

1.1 moves to amend H.F. No. 1656, the first engrossment, as follows:

1.2 Page 1, after line 20, insert:

1.3 "Sec. 2. Minnesota Statutes 2018, section 84.027, subdivision 18, is amended to read:

1.4 Subd. 18. **Permanent school fund authority; reporting.** (a) The commissioner of
1.5 natural resources has the authority and responsibility ~~for the administration of~~ to administer
1.6 school trust lands under sections ~~92.121~~ 92.122 and 127A.31. The commissioner shall
1.7 biannually report to the Legislative Permanent School Fund Commission and the legislature
1.8 on the management of the school trust lands that shows how the commissioner has and will
1.9 continue to achieve the following goals:

1.10 (1) manage the school trust lands efficiently and in a manner that reflects the undivided
1.11 loyalty to the beneficiaries consistent with the commissioner's fiduciary duties;

1.12 (2) reduce the management expenditures of school trust lands and maximize the revenues
1.13 deposited in the permanent school trust fund;

1.14 (3) manage the sale, exchange, and commercial leasing of school trust lands, requiring
1.15 returns of not less than fair market value, to maximize the revenues deposited in the
1.16 permanent school trust fund and retain the value from the long-term appreciation of the
1.17 school trust lands;

1.18 (4) manage the school trust lands to maximize the long-term economic return for the
1.19 permanent school trust fund while maintaining sound natural resource conservation and
1.20 management principles;

1.21 (5) optimize school trust land revenues and maximize the value of the trust consistent
1.22 with ~~the balancing of~~ short-term and long-term interests, so that long-term benefits are not
1.23 lost in an effort to maximize short-term gains; and

2.1 (6) maintain the integrity of the trust and prevent the misapplication of its lands and its
2.2 revenues.

2.3 (b) When the commissioner finds an irresolvable conflict between maximizing the
2.4 long-term economic return and protecting natural resources and recreational values on
2.5 school trust lands, the commissioner shall give precedence to the long-term economic return
2.6 in managing school trust lands. By July 1, 2018, the permanent school fund ~~shall~~ must be
2.7 compensated for all school trust lands included under a designation or policy provision that
2.8 prohibits long-term economic return. The commissioner shall submit recommendations to
2.9 the appropriate legislative committees and divisions on methods of funding for the
2.10 compensation required under this paragraph, including recommendations for appropriations
2.11 from the general fund, nongeneral funds, and the state bond fund. Any uncompensated
2.12 designation or policy provision restrictions on the long-term economic return on school
2.13 trust lands remaining after July 1, 2018, ~~shall~~ must be compiled and submitted to the
2.14 Legislative Permanent School Fund Commission for review.

2.15 (c) By December 31, 2013, the report required under paragraph (a) ~~shall~~ must provide
2.16 an inventory and identification of all school trust lands that are included under a designation
2.17 or policy provision that prohibits long-term economic return. The report ~~shall~~ must include
2.18 a plan to compensate the permanent school fund through the purchase or exchange of the
2.19 lands or a plan to manage the school trust land to generate long-term economic return to
2.20 the permanent school fund. Subsequent reports under paragraph (a) ~~shall~~ must include a
2.21 status report of the commissioner's progress in maximizing the long-term economic return
2.22 on lands identified in the 2013 report.

2.23 (d) When ~~future~~ management practices, policies, or designations or policies by the
2.24 commissioner diminish or prohibit the long-term economic return on school trust land, the
2.25 conflict ~~shall~~ must be resolved by ~~compensating the permanent school fund through an~~
2.26 ~~exchange or purchase of the lands before designation or application of the policy as provided~~
2.27 in section 92.122."

2.28 Page 4, after line 3, insert:

2.29 "Sec. 6. [92.122] COMPENSATING PERMANENT SCHOOL FUND.

2.30 Subdivision 1. Compensation requirements. (a) When the revenue generated from
2.31 school trust land and associated resources is diminished by management practices applied
2.32 to the land and resources as determined by the commissioner of natural resources, the
2.33 commissioner must compensate the permanent school fund.

3.1 (b) When generating revenue from school trust land and associated resources will be
3.2 prohibited by a policy or designation applied to the land and resources as determined by
3.3 the commissioner, the commissioner must compensate the permanent school fund before
3.4 the policy or designation is applied.

3.5 Subd. 2. **Compensation methods.** To compensate the permanent school fund under
3.6 subdivision 1, the commissioner may use compensation methods that include:

3.7 (1) exchanging other land that is compatible with the goal of the permanent school fund
3.8 under section 127A.31, as allowed under sections 94.343, subdivision 1, and 94.3495 and
3.9 the Minnesota Constitution, article XI, section 10;

3.10 (2) leasing under section 92.50 and according to subdivision 3, with rental payments as
3.11 compensation; and

3.12 (3) condemning the land under section 92.83, with payment of the amount of the award
3.13 and judgment as compensation.

3.14 Subd. 3. **Lease terms for compensating fund.** With advice from the school trust lands
3.15 director according to section 127A.353, subdivision 4, the commissioner may lease school
3.16 trust land to compensate the permanent school fund. Rental payments received under this
3.17 subdivision:

3.18 (1) must be credited to the forest suspense account as nonqualifying revenue and not
3.19 subject to cost certification under section 16A.125;

3.20 (2) must be paid in full upon executing the lease; and

3.21 (3) are determined by the commissioner and subject to review by a licensed appraiser.

3.22 Sec. 7. Minnesota Statutes 2018, section 92.50, subdivision 1, is amended to read:

3.23 Subdivision 1. **Lease terms.** (a) The commissioner of natural resources may lease land
3.24 under the commissioner's jurisdiction and control:

3.25 (1) to remove sand, gravel, clay, rock, marl, peat, and black dirt;

3.26 (2) to store ore, waste materials from mines, or rock and tailings from ore milling plants;

3.27 (3) for roads or railroads;

3.28 (4) to compensate the permanent school fund according to section 92.122; or

3.29 ~~(4)~~ (5) for other uses consistent with the interests of the state.

4.1 (b) The commissioner shall offer the lease at public or private sale for an amount and
4.2 under terms and conditions prescribed by the commissioner. Commercial leases for more
4.3 than ten years and leases for removal of peat that cover 320 or more acres must be approved
4.4 by the Executive Council.

4.5 (c) The lease term may not exceed 21 years except:

4.6 (1) leases of lands for storage sites for ore, waste materials from mines, or rock and
4.7 tailings from ore milling plants; or for the removal of peat for nonagricultural purposes may
4.8 not exceed a term of 25 years; and

4.9 (2) leases for commercial purposes, including major resort, convention center, or
4.10 recreational area purposes, may not exceed a term of 40 years.

4.11 (d) Leases must be subject to sale and leasing of the land for mineral purposes and
4.12 contain a provision for cancellation for just cause at any time by the commissioner upon
4.13 six months' written notice. A longer notice period, not exceeding three years, may be provided
4.14 in leases for storing ore, waste materials from mines, or rock or tailings from ore milling
4.15 plants. The commissioner may determine the terms and conditions, including the notice
4.16 period, for cancellation of a lease for the removal of peat and commercial leases.

4.17 (e) Money received from leases under this section must be credited to the fund to which
4.18 the land belongs."

4.19 Page 4, after line 26, insert:

4.20 "Sec. 10. Minnesota Statutes 2018, section 97A.055, subdivision 4b, is amended to read:

4.21 Subd. 4b. **Citizen oversight committees.** (a) The commissioner shall appoint committees
4.22 of affected persons to review the reports prepared under subdivision 4; review the proposed
4.23 work plans and budgets for the coming year; propose changes in policies, activities, and
4.24 revenue enhancements or reductions; review other relevant information; and make
4.25 recommendations to the legislature and the commissioner for improvements in the
4.26 management and use of money in the game and fish fund.

4.27 (b) The commissioner shall appoint the following committees, each comprised of at
4.28 least ten affected persons:

4.29 (1) a Fisheries Oversight Committee to review fisheries funding and expenditures,
4.30 including activities related to trout-and-salmon stamps and walleye stamps; and

5.1 (2) a Wildlife Oversight Committee to review wildlife funding and expenditures,
5.2 including activities related to migratory waterfowl, pheasant, and wild turkey management
5.3 and deer and big game management.

5.4 (c) The chairs of the Fisheries Oversight Committee and the Wildlife Oversight
5.5 Committee, and four additional members from each committee, shall form a Budgetary
5.6 Oversight Committee to coordinate the integration of the fisheries and wildlife oversight
5.7 committee reports into an annual report to the legislature; recommend changes on a broad
5.8 level in policies, activities, and revenue enhancements or reductions; and provide a forum
5.9 to address issues that transcend the fisheries and wildlife oversight committees.

5.10 (d) The Budgetary Oversight Committee shall develop recommendations for a biennial
5.11 budget plan and report for expenditures on game and fish activities. By August 15 of each
5.12 even-numbered year, the committee shall submit the budget plan recommendations to the
5.13 commissioner and to the senate and house of representatives committees with jurisdiction
5.14 over natural resources finance.

5.15 (e) The chairs of the Fisheries Oversight Committee and the Wildlife Oversight
5.16 Committee shall be chosen by their respective committees. The chair of the Budgetary
5.17 Oversight Committee shall be appointed by the commissioner and may not be the chair of
5.18 either of the other oversight committees.

5.19 (f) The Budgetary Oversight Committee may make recommendations to the commissioner
5.20 and to the senate and house of representatives committees with jurisdiction over natural
5.21 resources finance for outcome goals from expenditures.

5.22 (g) The committees authorized under this subdivision are not advisory councils or
5.23 committees governed by section 15.059 and are not subject to section 15.059. Committee
5.24 members appointed by the commissioner may request reimbursement for mileage expenses
5.25 in the same manner and amount as authorized by the commissioner's plan adopted under
5.26 section 43A.18, subdivision 2. Committee members must not receive daily compensation
5.27 for oversight activities. The Fisheries Oversight Committee, the Wildlife Oversight
5.28 Committee, and the Budgetary Oversight Committee expire June 30, ~~2020~~ 2025."

5.29 Page 11, after line 27, insert:

5.30 "Sec. 25. Minnesota Statutes 2018, section 103G.241, subdivision 1, is amended to read:

5.31 Subdivision 1. **Conditions to affect public waters.** An agent or employee of another
5.32 may not construct, reconstruct, remove, or make a change in a reservoir, dam, or waterway

6.1 obstruction on a public water or in any manner change or diminish the course, current, or
6.2 cross section of public waters unless the agent or employee has:

6.3 (1) obtained a signed statement from the property owner stating that the permits required
6.4 for the work have been obtained or a permit is not required; and

6.5 (2) mailed or electronically transmitted a copy of the statement to the regional office of
6.6 the Department of Natural Resources where the proposed work is located.

6.7 Sec. 26. Minnesota Statutes 2018, section 103G.241, subdivision 3, is amended to read:

6.8 Subd. 3. **Form for compliance.** The commissioner shall develop a form to be distributed
6.9 to contractors' associations and county auditors to comply with this section. The form must
6.10 include:

6.11 (1) a listing of the activities for which a permit is required;

6.12 (2) a description of the penalties for violating this chapter;

6.13 (3) the mailing addresses, electronic mail addresses, and telephone numbers of the
6.14 regional offices of the Department of Natural Resources;

6.15 (4) a statement that water inventory maps completed according to section 103G.201 are
6.16 on file with the auditors of the counties; and

6.17 (5) spaces for a description of the work and the names, mailing addresses, electronic
6.18 mail addresses, and telephone numbers of the person authorizing the work and the agent or
6.19 employee proposing to undertake it.

6.20 Sec. 27. Minnesota Statutes 2018, section 103G.287, subdivision 1, is amended to read:

6.21 Subdivision 1. **Applications for groundwater appropriations; preliminary**
6.22 **well-construction approval.** (a) Groundwater use permit applications are not complete
6.23 until the applicant has supplied:

6.24 (1) a water well record as required by section 103I.205, subdivision 9, information on
6.25 the subsurface geologic formations penetrated by the well and the formation or aquifer that
6.26 will serve as the water source, and geologic information from test holes drilled to locate the
6.27 site of the production well;

6.28 (2) the maximum daily, seasonal, and annual pumpage rates and volumes being requested;

7.1 (3) information on groundwater quality in terms of the measures of quality commonly
7.2 specified for the proposed water use and details on water treatment necessary for the proposed
7.3 use;

7.4 (4) the results of an aquifer test completed according to specifications approved by the
7.5 commissioner. The test must be conducted at the maximum pumping rate requested in the
7.6 application and for a length of time adequate to assess or predict impacts to other wells and
7.7 surface water and groundwater resources. The permit applicant is responsible for all costs
7.8 related to the aquifer test, including the construction of groundwater and surface water
7.9 monitoring installations, and water level readings before, during, and after the aquifer test;
7.10 and

7.11 (5) the results of any assessments conducted by the commissioner under paragraph (c).

7.12 (b) The commissioner may waive an application requirement in this subdivision if the
7.13 information provided with the application is adequate to determine whether the proposed
7.14 appropriation and use of water is sustainable and will protect ecosystems, water quality,
7.15 and the ability of future generations to meet their own needs.

7.16 (c) The commissioner shall provide an assessment of a proposed well needing a
7.17 groundwater appropriation permit. The commissioner shall evaluate the information submitted
7.18 as required under section 103I.205, subdivision 1, paragraph (e), and determine whether
7.19 the anticipated appropriation request is likely to meet the applicable requirements of this
7.20 chapter. If the appropriation request is likely to meet applicable requirements, the
7.21 commissioner shall provide the person submitting the information with a letter or
7.22 electronically transmitted notice providing preliminary approval to construct the well and
7.23 the requirements, including test-well information, that will be needed to obtain the permit.

7.24 (d) The commissioner must provide an applicant denied a groundwater use permit or
7.25 issued a groundwater use permit that is reduced or restricted from the original request with
7.26 all information the commissioner used in making the determination, including hydrographs,
7.27 flow tests, aquifer tests, topographic maps, field reports, photographs, and proof of equipment
7.28 calibration.

7.29 Sec. 28. Minnesota Statutes 2018, section 103G.311, subdivision 2, is amended to read:

7.30 Subd. 2. **Hearing notice.** (a) The hearing notice on an application must include:

7.31 (1) the date, place, and time fixed by the commissioner for the hearing;

7.32 (2) the waters affected, the water levels sought to be established, or control structures
7.33 proposed; and

8.1 (3) the matters prescribed by sections 14.57 to 14.59 and rules adopted thereunder.

8.2 (b) A summary of the hearing notice must be published by the commissioner at the
8.3 expense of the applicant or, if the proceeding is initiated by the commissioner in the absence
8.4 of an applicant, at the expense of the commissioner.

8.5 (c) The summary of the hearing notice must be:

8.6 (1) published once a week for two successive weeks before the day of hearing in a legal
8.7 newspaper published in the county where any part of the affected waters is located; and

8.8 (2) mailed or electronically transmitted by the commissioner to the county auditor, the
8.9 mayor of a municipality, the watershed district, and the soil and water conservation district
8.10 affected by the application.

8.11 Sec. 29. Minnesota Statutes 2018, section 103G.311, subdivision 5, is amended to read:

8.12 Subd. 5. **Demand for hearing.** (a) If a hearing is waived and an order is made issuing
8.13 or denying the permit, the applicant, the managers of the watershed district, the board of
8.14 supervisors of the soil and water conservation district, or the governing body of the
8.15 municipality may file a demand for hearing on the application. The demand for a hearing
8.16 must be filed within 30 days after mailed or electronically transmitted notice of the order
8.17 with the bond required by subdivision 6.

8.18 (b) The commissioner must give notice as provided in subdivision 2, hold a hearing on
8.19 the application, and make a determination on issuing or denying the permit as though the
8.20 previous order had not been made.

8.21 (c) The order issuing or denying the permit becomes final at the end of 30 days after
8.22 mailed or electronically transmitted notice of the order to the applicant, the managers of the
8.23 watershed district, the board of supervisors of the soil and water conservation district, or
8.24 the governing body of the municipality, and an appeal of the order may not be taken if:

8.25 (1) the commissioner waives a hearing and a demand for a hearing is not made; or

8.26 (2) a hearing is demanded but a bond is not filed as required by subdivision 6.

8.27 Sec. 30. Minnesota Statutes 2018, section 103G.315, subdivision 8, is amended to read:

8.28 Subd. 8. **Notice of permit order.** Notice of orders made after hearing must be given by
8.29 publication of the order once a week for two successive weeks in a legal newspaper in the
8.30 county where the hearing was held and by mailing or electronically transmitting copies of
8.31 the order to parties who entered an appearance at the hearing.

9.1 Sec. 31. Minnesota Statutes 2018, section 103G.408, is amended to read:

9.2 **103G.408 TEMPORARY DRAWDOWN OF PUBLIC WATERS.**

9.3 (a) The commissioner, upon consideration of recommendations and objections as provided
9.4 in clause (2), item (iii), and paragraph (c), may issue a public-waters-work permit for the
9.5 temporary drawdown of a public water when:

9.6 (1) the public water is a shallow lake to be managed for fish, wildlife, or ecological
9.7 purposes by the commissioner and the commissioner has conducted a public hearing
9.8 presenting a comprehensive management plan outlining how and when temporary drawdowns
9.9 under this section will be conducted; or

9.10 (2) the permit applicant is a public entity and:

9.11 (i) the commissioner deems the project to be beneficial and makes findings of fact that
9.12 the drawdown is in the public interest;

9.13 (ii) the permit applicant has obtained permission from at least 75 percent of the riparian
9.14 landowners; and

9.15 (iii) the permit applicant has conducted a public hearing according to paragraph (d).

9.16 (b) In addition to the requirements in section 103G.301, subdivision 6, the permit
9.17 applicant shall serve a copy of the application on each county, municipality, and watershed
9.18 management organization, if one exists, within which any portion of the public water is
9.19 located and on the lake improvement district, if one exists.

9.20 (c) A county, municipality, watershed district, watershed management organization, or
9.21 lake improvement district required to be served under paragraph (b) or section 103G.301,
9.22 subdivision 6, may file a written recommendation for the issuance of a permit or an objection
9.23 to the issuance of a permit with the commissioner within 30 days after receiving a copy of
9.24 the application.

9.25 (d) The hearing notice for a public hearing under paragraph (a), clause (2), item (iii),
9.26 must:

9.27 (1) include the date, place, and time for the hearing;

9.28 (2) include the waters affected and a description of the proposed project;

9.29 (3) be mailed or electronically transmitted to the director, the county auditor, the clerk
9.30 or mayor of a municipality, the lake improvement district if one exists, the watershed district
9.31 or water management organization, the soil and water conservation district, and all riparian
9.32 owners of record affected by the application; and

10.1 (4) be published in a newspaper of general circulation in the affected area.

10.2 (e) Periodic temporary drawdowns conducted under paragraph (a) ~~shall~~ are not be
10.3 considered takings from riparian landowners.

10.4 (f) This section does not apply to public waters that have been designated for wildlife
10.5 management under section 97A.101.

10.6 Sec. 32. Minnesota Statutes 2018, section 103G.615, subdivision 3a, is amended to read:

10.7 Subd. 3a. **Invasive aquatic plant management permit.** (a) "Invasive aquatic plant
10.8 management permit" means an aquatic plant management permit as defined in rules of the
10.9 Department of Natural Resources that authorizes the selective control of invasive aquatic
10.10 plants to cause a significant reduction in the abundance of the invasive aquatic plant.

10.11 (b) The commissioner may waive the dated signature of approval requirement in rules
10.12 of the Department of Natural Resources for invasive aquatic plant management permits if
10.13 obtaining signatures would create an undue burden on the permittee or if the commissioner
10.14 determines that aquatic plant control is necessary to protect natural resources.

10.15 (c) If the signature requirement is waived under paragraph (b) because obtaining
10.16 signatures would create an undue burden on the permittee, the commissioner shall require
10.17 an alternate form of landowner notification, including news releases or public notices in a
10.18 local newspaper, a public meeting, or a mailing or electronic transmission to the most recent
10.19 permanent physical or electronic mailing address of affected landowners. The notification
10.20 must be given annually and must include: the proposed date of treatment, the target species,
10.21 the method of control or product being used, and instructions on how the landowner may
10.22 request that control not occur adjacent to the landowner's property.

10.23 (d) The commissioner may allow dated signatures of approval obtained for an invasive
10.24 aquatic plant management permit to satisfy rules of the Department of Natural Resources
10.25 to remain valid for three years if property ownership remains unchanged.

10.26 Sec. 33. Laws 2013, chapter 114, article 4, section 105, as amended by Laws 2017, chapter
10.27 93, article 2, section 148, is amended to read:

10.28 Sec. 105. **RULES; SILICA SAND.**

10.29 (a) The commissioner of the Pollution Control Agency may adopt rules pertaining to
10.30 the control of particulate emissions from silica sand projects. The rulemaking is exempt
10.31 from Minnesota Statutes, section 14.125.

11.1 (b) The commissioner of natural resources shall ~~adopt rules~~ develop a model ordinance
11.2 pertaining to the reclamation of silica sand mines. The rulemaking is exempt from Minnesota
11.3 Statutes, section 14.125 commissioner shall publish the model ordinance in the State Register.

11.4 (c) By January 1, 2014, the Department of Health shall adopt an air quality health-based
11.5 value for silica sand.

11.6 (d) The Environmental Quality Board may amend its rules for environmental review,
11.7 adopted under Minnesota Statutes, chapter 116D, for silica sand mining and processing to
11.8 take into account the increased activity in the state and concerns over the size of specific
11.9 operations. The Environmental Quality Board shall consider whether the requirements of
11.10 Minnesota Statutes, section 116C.991, should remain part of the environmental review
11.11 requirements for silica sand and whether the requirements should be different for different
11.12 geographic areas of the state. The rulemaking is exempt from Minnesota Statutes, section
11.13 14.125."

11.14 Page 12, after line 8, insert:

11.15 "Sec. 35. **REVISOR INSTRUCTION.**

11.16 The revisor of statutes must change the reference in Minnesota Statutes, sections 127A.30,
11.17 subdivision 2, and 287.22 from "section 92.121" to "section 92.122."

11.18 Sec. 36. **REPEALER.**

11.19 Minnesota Statutes 2018, section 92.121, is repealed."

11.20 Renumber the sections in sequence and correct the internal references

11.21 Amend the title accordingly