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Overview

This bill appropriates money from the outdoor heritage fund, clean water fund, parks and trails fund, and arts and cultural heritage fund, the four funds established by the “Legacy Amendment” passed by the voters in 2008.

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Article 1: Outdoor Heritage Fund

Overview

This article appropriates money from the outdoor heritage fund based upon recommendations made by the Lessard-Sams Outdoor Heritage Council (LSOHC).

- 1 **Outdoor heritage appropriation.** Technical.
- 2 **Outdoor heritage.**

Subd. 1. Total appropriation. Provides a total appropriation of \$103,105,000 from the outdoor heritage fund in fiscal year 2018, and \$585,000 in fiscal year 2019.

Subd. 2. Prairies. Provides a total appropriation of \$26,614,000 for various prairie projects.

Subd. 3. Forests. Provides a total appropriation of \$17,324,000 for various forest projects.

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Subd. 4. Wetlands. Provides a total appropriation of \$31,744,000 for various wetland projects.

Subd. 5. Habitat. Provides a total appropriation of \$26,554,000 for various habitat projects.

Subd. 6. Administration. Provides a total appropriation of \$879,000 in fiscal year 2018 and \$585,000 in fiscal year 2019 for administration, including contract management services from the Department of Natural Resources (DNR), and other expenses.

Subd. 7. Availability of appropriation. States that money appropriated 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 and may not be spent on institutional overhead charges that are not directly related to a specific appropriation. Provides for the availability of funding depending on the use of the funds and whether or not federal funds are also used.

Subd. 8. Payment conditions and capital equipment expenditures. Requires all agreements to be administered on a reimbursement basis unless otherwise provided. Allows reasonable amounts to be advanced in some circumstances if approved as part of an accomplishment plan. Requires capital expenditures that exceed \$10,000 to be itemized and approved as part of an accomplishment plan.

Subd. 9. Mapping. Requires recipients of an appropriation to submit geographic information on lands acquired in fee that are open to the public for hunting and fishing to the DNR for mapping.

- 3 **Council recommendations.** Amends § 97A.056, subd. 3. Requires the LSOHC to prioritize restoration and enhancement projects over projects that acquire land.
- 4 **Revenues.** Adds § 97A.056, subd. 22. Requires recipients of money for the outdoor heritage fund used to acquire land to disclose any revenues generated from activities on the land during the availability of the appropriation and use those funds for certain purposes or give them to the outdoor heritage fund. Exempts state departments and agencies from the requirement.
- 5 **Trails.** Adds § 97A.056, subd. 23. Requires forest lands acquired with money from the outdoor heritage fund appropriated on or after July 1, 2017, to be open to all recreational trail uses unless the land does not support the use or the constitutional requirements of the outdoor heritage fund as determined by the commissioner of natural resources. Requires a recipient of funds acquiring such land to provide equal opportunities for motorized and nonmotorized users in accordance with certain requirements.
- 6 **Reserve requirement.** Adds § 97A.056, subd. 24. Requires at least five percent of the projected receipts to the outdoor heritage fund to be held as a reserve (not appropriated).
- 7 **Previous funding notification requirement.** Adds § 97A.056, subd. 25. Requires an entity requesting money from the outdoor heritage fund to provide information to the LSOHC and legislature on whether the request is supplanting or is a substitute for any previous funding that was not from a legacy fund.

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- 8 Overhead costs.** Adds § 97A.056, subd. 26. Prohibits the use of money from the outdoor heritage fund for overhead costs unless they are the direct and necessary result of a recipient's responsibility to administer an outdoor heritage fund funded activity/program and requires the amount to be documented.
- 9 No net gain; counties.** Adds § 97A.056, subd. 27. Allows a county to adopt and file a no net gain policy with the DNR and requires the DNR to sell an equal amount of land within the county if the DNR acquires private land with money from the outdoor heritage fund. Allows land sold to meet this requirement to be sold for less than appraised value but no less than 75 percent below.
- 10 Habitats.** Amends Laws 2012, ch. 264, art. 1, § 2, subd. 5, as amended. Removes match requirements for design/feasibility studies for a previous appropriation dealing with invasive carp projects on boundary waters.
- 11 Prairies.** Amends Laws 2015, 1st Spec. Sess. ch. 2, art. 1, § 2, as amended. Increases the amount that may be deposited in an easement stewardship account for a previous appropriation to the Board of Water and Soil Resources (BWSR) for the Buffers for Wildlife and Water program, effective retroactively to July 1, 2015.
- 12 Prairies.** Amends Laws 2016, ch. 172, art. 1, § 2. Increases the amount that may be deposited in an easement stewardship account for a previous appropriation to BWSR for the Reinvest in Minnesota (RIM) program.
- 13 Wetlands.** Amends Laws 2016, ch. 172, art. 1, § 2. Increases the amount that may be deposited in an easement stewardship account for a previous appropriation to BWSR for the RIM program.
- 14 Repealer.** Repeals § 97A.056, subd. 8 (provision addressing revenues received by recipients which is modified and recodified under section 4 of this bill).

Article 2: Clean Water Fund

Overview

This article appropriates money in fiscal years 2018 and 2019 from the clean water fund for various projects and programs.

- 1 Clean water fund appropriations.** Technical.
- 2 Clean water.** Provides a total appropriation of \$101,254,000 from the clean water fund in fiscal year 2018, and \$11,114,000 in fiscal year 2019.
- 3 Department of Agriculture.** Appropriates \$7,482,000 in fiscal year 2018 and \$7,484,000 in fiscal year 2019 to the Department of Agriculture for various purposes, including money for:
- monitoring pesticides and pesticide degradates in ground and surface waters;
 - increasing monitoring for nitrates and evaluate trends;

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- the agricultural best management loan program;
- technical assistance, research and demonstration projects regarding best management practice implementation;
- research to quantify and reduce agricultural contributions to impaired waters;
- a research inventory database;
- implementation of the agricultural water quality certification program;
- a regional irrigation water quality specialist;
- a perennial and cover crop research program;
- pesticide testing in private wells with nitrates; and
- evaluation of markets for crops beneficial to water quality and soil health.

4 Public Facilities Authority. Appropriates \$6,300,000 in fiscal year 2018 and \$10,100,000 in fiscal year 2019 to the Public Facilities Authority (PFA), including a total of \$16,150,000 for the total maximum daily load (TMDL) grant program, and a total of \$300,000 for grants and loans for small community wastewater treatment.

5 Pollution Control Agency. Appropriates \$25,286,000 in fiscal year 2018 and \$25,514,000 in fiscal year 2019 to the Pollution Control Agency (PCA), including money for:

- completion of statewide surface water assessments;
- the development of watershed restoration and protection strategies (WRAPS) which include TMDL studies and TMDL implementation plans;
- groundwater assessment;
- a restoration project in the lower St. Louis River and Duluth harbor;
- TMDL research and database development;
- development of a multiagency watershed database reporting portal;
- national pollutant discharge elimination system (NPDES) wastewater and storm water TMDL implementation;
- grants to counties for subsurface sewage treatment systems (SSTS);
- accelerated implementation of MS4 permit requirements; and
- administration expenses of the Clean Water Council.

6 Department of Natural Resources. Appropriates \$8,671,000 in fiscal year 2018 and \$8,871,000 in fiscal year 2019 to the DNR, including money for:

- stream flow monitoring;
- lake Index of Biological Integrity (IBI) assessments;
- assessing mercury contamination of fish;
- development of targeted, science-based WRAPS;
- water supply planning, aquifer protection, and monitoring activities;
- technical assistance to support local implementation of nonpoint source restoration and protection activities;
- applied research and tools;
- county geologic atlases;
- maintenance and updates to buffer maps and technical guidance; and
- collection color infrared imagery for determining perennial cover.

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- 7** **Board of Water and Soil Resources.** Appropriates \$43,677,000 in fiscal year 2018 and \$50,081,000 in fiscal year 2019 to BWSR, including money for:
- pilot program to provide performance based grants to local units of government to implement projects identified as part of the One Watershed, One Plan, or other plans;
 - grants to local units of government for various water quality projects consistent with TMDL and WRAPS;
 - acceleration of implementation, including technical assistance;
 - state oversight and accountability of local implementation efforts;
 - grants to local units of government to ensure compliance with buffer and soil loss requirements;
 - acquisition and restoration of permanent conservation easements on riparian buffers;
 - restoration audits;
 - technical assistance and grants for the conservation drainage program;
 - conservation easements on critical shoreland areas; and
 - data collection and estimates of soil erosion.
- Requires the board to contract with the Conservation Corps Minnesota for \$500,000 each year under the programs funded in this section.
- 8** **Department of Health.** Appropriates \$5,115,000 in fiscal year 2018 and \$4,857,000 in fiscal year 2019 to the Department of Health, including money for:
- addressing public health concerns related to drinking water contaminants of emerging concern;
 - drinking water source protection;
 - cost-share assistance to public and private well owners;
 - development and distribution of groundwater restoration and protection strategies;
 - study of the occurrence and magnitude of contaminants in private wells;
 - evaluating and addressing risks from viruses in water supplies; and
 - development of public health policies and an action plan to address threats to safe drinking water.
- 9** **Metropolitan Council.** Appropriates \$1,700,000 each year to the Metropolitan Council for:
- projects that address emerging drinking water supply threats;
 - water demand reduction grant program; and
 - grants and loans for local inflow and infiltration reduction programs.
- 10** **University of Minnesota.** Appropriates \$1,008,000 in fiscal year 2018 and \$1,007,000 in fiscal year 2019 to the University of Minnesota for:
- developing county geologic atlases;
 - a storm water performance evaluation and technology transfer program; and
 - guidance documents and tools evaluating the clean water fund's return on investment.

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- 11 Revenue.** Appropriates \$2,000,000 each year to the Department of Revenue to make riparian aid payments under the new program established under section 15.
- 12 Legislature.** Appropriates \$15,000 in fiscal year 2018 to the Legislative Coordinating Commission (LCC) for the Legacy Web site.
- 13 Expenditures; accountability.** Adds § 114D.50, subd. 4. Requires an entity requesting money from the clean water fund to provide information to the Clean Water Council and legislature on whether the request is supplanting or is a substitute for any previous funding that was not from a legacy fund.
- 14 Reserve requirement.** Adds § 114D.50, subd. 7. Requires at least five percent of the projected receipts to the clean water fund to be held as a reserve (not appropriated).
- 15 Overhead costs.** Adds § 114D.50, subd. 8. Prohibits the use of money from the clean water fund for overhead costs unless they are the direct and necessary result of a recipient's responsibility to administer a clean water fund funded activity/program and requires the amount to be documented.
- 16 Riparian protection aid.** Amends § 477A.21. Establishes an aid program for watershed districts and counties that have assumed jurisdiction for enforcing buffer requirements. Requires BWSR and DNR to provide certain information to the Department of Revenue (DOR) to use in determining eligibility for and calculating the payments. Provides a formula for calculating the payments based upon the total number of acres of certain agricultural land and the miles of public watercourses and public drainage system ditches. Established minimum and maximum payment amounts that are adjusted depending on funding levels, and only counties assuming jurisdiction for enforcing the buffer requirements (or counties where a watershed district has assumed jurisdiction) are eligible for the payments. States that the aid that would otherwise go to a county or a portion of a county not assuming jurisdiction for enforcing the buffer requirements goes to BWSR. Requires the payments to be made along with other local government aid payments. The payments begin with aids payable in 2017.

Article 3: Parks and Trails Fund

Overview

This article appropriates money in fiscal years 2018 and 2019 from the parks and trails fund. The article provides appropriations to the Department of Natural Resources (DNR) for state parks, trails, and recreation areas; for regional parks and trails in greater Minnesota through the parks and trails legacy grant program; and to the Metropolitan Council for metropolitan regional parks and trails.

- 1 Parks and trails fund appropriations.** Technical.
- 2 Parks and trails.** Provides a total appropriation of \$41,988,000 from the parks and trails fund in fiscal year 2018, and \$47,775,000 in fiscal year 2019. Makes the funds available for two years or, when federal funds are involved, for the time period equal to the federal

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funding availability. Requires recipients of an appropriation to make progress towards providing greater access to programs, print publications, and digital media for people with disabilities related to programs funded with appropriations in this article, where appropriate.

- 3 Natural resources.** Appropriates \$25,397,000 in fiscal year 2018 and \$28,884,000 in fiscal year 2019 to the DNR for the following parks and trails purposes:
- \$16,584,000 in 2018 and \$18,891,000 in 2019 for state parks and trails to connect people to the outdoors, acquire land and create opportunities, maintain existing holdings, and coordinating with partners;
 - \$8,292,000 in 2018 and \$9,445,000 in 2019 for grants for regional parks and trails in greater Minnesota under the parks and trails legacy grant program, based on recommendations of the Greater Minnesota Regional Parks and Trails Commission, and for operation costs of the Greater Minnesota Regional Parks and Trails Commission; and
 - \$521,000 in 2018 and \$548,000 in 2019 for coordination between the DNR, Greater Minnesota Regional Parks and Trails Commission, and the Metropolitan Council and other activities.
- Requires the commissioner to contract with the Conservation Corps Minnesota for at least \$1,000,000 each year and implementing agencies receiving funds to give consideration to contracting with the Conservation Corps Minnesota.
- 4 Metropolitan Council.** Appropriates \$16,584,000 in fiscal year 2018 and \$18,891,000 in fiscal year 2019 for metropolitan regional parks and trails to be distributed to implementing agencies according to the parks and trails fund metropolitan park distribution formula under current law. The appropriation must be used to fund the project priority list for fiscal year 2016 and fiscal year 2017 developed as required under a 2013 law, remaining funds may be spent on projects to support parks and trails. Requires grant agreements to ensure that funds are used to supplement (not substitute) for traditional sources of funding. Requires implementing agencies receiving funds to give consideration to contracting with the Conservation Corps Minnesota.
- 5 Legislature.** Appropriates \$7,000 in fiscal year 2018 to the Legislative Coordinating Commission (LCC) for the Legacy Web site.
- 6 Reserve requirement.** Adds § 85.53, subd. 6. Requires at least five percent of the projected receipts to the parks and trails fund to be held as a reserve (not appropriated).
- 7 Overhead costs.** Adds § 85.53, subd. 7. Prohibits the use of money from the parks and trails fund for overhead costs unless they are the direct and necessary result of a recipient's responsibility to administer a parks and trails fund funded activity/program and requires the amount to be documented.
- 8 Sauk River Regional Park grant extension.** Extends a previous appropriation from the parks and trails fund for improvements at Sauk River Regional Park until June 30, 2022.

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- 9 Hyland-Bush-Anderson Lakes Regional Park Reserve Grant Extension.** Extends a previous appropriation from the parks and trails fund to the city of Bloomington for parking lot work at the Hyland-Bush-Anderson Lakes Park Reserve until June 30, 2018.
- 10 Anoka County and Dakota County reallocations.** Allows Dakota County and Anoka County to reallocate previously appropriated funds they received from the parks and trails fund to other purposes.

Article 4: Arts and Cultural Heritage

Overview

This article appropriates money in fiscal years 2018 and 2019 from the arts and cultural heritage fund.

- 1 Arts and cultural heritage fund appropriations.** Technical.
- 2 Arts and cultural heritage.** Provides the specific appropriations for the arts and cultural heritage fund and appropriates \$57,331,000 in fiscal year 2018 and \$66,033,000 in fiscal year 2019 to various state agencies for programing and grants. The first year appropriation is diminished by a lack of funding in fiscal year 2017, requiring funds from 2018 to be available to fulfill previous obligations.

Appropriations for the 2018-2019 biennium from the arts and cultural heritage fund:

- \$57.26 million to the Minnesota State Arts Board for grants to artists and arts organizations, arts education, and events and activities, and includes money for the China Friendship Garden, a grant to create a statewide Art Map software app, a grant to the Minnesota Agriculture Society, a grant program for Somali art programs, and a grant to the Hmong Folk Art Center;
- \$27 million to the Minnesota Historical Society for programs and activities operated by the state historical society, grants to local or regional historical organizations, and includes funding for historical barn restoration projects, the Fairmont Opera House, and restoration of the Fort Snelling Memorial Chapel;
- \$20.69 million to the Department of Administration for grants to the Veterans Rest Camp, Minnesota Public Radio, AMPERS, Public Television, Wilderness Inquiry, Como Park Zoo, the Science Museum of Minnesota, the Duluth Aquarium, the Green Giant Museum, the Lake Superior Zoo, the Minnesota State Band, the Minnesota Square Park pavilion, the State Archeologist, and veterans memorials in Rice County and Waseca;
- \$5.28 million to the Minnesota Humanities Center for programs operated by the Humanities Center, as well as grants for community identity and heritage organizations, the Governor's Council on Developmental Disabilities, Tawkaw courts, civics programs; the Somali Museum of Minnesota, the Rondo commemorative plaza, and five children's museums;

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- \$5.25 million to the Regional Libraries System for grants to the libraries throughout Minnesota for arts and cultural programming;
- \$3.625 million to the Minnesota Zoo for access and education at the zoo;
- \$2.55 million to the Indian Affairs Council for Ojibwe and Dakota language education and immersion programs;
- \$1 million to the Department of Agriculture for grants to state fairs throughout Minnesota for arts and cultural heritage performances and events; and
- \$9,000 to the Legislative Coordinating Commission for the maintenance of the Legacy Fund Web site.

- 3 Minnesota State Arts Board allocation.** Amends § 129D.17, subd. 4. Clarifies how the requirement that 47 percent of the arts and cultural heritage fund be used for the Minnesota State Arts Board and regional arts councils is calculated.
- 4 Reserve requirement.** Adds § 129D.17, subd. 5. Requires at least five percent of the projected receipts to the arts and cultural heritage fund to be held as a reserve (not appropriated).
- 5 Arts and cultural heritage fund recipient dedicated disparities assistance.** Requires entities receiving \$1,000,000 or more for arts and cultural heritage programming to measure and report on how arts and cultural heritage funds are being used to reduce disparities. The reports are due to the legislature by December 15, 2018.
- 6 Overhead costs.** Prohibits the use of money from the arts and cultural heritage fund for overhead costs unless they are the direct and necessary result of a recipient's responsibility to administer an arts and cultural heritage fund funded activity or program and requires the amount to be documented.

Article 5: General Provisions; All Legacy Funds

Overview

Adds a provision to Chapter 16A which limits the ability of the commissioner of management and budget to assess statewide agency indirect costs from the four legacy funds.

- 1 Exemptions.** Prohibits the commissioner of management and budget from using money from one of the four legacy funds to pay for indirect costs incurred by state agencies that they would otherwise be able to assess to an agency under Chapter 16A.