moved that the name of Daniels be added as an author on H. F. No. 2768. The motion prevailed.

Knoblach moved that the name of Jessup be added as an author on H. F. No. 2812. The motion prevailed.

Backer moved that the name of Haley be added as an author on H. F. No. 2888. The motion prevailed.

Thisssen moved that the name of Moran be added as chief author on H. F. No. 3073. The motion prevailed.

Schomacker moved that the name of Jurgens be added as an author on H. F. No. 3191. The motion prevailed.

Hoppe moved that the name of Poppe be added as an author on H. F. No. 3226. The motion prevailed.

Zerwas moved that the name of Flanagan be added as an author on H. F. No. 3357. The motion prevailed.

Dauids moved that the name of Rosenthal be added as an author on H. F. No. 3464. The motion prevailed.

Kresha moved that the name of Poston be added as an author on H. F. No. 3509. The motion prevailed.

Peterson moved that the name of Moran be added as an author on H. F. No. 3587. The motion prevailed.

Franke moved that the name of Pugh be added as an author on H. F. No. 3661. The motion prevailed.

Knoblach moved that the name of Maye Quade be added as an author on H. F. No. 3725. The motion prevailed.

Theis moved that the name of Moran be added as an author on H. F. No. 3884. The motion prevailed.

Albright moved that the name of Sandstede be added as an author on H. F. No. 4024. The motion prevailed.

Jurgens moved that the name of Dettmer be added as an author on H. F. No. 4392. The motion prevailed.

Garofalo moved that the name of Dettmer be added as an author on H. F. No. 4413. The motion prevailed.

ADJOURNMENT

Peppin moved that when the House adjourns today it adjourn until 3:30 p.m., Thursday, April 19, 2018. The motion prevailed.

Peppin moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 3:30 p.m., Thursday, April 19, 2018.

PATRICK D. MURPHY, Chief Clerk, House of Representatives