

2016 Natural Resources Legislative Summary

2016 Regular Session of the Eighty-ninth Minnesota Legislature

Minnesota Department of Natural Resources



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EXECUTIVE SUMMARY

The 2016 regular session of the Minnesota Legislature convened on March 8, 2016, and adjourned on May 23, 2016. The 2016 session was the second year of the 89th Minnesota Legislature. This document summarizes the regular session's impact on the Minnesota Department of Natural Resources (DNR).

The first section reviews the session by the numbers, including how many bills were introduced that were related to natural resources and how many fiscal notes the DNR prepared.

During the 11-week session, the legislature passed, and the governor signed, several bills that provide funding to the DNR, including a supplemental budget bill, and bills appropriating funds from the environment and natural resources trust fund and the outdoor heritage fund. The supplemental budget bill also included a number of policy items related to the DNR. The governor signed the omnibus lands bill into law, which authorizes the sale of 267 acres of DNR-managed lands and also provides for the sale of certain tax-forfeited lands by counties. The agriculture policy bill contains a provision related to DNR's elk management, and another bill clarifies last year's buffer law. Finally, a bill that provides for people to elect to be an organ donor when they apply for a hunting or fishing license was also passed into law in 2016. These bills are reviewed in more detail in the Bills Signed into Law section.

Bills passed in 2016 included provisions requiring the DNR to report back to the legislature on several different subjects, from worker's compensation policy for volunteers to implementation of Sophia's Law. The New Required Reports section includes legislative language for selected reports.

Finally, some DNR initiatives did not pass during the 2016 session. These include DNR's game and fish policy bill, a bill that would have provided for enhanced penalties for extreme cases of poaching violations, authority for revised northern pike management zones, provisions to conserve roadside grasslands by clarifying management of rights-of-way, and a proposal for a new diversity recruitment pilot project. In addition, the legislature failed to pass a bonding bill and the governor did not sign the omnibus tax bill into law. These bills are reviewed in the Bills that did not Become Law section.

LEGISLATIVE NUMBERS AT A GLANCE

This section summarizes some of DNR's work during the 2016 regular session.

DNR Fiscal Notes

- DNR received 51 total fiscal note requests during regular session - 4 were marked urgent
 - the first request was on March 3 and the last request was on May 13
 - during the first four weeks of the 2016 regular session, the DNR had 40 fiscal notes – the total for the entire, 12-week 2014 session

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Table 1: Number of fiscal notes by lead division. Fiscal notes were assigned to a “lead” division who worked with other divisions as necessary.

DNR division	Fiscal notes
Ecological and Water Resources	8
Lands and Minerals	4
Fish and Wildlife	20
Forestry	1
Parks and Trails	11
Enforcement	5
Operations Services	2

Table 2: Number of fiscal notes by legislative session (2015 includes regular and special session).

Year	Fiscal notes
2016	51
2015	69
2014	40
2013	56
2012	80
2011	53
2010	69

DNR Bill Reviews and Tracking

During the 2016 regular session:

- 1653 bills were introduced in the House and 1415 bills were introduced in the Senate
 - 248 House bills and 203 Senate bills introduced in 2016 related to natural resources – that’s in addition to the 293 House and 227 Senate bills introduced in 2015 related to natural resources
- 109 bills were presented to the governor (Regular Session, Chapters 81-189)
 - the DNR completed eight Agency Bill Reviews – which summarize the impact of a bill on the DNR – for the governor
- 107 bills were signed by the governor
- the governor vetoed two bills, the omnibus tax bill and the omnibus pension bill, and line-item vetoed the environment and natural resources trust fund bill

BILLS SIGNED INTO LAW

Several bills with impacts to DNR were passed during the 2016 regular session and subsequently signed into law, including bills appropriating funds to the DNR and making changes to natural resources policies. More detail about each of these bills is below, with the bill’s chapter in session law and the bill numbers. An asterisk (*) after a bill number indicates which bill number – the House or Senate file – was the vehicle for the final bill.

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Omnibus Supplemental Budget Bill

2016, Regular Session, Chapter [189](#)
Bill numbers [HF2749*](#)/SF2356
Signed into law on June 1, 2016

Article 3 of the omnibus supplemental budget bill, Environment and Natural Resources, provides funding provisions that support the DNR’s work, including funds for Minnesota state parks and trails operations. The bill provides \$16,701,000 to the DNR in fiscal years 2016-2017. Most of this funding is one-time; however, the bill provides \$6,000,000 per biennium in ongoing funds added to the base for DNR’s budget. The bill also contains policy provisions that strengthen and clarify natural resources regulations and introduces new, important safety and education measures in Sophia’s Law.

Table 3: Summary of DNR funding for fiscal years 2016-2017 in the supplemental budget bill, in order of presentation in the bill (Article 3, section 3). Funds are abbreviated as follows: General Fund (GF); Natural Resources Fund (NR); Game and Fish Fund (GFF); and Forest Management Investment Account (FMIA). See notes for funding in subsequent years and for Governor’s funding recommendations.

Subject	Fund	Funding (\$)	Description
Valuation process for school lands	GF	200,000	Initiates development of a valuation process and representative valuations of school trust lands (see also New Required Reports section)
Middle-Snake Tamarac Rivers Watershed District	GF	187,000	For a grant to the watershed district to conduct hydraulic modeling of alternative floodway options near Oslo, MN
Lake Koronis aquatic invasive species	GF	200,000	For a grant to Koronis Lake Association to remove and prevent aquatic invasive species
Cold Spring Creek water appropriation	NR	225,000	For water appropriation modeling, monitoring and reporting for the Cold Spring Creek area
Private forest management ¹	GF	2,500,000	Ongoing increase for private forest management assistance
State lands reforestation	FMIA	1,000,000	One-time increase for reforestation on state lands
Parks and Trails operations funding ²	GF/ NR	5,100,000	Increases funds for parks and trails operations
David Dill Trail	NR	20,000	For signs marking David Dill Trail
Woodenfrog Campground	GF	100,000	To improve sanitary sewer service at Woodenfrog Campground in Kabetogama State Forest
Watercraft transfer-on-death title	GF	29,000	For computer programming related to transferring watercraft title to beneficiary when original owner dies
Sophia's Law implementation	NR	210,000	For carbon monoxide detector and warning label requirements in certain boats
Prospectors Trail	NR	1,000,000	For a grant to Lake County to build Prospector's Loop all-terrain vehicle trail
Fish virus surveillance	GFF	50,000	For fish virus surveillance to ensure the availability of safe bait

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Subject	Fund	Funding (\$)	Description
Additional funds for helicopter ³	GFF	670,000	Covers difference between last year's appropriation and cost of new helicopter
NorthMet legal support costs ⁴	GF	4,400,000	Provides funding for anticipated legal costs associated with NorthMet
Wolf Ridge Learning Center grant	GF	750,000	For a grant to the Wolf Ridge Environmental Learning Center for construction; contingent on match
Southeast Asian community outreach	GFF	60,000	For outreach to Southeast Asian communities and refugees from Burma

1. The bill also increases the budget base for private forest management assistance by \$2,000,000 in fiscal year 2018 and after
2. Governor's request was for \$5,300,000 in supplemental funding; both the governor's request and enacted bill include ongoing \$1,000,000 for parks and trails management
3. Enacted funding is the same as the governor's request
4. Governor's request was for \$3,969,000 to the DNR; in the enacted bill, the DNR can transfer up to \$1,289,000 of fiscal year 2017 funds to other agencies

The supplemental budget bill includes statutory changes that result in a net loss of non-dedicated revenue of \$16,000 in fiscal year 2017 and \$20,000 over fiscal years 2018 and 2019. The following changes in the bill have a fiscal impact:

- a new 30-day off-road vehicle pass for residents, which we estimate will increase revenues to the natural resources fund by \$5,000 in fiscal year 2017 and \$22,000 in fiscal years 2018-2019
- civil penalties for aquatic invasive species violations that are currently defaulting to criminal penalties; we estimate this will increase revenues by approximately \$2,000 a year
- a provision that deems tribal band members to have a license to harvest wild rice; we estimate this will have an impact of \$4,000 annually reduced revenue to the game and fish fund
- a change that will allow non-resident National Guard members to purchase hunting and angling licenses at resident rates; we estimate this will result in about \$19,000 decreased revenue annually to the natural resources and general funds

The omnibus supplemental budget bill includes Sophia's Law (HF3310/SF2678), which requires carbon monoxide detectors in new motorboats that have an enclosed accommodation compartment and also requires warning stickers on certain boats.

The bill also allows tribal members to harvest wild rice without a state license, which was part of the DNR's policy and technical bill (HF2866/SF2793) and the governor's supplemental budget request.

The supplemental budget bill includes a number of other policy provisions related to the DNR, summarized below by subject area:

- Lands and Minerals
 - extends the Minerals Coordinating Committee by ten years
 - increases the timeliness of distributions from the minerals management account
 - amends the expedited land exchange law to include trust lands, modify the valuation process and remove the reversionary deed restrictions

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- amends the surplus land sales law to allow private sales and sales of land bordering water
 - creates the Aggregate Resources Task Force, funded by the Minnesota Future Resources fund (the bill also repeals the Minnesota Future Resources fund)
- Ecological and Water Resources
 - makes changes to aquatic invasive species regulations that were part of the DNR policy and technical bill, including authorizing a pilot project for permitted service providers on Lake Minnetonka, specifying civil penalties for violations that currently default to criminal penalties, and clarifying definitions
- Forestry
 - makes changes to cost certification for land managed under good neighbor or joint powers agreement
- Parks and Trails
 - adds a resident 30-day off-road-vehicle trail pass option for \$20
 - creates the David Dill trail by renaming existing trail segments
 - allows the DNR to use some funding for local government unit trail maintenance grants for grants administration
 - creates a transfer-on-death title for watercraft
- Fish and Wildlife
 - prohibits use of wolf account money for indirect costs or shared services
 - makes changes to a Let's Go Fishing grant recipient name from a prior year
 - authorizes lifetime game or fish license information to appear on a state identification card or driver's license
 - allows nonresident, active members of the state's National Guard to obtain a resident hunting or fishing license

The bill requires the DNR to report back to the legislature on several issues. See the section New Report Requirements for more information.

Omnibus Lands Bill

2016, Regular Session, Chapter [154](#)
Bill numbers HF3401/[SF2760](#)*
Signed into law on May 22, 2016

The omnibus lands bill is a combination of the DNR lands bill and 16 other bills. The bill authorizes the sale of 267 acres of DNR-managed lands, of which 242 acres will be conveyed to counties. The revenue from the sales would be approximately \$307,000.

The bill makes the following changes to state forests, state parks and other lands:

- designates a new state forest in Cass County
- designates a new state wayside just north of Stillwater
- adds school trust lands acquired in the Sax-Zim land exchange to five state forests in St. Louis County

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- deletes a small parcel of land from the Mille Lacs Kathio State Park to allow an expansion of an existing cemetery
- deletes two forties of privately-owned land from the boundary of Zippel Bay State Park

The bill provides for several land exchanges:

- authorizes the DNR to exchange certain riparian land for forest land in St. Louis County
- authorizes exchange or sale of 712 acres of school trust and consolidated conservation lands currently held under wild rice farming leases in Aitkin, Beltrami and Koochiching counties
- authorizes exchange of 320 acres of school trust land in Kittson County to facilitate the Klondike clear water retention project

The bill also makes these policy changes:

- authorizes the use of an existing minimum valuation process for sale of low-valued state bond-financed property administered by the DNR
- amends the expedited land exchange process between units of government to include the school and university trust lands, modifies the valuation process, and removes a reversionary deed restriction
- clarifies that buyers of DNR land are responsible for the deed tax and recording fee

The bill gives authority to Beltrami, Carver, Cass, Chisago, Crow Wing, Grant, Itasca, Kandiyohi, Kittson, Lake, Murray, St. Louis, Scott and Wabasha counties to sell tax-forfeited lands. If the counties sold all of the 620 acres authorized in the bill, revenues could total an estimated \$3,200,000. This is revenue to the local taxing districts and also brings property back onto the tax rolls.

The bill also addresses a reversionary deed restriction and use restriction for a county fee parcel in Anoka County and a community interest owner authority issue for tax forfeited land parcels in Dassel in Meeker County.

Omnibus Legacy Bill

2016, Regular Session, Chapter [172](#)
Bill numbers HF2611/[SF2527](#)*
Signed into law on May 31, 2016

The omnibus legacy bill funds activities that protect, enhance, or restore fish, game, and wildlife habitat across Minnesota.

Article 1 of the omnibus legacy bill includes appropriations from the outdoor heritage fund. The bill appropriates \$109,800,000 from the outdoor heritage fund, including \$31,000,000 for prairies, \$18,400,000 for forests, \$31,100,000 for wetlands, \$29,100,000 for habitats, and \$300,000 for administration.

The bill provides outdoor heritage fund appropriations to the DNR in the same amounts as the Lessard-Sams Outdoor Heritage Council recommended to the legislature.

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Table 4: Direct appropriations to DNR from the outdoor heritage fund, by project.

Project	Funding (\$)
Wildlife Management Area and Scientific and Natural Area Acquisition - Phase VIII	3,250,000
Native Prairie Bank Easements	2,541,000
Accelerated Prairie Restoration and Enhancement - Phase VIII	3,983,000
Minnesota Forests for the Future - Phase IV	1,840,000
State Forest Acquisitions - Phase III	1,000,000
Forest Habitat Protection Revolving Account	1,000,000
Accelerated Shallow Lakes and Wetlands Enhancement - Phase VIII	2,167,000
Marsh Lake - Phase II	2,000,000
DNR Aquatic Habitat Protection - Phase VIII	1,578,000
DNR Stream Habitat	2,074,000
St. Louis River Restoration Initiative - Phase III	2,707,000
Roseau Lake Rehabilitation	2,763,000
Conservation Partners Legacy Grant Program: Statewide and Metro Habitat - Phase VIII	7,438,000
Contract Management	150,000
Technical Evaluation Panel	125,000
Total	34,616,000

The bill also appropriates \$52,170,000 to DNR for pass-through grants to other outdoor heritage fund recipients.

Other articles in the bill also contain provisions related to natural resources:

- Article 2: Clean Water Fund
 - reduces a previous appropriation to develop and designate groundwater management areas under *Minnesota Statutes*, section 103G.287 from \$3,000,000 to \$1,808,000
 - appropriates \$150,000 for development of three design-build proposals for White Bear Lake augmentation
- Article 3: Parks and Trails Fund
 - amends *Minnesota Statutes*, section 85.53 to require informing the House and Senate whether a request for appropriation from the fund is supplanting or is a substitution for any previous funding for the same purpose that was not from a legacy fund
- Article 4: Arts and Cultural Heritage Fund
 - amends *Minnesota Statutes*, section 129D.17 to require informing the House and Senate whether a request for appropriation from the fund is supplanting or is a substitution for any previous funding for the same purpose but not from a legacy fund
 - amends previous appropriation to include preservation, maintenance, and interpretation of art forms and works of art

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Environment and Natural Resources Trust Fund Bill

2016, Regular Session, Chapter [186](#)
Bill numbers HF2993/[SF2963](#)*
Signed into law on May 31, 2016 with line-
item vetoes: [click here](#) to view the vetoed items.

The enacted Environment and Natural Resources Trust Fund bill appropriates \$8,376,000 in direct appropriations to the DNR. The Legislative-Citizen Commission on Minnesota Resources (LCCMR) had recommended about \$5 million more in DNR funding than was ultimately included in the enacted bill.

The bill as passed by the legislature appropriated a total of \$46,337,000 from the fund. The governor used line-item vetoes to remove a total of \$8,428,000 in projects from the bill because they were not recommended by the LCCMR.

The DNR projects funded in this bill will contribute to the agency’s long range conservation plans and strategies that include protecting waters, land, diverse fish and wildlife habits, as well as continuing to create outdoor recreation opportunities and providing key environmental education opportunities.

Table 5: Direct appropriations to DNR from the environment and natural resources trust fund, by project.

Project name	LCCMR recommended funding (\$)	Conference report funding (\$)	Enacted funding (\$)
Native Bee Surveys in Minnesota Prairie and Forest Habitats	600,000	600,000	600,000
Prairie Butterfly Conservation, Research, and Breeding - Phase II	329,000	329,000	329,000
Statewide Monitoring Network for Changing Habitats in Minnesota	500,000	500,000	500,000
Completing National Wetland Inventory Update for Minnesota	1,500,000	1,500,000	1,500,000
Sentinel Lakes Monitoring and Data Synthesis - Phase III	401,000	401,000	401,000
State Spring Inventory for Resource Management and Protection - Phase II	370,000	370,000	370,000
Enhancing Understanding of Minnesota River Aquatic Ecosystem	500,000	500,000	500,000
Evaluating Insecticide Exposure Risk for Grassland Wildlife on Public Lands	250,000	250,000	250,000
Development of Innovative Cost-Saving Methodology for Forest Inventory	1,000,000	800,000	800,000
Aggregate Mapping*	-	1,500,000	-
Pineland Sands Lands and Water Study*	-	1,500,000	-
Restoring Native Mussels in Streams and Lakes	600,000	600,000	600,000

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Project name	LCCMR recommended funding (\$)	Conference report funding (\$)	Enacted funding (\$)
Roseau Lake Watershed Targeted Water Quality Improvement	65,000	65,000	65,000
School Forests Outdoor Classrooms	440,000	440,000	440,000
State Parks and Trails Land Acquisitions	2,445,000	-	-
State Park and Trail Enhancement*	-	1,228,000	-
Scientific and Natural Area Acquisition and Restoration	4,000,000	1,386,000	1,386,000
Minnesota Point Pine Forest Scientific and Natural Area Acquisition	500,000	500,000	500,000
Contract Agreement Reimbursement	135,000	135,000	135,000
<u>Total:</u>	<u>13,635,000</u>		<u>8,376,000</u>

* The governor exercised line-item veto authority on this funding bill and removed these appropriations because they were not recommended by the LCCMR. The Pineland Sands Land and Water Study was part of the governor’s supplemental budget request for the DNR, but not a proposal to the LCCMR.

The bill as passed by the legislature also included \$2,200,000 for the Minnesota Department of Transportation to restore and enhance pollinator habitat along trunk highways in the state. This project was not recommended by the LCCMR, but it is related to conversations that the DNR, Department of Transportation, and legislators had about pollinator habitat along roadsides. The governor also removed this project appropriation via a line-item veto.

The bill also includes carry-forward language to extend two DNR appropriations an additional year: County Geological Atlases-Part B, and Conservation Grazing to Improve Wildlife Habitat on Wildlife Management Areas.

Agriculture Policy Bill

2016 Regular Session, Chapter [184](#)

HF3231/[SF3018](#)*

Signed into law on May 31, 2016

The agriculture policy bill includes a section that amends *Minnesota Statutes*, section 97B.516, to specify that the DNR may not manage an elk herd to increase the size of the herd unless the commissioner of agriculture verifies that payments for crop and fence damage due to the herd have not increased for at least two years. The bill requires the DNR and the Department of Agriculture to hold a joint public meeting before implementing a plan to increase the size of an elk herd. The bill also requires the commissioner of agriculture to report to the legislature, annually, on elk herd damage payments.

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Buffer Bill

2016 Regular Session, Chapter [85](#)
HF3000/[SF2503](#)*
Signed into law on April 25, 2016

This bill amends the buffer law that was passed in 2015. The bill clarifies that only public ditches will be mapped, not private ditches. It also clarifies that the public waters being mapped and requiring buffers are from the Public Waters Inventory. The inventory dates back to the 1980s and is the basis for how laws governing public waters in the state are applied.

The bill also gives counties and watershed districts the option to enforce buffer requirements locally and the tools to enforce effectively. In doing so, the bill allows local governments the ability to set landowners on a course for compliance rather than just issuing them a fine. If counties and watershed districts prefer not to enforce, the Board of Water and Soil Resources is responsible for enforcement.

Anatomical Gifts Bill

2016, Regular Session, Chapter [131](#)
Bill numbers HF1182/[SF1075](#)*
Signed into law on May 19, 2016

This bill provides an option for hunters and anglers to make an organ donation designation during an online hunting or fishing license sale. It requires the DNR website to provide a link to a federally designated organ procurement organization web site and provide educational materials targeting those who hunt and fish. The bill requires the Department of Public Safety to reimburse DNR and any other state agency that will implement an anatomical gift and donation program in the future for their administrative implementation costs. The bill requires the DNR to report back on the implementation of this act (see the New Report Requirements section for more information).

Labor Contracts Bill

2016, Regular Session, Chapter [173](#)
Bill numbers HF3271/[SF2626](#)*
Signed into law on May 31, 2016

This bill ratifies the following 2015-2017 compensation plans and labor agreements negotiated by Minnesota Management and Budget:

- Commissioner’s Plan
- Commissioner’s Plan Medical Specialists’ Addendum
- Managerial Plan
- Office of Higher Education Unclassified Plan
- American Federation of State, County and Municipal Employees (AFSCME Council 5)
- AFSCME Unit 8
- AFSCME Unit 225
- Middle Management Association

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- Minnesota Association of Professional Employees
- Minnesota Law Enforcement Association
- Minnesota Nurses Association
- State Residential Schools Education Association

The bill provides for implementation of these agreements, including any wage and salary adjustments.

NEW REPORT REQUIREMENTS

Several bills passed in the 2016 regular session require the DNR to report to the legislature, or require other reports related to natural resources issues. Legislative language for selected required reports related to DNR is below, grouped by the legislation which contains the new requirement. To view other reports required by the legislature, use the online search function at the Minnesota [Legislative Reference Library](#).

Reports in Omnibus Supplemental Budget bill

ARTICLE 3, SEC. 3, SUBD. 2. LANDS AND MINERALS MANAGEMENT

This report is required by an appropriations rider

\$200,000 the second year is to initiate, in consultation with the school trust lands director, a valuation process and representative valuations for the compensation of school trust lands required by Minnesota Statutes, section 84.027, subdivision 18, paragraph (b). By January 15, 2017, the commissioner must submit a report to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over environment and natural resources and education policy and finance on the Department of Natural Resources' progress in developing a valuation process, a description of the process to identify representative sample valuations, and the results of the representative valuations of school trust lands identified for compensation. This is a onetime appropriation.

ARTICLE 3, SEC. 44. COLD SPRING WATER APPROPRIATION PERMITS; REPORT.

(a) The commissioner of natural resources shall amend the city of Cold Spring's water appropriation permit to allow an increase in the city's water withdrawal of 100 million gallons per year from city wells 4, 5, and 6, provided a combined reduction of ten million gallons per year is made from city well 3 or water appropriations under any permits held by brewing companies in the Cold Spring Creek area. The city and any other permit holder with permit modifications made under this section must comply with all existing reporting requirements and demonstrate that increased pumping does not result in violations of the Safe Drinking Water Act. The increases under this section are available on an interim basis, not to exceed five years, to allow the city to establish a long-term water supply solution for the city and area businesses.

(b) The commissioner must conduct necessary monitoring of stream flow and water levels and develop a groundwater model to determine the amount of water that can be sustainably pumped in the area of Cold Spring Creek for area businesses, agriculture, and city needs. Beginning July 1, 2017, the commissioner must submit an annual progress report to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over environment and natural resources. The commissioner must submit a final report by January 15, 2022.

ARTICLE 3, SEC. 45. MARINE CARBON MONOXIDE DETECTORS; REPORT.

The commissioner of natural resources shall submit a report to the legislature by November 1, 2017. The report must outline any issues encountered relating to implementation of Minnesota Statutes, section 86B.532, any changes to marine manufacturing industry standards relating to carbon monoxide, the availability of plug-in or battery-powered marine certified carbon monoxide detectors, and best practices in preventing carbon monoxide poisoning relating to motorboat operation, including the feasibility of requiring carbon monoxide detectors that are more sensitive in measuring carbon monoxide than required in this act.

ARTICLE 3, SEC. 46. PRESCRIBED BURN REQUIREMENTS; REPORT.

The commissioner of natural resources, in cooperation with prescribed burning professionals, nongovernmental organizations, and local and federal governments, must develop criteria for certifying an entity to conduct a prescribed burn under a general permit. The certification requirements must include training, equipment, and experience requirements and include an apprentice program to allow entities without experience to become certified. The commissioner must establish provisions for decertifying entities. The commissioner must not require additional certification or requirements for burns conducted as part of normal agricultural practices not currently subject to prescribed burn specifications. The commissioner must submit a report with recommendations and any legislative changes needed to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over environment and natural resources by January 15, 2017.

ARTICLE 3, SEC. 47. SAND DUNES STATE FOREST; REPORT.

(a) Until July 1, 2017, the commissioner of natural resources shall not log, enter into a logging contract, or otherwise remove trees for purposes of creating oak savanna in the Sand Dunes State Forest. This paragraph does not prohibit work done under contracts entered into before the effective date of this section or work on school trust lands.

(b) By January 15, 2017, the commissioner must submit a report, prepared by the Division of Forestry, to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over environment and natural resources with the Division of Forestry's progress on collaborating with local citizens and other stakeholders over the past year when making decisions that impact the landscape, including forest conversions and other clear-cutting activities, and the division's progress on other citizen engagement activities.

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

ARTICLE 3, SEC. 48. LAKE SERVICE PROVIDER FEASIBILITY REPORT.

The commissioner of natural resources shall report to the chairs of the house of representatives and senate committees with jurisdiction over natural resources by January 15, 2019, regarding the feasibility of expanding permitting to service providers as described in Minnesota Statutes, section 84D.108, subdivision 2a, to other water bodies in the state. The report must:

- (1) include recommendations for state and local resources needed to implement the program;
- (2) assess local government inspection roles under Minnesota Statutes, section 84D.105, subdivision 2, paragraph (g); and
- (3) assess whether mechanisms to ensure that water-related equipment placed back into the same body of water from which it was removed can adequately protect other water bodies.

ARTICLE 3, SEC. 49. WORKERS' COMPENSATION FOR VOLUNTEERS; REPORT.

By January 15, 2017, the commissioner of natural resources, in coordination with the commissioner of labor and industry and the Workers' Compensation Advisory Council, shall make recommendations to the chairs of the house of representatives and senate committees and divisions with jurisdiction over the environment and natural resources on how to clarify the state's liability for workers' compensation in relation to volunteers of nonprofit organizations assisting with providing public services on lands administered by the commissioner of natural resources subject to Minnesota Statutes, section 175.007, subdivision 2.

ARTICLE 3, SEC. 50. AGGREGATE RESOURCES TASK FORCE.

This report is related to DNR but not DNR's report

Subdivision 1. **Creation; membership.** (a) The Aggregate Resources Task Force consists of eight members appointed as follows:

(1) the speaker of the house shall appoint four members of the house of representatives to include two members of the majority party and two members of the minority party, with one member being the chair of the committee with jurisdiction over aggregate mining; and

(2) the senate Subcommittee on Committees of the Committee on Rules and Administration shall appoint four members of the senate to include two members of the majority party and two members of the minority party, with one member being the chair of the committee or division with jurisdiction over natural resources finance.

(b) The appointing authorities must make their respective appointments no later than July 15, 2016.

(c) The first meeting of the task force must be convened by the chairs of the house of representatives and senate committees specified in paragraph (a) who will serve as cochairs of the task force.

Subd. 2. **Duties.** The task force must study and provide recommendations on:

(1) the Department of Natural Resources' and Metropolitan Council's aggregate mapping progress and needs;

(2) the effectiveness of recent aggregate tax legislation and the use of the revenues collected by counties;

(3) the use of state funds to preserve aggregate reserves; and

(4) local land use and permitting issues, environmental review requirements, and the impacts of other state regulations on aggregate reserves.

Subd. 3. **Report.** No later than January 15, 2018, the task force shall submit a report to the chairs of the house of representatives and senate committees and divisions with jurisdiction over aggregate mining and natural resources finance containing the findings of the study.

Subd. 4. **Expiration.** The Aggregate Resources Task Force expires 45 days after the report and recommendations are delivered to the legislature or on June 30, 2018, whichever date is earlier.

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

Reports in Anatomical Gifts bill

SEC. 3. INTERIM REPORT.

By January 1, 2018, the commissioner of natural resources must submit a report to the chairs and ranking minority members of the senate and house of representatives committees with primary jurisdiction over natural resources policy that describes the progress made in implementing this act,

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including the arrangements made to provide access to departmental records and any delays or problems encountered.

Reports in Agriculture Policy bill

ELK HERD DAMAGES REPORT

This report is related to DNR but not DNR's report – "commissioner" refers to commissioner of agriculture in excerpt below

Section 1. Minnesota Statutes 2014, section 3.7371, is amended by adding a subdivision to read: Subd. 8. **Report.** The commissioner [of agriculture] must submit a report to the chairs of the house of representatives and senate committees and divisions with jurisdiction over agriculture and environment and natural resources by December 15 each year that details the total amount of damages paid, by elk herd, in the previous two fiscal years.

BILLS THAT DID NOT BECOME LAW

The following bills or initiatives did not pass the legislature during the 2016 regular session.

Omnibus Tax Bill

The omnibus tax bill was passed by the legislature during the regular session (bill numbers [HF848*](#)/SF826, Chapter [188](#)) but the bill was not signed by the governor before the deadline for his action; therefore the bill was effectively vetoed by a "pocket veto". This bill contained provisions that would impact DNR's forest management, county aid for buffer implementation, and new requirements for DNR related to the county aquatic invasive species prevention aid program.

The omnibus tax bill included Article 10, Sustainable Forest Incentive Act Modifications. These changes to the Sustainable Forest Incentive Act (SFIA) would implement a number of the recommendations in a 2013 evaluation report by the Office of the Legislative Auditor and a 2014 Minnesota Forest Resources Council report on the competitiveness of the state's primary forest product industry. This new language would help preserve water quality and enhance ecosystems by preventing fragmentation of forests, would allow the DNR to provide better services to citizens, and would clarify DNR's responsibilities.

Article 10 of the bill would have made the following changes to the SFIA:

- creates separate roles and responsibilities for the Department of Revenue and the DNR regarding program administration
 - makes the Department of Revenue the lead agency responsible for SFIA administration, including processing applications, making payments, and handling penalties and all private data
 - makes the DNR responsible for the land stewardship aspects of SFIA, including determining eligible acres for SFIA payments, managing a geospatial database, review and determine annual certification of acres in the SFIA, and monitoring to confirm compliance starting July 1, 2019
- requires all SFIA claimants have a forest management plan registered with the DNR

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- establishes a new, tiered payment approach – with one option for land with conservation easements and three options for others
- creates an additional 25% payment for parcels over 1,920 acres that allow public access
- eliminates the 60,000-acre exclusion for land with conservation easements
- includes provisions to allow for penalty-free transfer of land from SFIA status to a conservation easement or to a paved state recreation trail
- creates penalties for violating land use requirements or building structures on the property
- clarifies land transfer or change in ownership situations

The bill also included an appropriation of \$600,000 annually to the DNR for administration of this article.

The bill contained a new county Riparian Protection Aid program in Article 2. This would have provided for \$10,000,000 to be distributed to counties to support their enforcement and implementation of the buffer law if the county or watershed district within the county has affirmed jurisdiction for enforcing buffer regulations. The formula for distributing the county aid includes the number of miles of shoreline of public water basins, the county's share of the number of centerline miles of public watercourses, and the county's share of the number of miles of public drainage system ditches. The DNR would be responsible for annually certifying those numbers to the commissioner of revenue.

Article 14 of the omnibus tax bill contained two provisions that would have modified the aquatic invasive species prevention county aid program. These sections would require the DNR to certify to the commissioner of revenue: the number of watercraft launches and watercraft trailer parking spaces in each county and which counties complied with requirements to submit to the DNR a copy of their guidelines for expenditure of the aid funds.

Game and fish policy bills

The DNR proposed several legislative initiatives related to fish and wildlife and enforcement:

- DNR gross overlimits (poaching) bill: [HF2845/SF2759](#)
- DNR game and fish bill: [HF2844/SF2758](#)
- DNR northern pike bill: [HF2843/SF2757](#)

The Senate gross overlimits bill passed the Senate. The House amended the bill with a number of new provisions, including amendments that would: prohibit DNR from adopting rules that restrict the use of lead shot; authorize blaze pink as a safety color for hunting; and limit stocking muskie in a number of lakes. The House bill also included the DNR's northern pike bill. The Senate requested a conference committee and appointed conferees on the last day of session on which the legislature could pass bills.

The House game and fish bill passed the House. It was also amended, in Committees and on the floor, to include provisions that would: allow for testing night vision or thermal imaging equipment; restrict DNR's elk management (see the provision that was included in the agriculture policy bill); require management changes and a report on co-management on Lake Mille Lacs; and would also prohibit DNR from adopting rules that restrict the use of lead shot; authorize blaze pink as a safety color for hunting; and limit stocking muskie in a number of lakes. That bill did not pass the Senate.

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The northern pike bill did pass the Senate as a stand-alone bill, and the bill was included in the gross overlimits as amended and passed by the House.

In the end, even though versions of these bills passed one body or another, there was not enough time in the regular session to resolve the different versions of the bills in a conference committee.

Bonding

The governor's recommendations for a bonding bill included provisions that would help the DNR to maintain a strong and safe infrastructure, create jobs, support local economies, develop recreational opportunities, and improve natural resources. The governor's request for capital investment funding was introduced in both chambers, and the bills as introduced ([SF3415](#)/[HF3692](#)) would have provided \$73,263,000 for DNR projects.

The Senate and House met jointly to consider their omnibus bonding bills ([HF3467](#) in the Senate and [HF622](#) in the House) that had not passed either chamber. Late on the final day for legislative activity of the regular session, the House passed [HF622](#). The Senate amended the bill and sent it back to the House but the House had already adjourned, so the bonding bill was not passed.

Nearly half of the funding for DNR in the governor's recommendations, \$33 million, was for Natural Resources Asset Preservation to repair and renovate DNR buildings, roads, bridges, trails, water control structures, and water access sites. The DNR owns and actively maintains:

- 2,714 buildings at over 200 locations statewide
- more than 3,300 miles of roads
- 620 miles of paved trails, 100 miles of which need rehabilitation
- 350 trail bridges some with weight restrictions

In 2014, the DNR completed a facility condition assessment and found that:

- 204 DNR buildings are in "crisis" or unacceptable condition
- 533 DNR buildings are in "poor" condition
- to bring DNR's poor and unacceptable buildings up to standards will cost \$55 million

About 500 projects across the state would have been funded by the 2016 capital budget request, including \$4.4 million to rehabilitate unacceptable building components and \$3.5 million to repair poor building components, such as accessibility improvements; roof, door, window, and siding replacements, mechanical and electrical system repairs, energy improvements, and water, well, and septic projects.

Other priorities in the governor's bonding request for the DNR include:

- Buildings and Facilities Development: \$2,000,000
 - design and construction of park sanitation buildings, office buildings, storage facilities, and pre-design for consolidation of facilities in Bemidji
- Flood Hazard Mitigation: \$3,500,000
 - contribute to critical flood mitigation projects, including Montevideo and Halstad
 - the Flood Hazard Mitigation Program has provided technical and financial assistance to local units of government to reduce flood damages in the state since 1988
- Mille Lacs Fishery Station: \$3,500,000

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- develop a new facility at Mille Lacs Lake including a fisheries management station, fish hatchery, and storage to efficiently and effectively meet fish management , stocking, research and outreach needs
- Dam Repair, Reconstruction, Removal: \$7,000,000
 - for high hazard dams including Bronson Dam in Lake Bronson State Park, Lanesboro, and St. Cloud
- State Land Reforestation and Stand Improvement: \$2,000,000
 - support one season of reforestation on approximately 12,500 acres, including purchasing native tree seeds and seedlings, planting, seeding, site preparation and protecting seedlings from animal browse on state land
- Native Prairie Acquisition and Development: \$2,000,000
 - conserve approximately 200 acres of native prairie through conservation easements on privately owned native prairie and provide for the development and restoration of native prairie bank lands
- Itasca State Park Renovations: \$3,000,000
 - improve accessibility, safety, the historic Nicollet Court building, the public water access, and reforest 800 acres in this 125-year-old park
- Pheasant Habitat Acquisition and Development: \$9,500,000
 - acquire and develop about 2,000 acres of habitat in wildlife management areas and aquatic management areas to implement the state’s new Pheasant Plan.
- State Park Campground Renovations: \$1,000,000
 - improvements to the Jay Cooke State Park campground and would begin work on others - the state park system has about 4,000 campsites
- State Parks, Recreation Areas, and Trail Development: \$2,000,000
 - acquire and develop key recreational features in state parks, state recreation areas, and state trails, including projects that can leverage federal funds or be constructed quickly like the Gitchi-Gami trail at Tofté; Clausen Avenue connection to the Paul Bunyan Trail in Bemidji; the Heartland Trail-Tower Hill Project in Walker
- Fish Hatchery Development: \$1,000,000
 - upgrades to the DNR’s 19 fish hatcheries, including measures to control diseases and invasive species – priorities are Lanesboro, Park Rapids, Brainerd, and Waterville hatcheries
- Scientific and Natural Areas Acquisition and Development: \$1,000,000
 - acquire key parcels and develop about 200 acres of existing scientific and natural areas, including signing, fencing, removal of existing infrastructure, and providing basic parking facilities
- Reinvest in Minnesota Critical Habitat Match: \$2,000,000
 - funding to match private donations that funds provide for acquisition and improvements for wildlife management areas, scientific and natural areas, aquatic management areas, state parks, and state forests
 - since 1986, this program has leveraged more than \$81 million in donations to protect and enhance over 173,000 acres

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Expanded free state park passes for service members

A bill that would have expanded free annual park permits to more active members of the United States armed forces and state National Guard and to disabled veterans was introduced in the 2016 session ([HF2961/SF3098](#)). The bill was reported by committees but did not make it to the floor in the House, and the provision did not pass into law this session. The DNR proposed similar legislation that did not pass in the 2015 session, and supported these bills during the 2016 regular session.

Roadside mowing

The DNR proposed legislation that would clarify existing restrictions on persons from mowing, haying, burning, or tilling road rights-of-way and would require a permit from the commissioner of transportation to do those activities on trunk highways. The hundreds of thousands of acres of permanent grassland in Minnesota on road rights-of-way can serve as nesting sites for birds and habitat for pollinators and other wildlife. In addition, native vegetation on roadsides can reduce long-term weed and erosion control costs and improve water filtration into the soil.

The bill was introduced in both chambers in the 2016 regular session ([HF2885/SF3086](#)) but did not progress to the floor in either the House or the Senate. Similar bills were introduced in the 2015 session ([HF1598/SF1852](#)). Discussions with the Department of Transportation and legislators about the DNR's 2016 initiative did partially inform a provision that was included in the environment and natural resources fund appropriations bill (see above), as passed by the legislature, that would have provided \$2,200,000 for the Department of Transportation to restore and enhance pollinator habitat along trunk highways in the state. The governor removed this appropriation by a line-item veto.

Diversity recruitment pilot project

The DNR proposed a diversity recruitment pilot project that would leverage the DNR's existing partnership with the Conservation Corps of Minnesota and Iowa (CCMI) to prepare 60 students for natural resources careers. CCMI is an outstanding partner, successful at recruiting a diverse and skilled workforce. Meanwhile, nearly half (44%) of DNR's workforce is within ten years of retirement age. This proposal would fund fellowships and internships all over the state to encourage underrepresented students working with CCMI to pursue post-secondary study in fields central to both CCMI and DNR's work.

Bills were introduced in the 2016 session that would have provided \$1,330,000 to the DNR in fiscal year 2017 to implement this program ([HF3748/SF3256](#)). These funds would have supported student fellowships and a full-time program coordinator position at CCMI as well as internships at the DNR. Unfortunately, these bills did not pass either chamber this session.

The DNR is currently receiving funds from the environment and natural resources trust fund to recruit high school students in the Twin Cities Metro area who are interested in natural resources. The DNR's 2016 legislative proposal would have built on the success of this localized program by bridging the gap from CCMI to a post-secondary educational path and providing opportunities for students throughout the state.