2017 Natural Resources Legislative Summary



2017 Regular Session and First Special Session of the Ninetieth Minnesota Legislature

For further information contact: Bob Meier, Assistant Commissioner Policy and Government Relations 651-259-5024

Contents

EXECUTIVE SUMMARY	3
LEGISLATIVE NUMBERS AT A GLANCE	
DND Fiscal Notes	_
DNR FISCAL NOTES	
DNR BILL REVIEWS AND TRACKING	4
BILLS SIGNED INTO LAW	б
Omnibus Environment and Natural Resources Budget and Policy bill	6
Omnibus Lands Bill	17
LEGACY BILL	19
ENVIRONMENT AND NATURAL RESOURCES TRUST FUND BILL	21
Omnibus Agriculture Budget Bill	22
Omnibus Jobs, Energy, and Economic Development Budget Bill	22
Omnibus Tax Bill	
ROADSIDE MOWING BILL	24
Bonding Bill	
Omnibus State Government Finance Bill	
NEW REPORT REQUIREMENTS	27
REPORT REQUIREMENT IN THE ROADSIDE MOWING BILL	27
REPORT REQUIREMENTS IN THE OMNIBUS ENVIRONMENT AND NATURAL RESOURCES BUDGET BILL	27
BILLS OF INTEREST TO DNR THAT DID NOT BECOME LAW	28
Omnibus Tax Bill (bill numbers HF4*/SF2255, Chapter 66)	28
Omnibus Agriculture and Housing Appropriation Bill (bill numbers HF780*/SF895, Chapter 41)	
Omnibus Environment and Natural Resources Bill (bill numbers HF888*/SF723, Chapter 42)	29
Omnibus State Government Appropriations Bill; Omnibus Veterans and Military Affairs Appropriations Bill (bill numbers HF691/SF605*, Chapter 44).	
UNIFORM LABOR STANDARDS AND LOCAL GOVERNMENT PRE-EMPTION (1 ST SPECIAL SESSION CHAPTER 2. SF3)	

EXECUTIVE SUMMARY

The 2017 regular session of the Minnesota Legislature convened on January 3rd, 2017, and adjourned May 23rd, 2017. The First Special Session followed from May 23rd to May 26th, 2017. The 2017 session was the first year of the 90th Minnesota Legislature. The Legislature will begin the 2018 legislative session on February 20, 2018. This document summarizes both the 2017 Regular and First Special Sessions' impacts on the Minnesota Department of Natural Resources (DNR).

Between the 20 week regular session, and another nearly week-long special session, the legislature passed, and the governor signed, several bills that provide funding to the DNR, including a budget bill, a bonding bill, and bills appropriating project-specific funds from the environment and natural resources trust fund and the outdoor heritage fund. The environment omnibus policy and budget bill also included a large number of policy items which impact DNR's work, including some that were proposed by the Governor and others that did not. The Governor signed the omnibus lands bill into law, which authorizes the sale of 719 acres of DNR-managed lands and also provides for the sale of certain tax-forfeited lands by counties.

Finally, some DNR initiatives did not pass during the 2017 session. These include: portions of the DNR's veteran's bill (a collection of policy items aimed to streamline licenses and veterans provisions), updates to DNR statutes regarding frogs, toads, and salamanders, a cross country ski pass fee increase, a water recreation fee increase, and a budget for website modernization. In addition, the Governor did not sign the pension bill into law, with some significance to agency employees. These bills are reviewed in the Bills That Did Not Become Law section of this document.

LEGISLATIVE NUMBERS AT A GLANCE

This section summarizes some of DNR's work during the 2017 Regular Session.

DNR Fiscal Notes

State agencies prepare fiscal notes when changes to state law are proposed. The purpose of a fiscal note is to estimate costs, savings, and revenue gains or losses resulting from proposed changes.

- DNR received 37 total fiscal note requests during Regular Session.
 - o 3 were marked urgent
 - o 6 of the 37 fiscal notes were inactivated
 - the first request was received on 1/12/17 and the last request was received on 3/17/17

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

	Fiscal
DNR division	notes
Ecological and Water	7
Resources	
Lands and Minerals	5
Fish and Wildlife	6
Forestry	1
Parks and Trails	5
Enforcement	1
Operations Services	3
Multiple Divisions	3

Table 2: Number of fiscal notes by legislative session (2015 includes Regular and Special Session. No fiscal notes were done in the 2017 1st Special Session).

	Fiscal
Year	notes
2017	37*
2016	51
2015	69
2014	40
2013	56
2012	80
2011	53
2010	69

^{*6} of the 37 notes were inactivated, they are included in this count because in some cases significant work was started by a division(s)

DNR Bill Reviews and Tracking

During the 2017 Regular Session (and 1st Special Session):

- 2,722 bills were introduced in the House and 2,443 bills were introduced in the Senate.
 During the 2017 1st Special Session the House introduced 8 bills, and the Senate introduced 4.
 - According to DNR internal bill tracking, 243 House bills and 177 Senate bills introduced in the 2017 Regular Session related to natural resources.
- 99 bills were presented to the governor during Regular Session (Regular Session, Chapters 1-99), and 6 bills were presented to the governor during Special Session (1st Special Session, Chapters 1-6).

- the DNR completed 12 Agency Bill Reviews which summarize the impact of a bill on the DNR – for the Governor.
- 87 bills were signed by the Governor.
- The Governor vetoed 18 bills, plus two line items, including:
 - two state government appropriations bill line items (Special Session (SS) Chapter 4),
 - o a bill relating to labor standards and pensions (SS Chapter 2),
 - a bill specifying the duty owed by owners of real property to trespassers (Chapter 78),
 - o a bill related to teacher licensing and credentialing for other education professionals (Chapter 73),
 - o an initial tax bill (Chapter 66),
 - o an initial higher education budget bill (Chapter 65),
 - o an initial jobs, commerce, energy, labor and industry, and employment and economic development budget bill (Chapter 64),
 - o an initial judiciary and public safety budget bill (Chapter 63),
 - o an initial transportation budget bill (Chapter 62),
 - o a bill related to housing ordinance issuance (Chapter 49),
 - o an initial health and human services budget bill (Chapter 45),
 - o an initial state government appropriations bill that also contained veterans and military affairs budgets (Chapter 44),
 - o an initial E-12 education budget bill (Chapter 43),
 - o an initial environment and natural resources budget bill (Chapter 42),
 - o an initial agriculture budget bill (Chapter 41),
 - o a bill relating to abortion facility licensure (Chapter 33),
 - o a bill relating to abortion funding (Chapter 31),
 - o a bill relating to county law library fund transfers (Chapter 27),
 - o and a bill related to Public Utilities Commission regulation of municipal electric utilities (Chapter 8).

More information on all the above vetos can be found on the <u>Legislature's Veto Details</u> <u>webpage</u>.

BILLS SIGNED INTO LAW

Several bills with impacts to DNR were passed during the 2017 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.

Omnibus Environment and Natural Resources Budget and Policy bill

2017, Regular Session, Chapter <u>93</u>
Bill numbers HF771/<u>SF844</u>*
Signed into law on May 30, 2017

Article 1 of the omnibus budget bill, Environment and Natural Resources, provides funding provisions that support the DNR's work, including funds for an operating increase, Minnesota state parks and trails operations, conservation officers, and forestry. The bill provides \$569.725 million to the DNR in fiscal years 2018-2019, an increase of \$51.158 million or 10% over the base funding level. Most of this funding is ongoing and is added to DNR's base budget. This bill establishes a fiscal year 2020-2021 base budget of \$571.45 million. The bill includes \$5.63 million in onetime funding.

EXPENDITURES

Table 3: Summary of DNR funding for fiscal years 2018-2019 in the budget bill above the base, in order of presentation in the bill (Article 1, section 3). Funds are abbreviated as follows: General Fund (GF); Natural Resources Fund (NR); Game and Fish Fund (GFF); Forest Management Investment Account (FMIA); Remediation Fund (REM); and Permanent School Fund (PS). See notes for comparison of enacted budget to the Governor's funding recommendations.

		FY18-19	FY20-21	
Subject	Fund	(\$ in '000s)	(\$ in '000s)	Description
Conservation Stewardship	GF	\$250	\$250	Funds 1.25 FTE dedicated to conservation easement stewardship activities including surveys, amendments, or other professional service work. Matches Governor's recommendation.
Lake Koronis Grant Extension	GF	\$167	\$0	Allows an extension for use of this pass- through grant to Koronis Lake Association by canceling portion of current grant and reappropriating remaining balance.

	1	EV40.40	EV20.24	I
Subject	Fund	FY18-19 (\$ in '000s)	FY20-21 (\$ in '000s)	Description
Aquatic Invasive	GFF	\$820	\$820	New funding to U of M AIS Research Center
Species		,,,,,	,,,,,	to prioritize, support, and develop solutions
•				to prevent and control the spread of AIS.
				Governor recommended a \$5 increase in
				surcharge on nonresident licenses, deposited
				in the aquatic invasive species account in the
				natural resources fund, to restore grants and
				prevention activities and provide research
				grants from the natural resources fund.
Sustainable Timber	GF	\$500	\$0	Funds analysis of sustainability of harvesting
Harvest Study				1 million cords of timber annually from DNR-
				administered forest lands - due to
				Legislature March 2018. Matches Governor's
-				recommendation.
Reforestation of	FMIA	\$4,000	\$2,500	Provides a stable source of funding for a
DNR Lands				portion of annual reforestation needs
				(annual need estimated at \$3M). Governor
				recommended \$2.5 million from general
				fund and \$2.5 million from the forest
				management investment account each
		4	4	biennium.
Next Gen Forestry	GF	\$3,000	\$2,262	Partially funds the replacement of outdated
Data System				forestry IT system; new system will improve
				efficiency and enhance decision-making.
				Governor recommended \$4 million in FY18-
Chata Farest Dood	ENALA	¢1.000	¢1.000	19 and \$2 million in FY20-21.
State Forest Road Maintenance	FMIA	\$1,000	\$1,000	Increased base funding for the maintenance of state forest roads.
County Forest Road	GF	\$1,000	\$1,000	Increased base funding for the maintenance
Maintenance	Gi	71,000	71,000	of county forest roads.
Private Forest	GF	\$1,000	\$1,000	Increased base funding for private forest
Management		φ = , σ σ σ	γ = , σ σ σ	management.
Parks and Trails	NR	\$9,800	\$10,200	Provides additional resources for parks
Operations and		, ,	, ,	operations. Governor recommended \$9.315
Maintenance				million general fund and \$6.614 million from
				the natural resources fund in FY18-19 and
				\$10.072 million general fund and \$6.814
				million from the natural resources fund in
				FY20-21 with spending supported by
				increases to park permits, boat registration,
				cross-country ski passes, snowmobile
				registration, and ATV registrations.

		FY18-19	FY20-21	
Subject	Fund	(\$ in '000s)	(\$ in '000s)	Description
Snowmobile Grants- In-Aid Increases	GF/ NR	\$1,330	\$2,400	Provides increased grants to Snowmobile clubs. Governor recommended \$890,000
				each biennium for snowmobile trail
				maintenance, \$200,000 in FY18-19 and
				\$400,000 in FY20-21 for snowmobile grants
				from the snowmobile account in the natural
				resources fund.
ATV Grants-In-Aid	NR	\$300	\$300	Provides increased grants to ATV clubs.
Increases		4		Matches Governor's recommendations.
Voyageur ATV Trail	NR	\$150	\$0	Provides a grant to the city of Orr for an ATV
System	CF	ćEOO	ćEOO	trail system.
Local Parks and Outdoor Recreation	GF	\$500	\$500	Funds matching grants for local parks and outdoor recreation areas.
Areas Grants				outdoor recreation areas.
Local Trail Grants	GF	\$500	\$500	Funds matching grants for local trail
Local Itali Grants	01	7500	7500	connections.
Virginia ATV Trail	NR	\$50	\$0	Provides a grant to the city of Virginia for an
System		755	4.5	ATV trail system.
Shooting Sports Site	GFF	\$30	\$0	Funds a contract with private entity to
Study				search for a site to construct world-class
				shooting range and clubhouse.
Lead Shot Study	GFF	\$30	\$0	Funds a study of lead shot deposition on
				state lands due to the Legislature March
				2018.
Avian Flu and Other	GFF	\$500	\$0	Provides for planning and emergency
Wildlife Diseases				response to disease outbreaks in wildlife.
				Governor recommended \$250,000 annually
Natural Resources	GF	\$5,000	\$5,000	in FY18-21. Restores funding for approx. 16
Enforcement	GF	\$5,000	\$5,000	Conservation Officers. Governor
Linorcement				recommended \$5.57 million each biennium.
Legal Support	GF	\$1,965	\$0	Funds legal costs for various court challenges
		Ψ =,5 00	4.5	- includes \$500k for MPCA. Governor
				recommended \$6.977 million in FY18-19,
				which included \$2.477 million for Minnesota
				Pollution Control Agency.
Operating	Multi	\$19,266	\$25,152	Funds known and anticipated compensation
Adjustment	-ple			growth (totaling 3%) and \$900,000/year for
(Agency Wide)				known MN.IT increases. Governor
				recommended \$22.139 million in FY18-19
		A=	A=	and \$28.622 million in FY20-21.
Total		\$51,158	\$52,884	

REVENUES

The bill also modifies certain fees and impacts other revenues for a total revenue increase of \$23.4 million in FY 2018-19 and \$29.5 million in FY 2020-21. Noteworthy fee increases include certain hunting and fishing licenses, state park permits, snowmobile registrations, and all-terrain vehicle registrations.

The all-funds net impact of this bill is \$27.8 million in FY2018-19, and \$23.4 million in FY2020-21.

Table 4: Fee and revenue changes for fiscal years 2018-2019 in the budget bill.

Table 4. Fee and reveni		FY18-19	FY20-21	
Revenue/Fees	Fund	(\$ in '000s)	(\$ in '000s)	Description
State Parks - daily and annual passes*	GF/ NR	\$5,187	\$7,030	Increases park permits to support increased funding to the parks system. Governor's recommendation increased revenues to the state park account by \$2.435 million in FY18-19 and \$3.3 million in FY20-21. See details in Table 5.
Snowmobile – Registration*	NR	\$4,020	\$4,020	Increases ATV registration fees. Supports increased funding to DNR and ATV clubs. Governor's recommendation did not include the \$20,000 increase to issuing fees.
ATV – Registration*	NR	\$1,950	\$2,600	Increases snowmobile registrations fees. Supports increased funding to DNR and snowmobile clubs. Matches Governor's recommendation.
Fish and Wildlife Fee Increases and Program Support*	GFF	\$12,250	\$16,078	Increases hunting and fishing licenses. Addresses fund deficit and supports the operating adjustment. Governor's recommendation increased revenues to the game and fish fund by \$18.354 million in FY18-19 and \$18.354 million in FY20-21 – see details in Table 5. Governor's recommendation included \$750,000 federal reimbursement from Pittman-Robertson; the enacted budget includes \$375,000 federal reimbursement.
Free Passes for Veterans to State Parks	GF/ NR	(\$108)	(\$108)	Provides free admission to anyone who qualifies for the federal parks pass.
Fort Ridgely Golf Course Permit Exemption	NR	(\$98)	(\$98)	Lost revenue due to exempting golfers from state parks permit for Fort Ridgely Golf Course.
Exemption for Certain non- motorized boats for non-residents	NR	(\$90)	(\$90)	Modifies licensing requirements for non-motorized boats for non-residents.

Revenue/Fees	Fund	FY18-19 (\$ in '000s)	FY20-21 (\$ in '000s)	Description
Lake Koronis Grant Extension	GF	\$167	\$0	This revenue impact reflects the lost cancelation in FY17 for Lake Koronis grant. New appropriation shown in Table 3.
Hydropower Water Use Fee	NR	\$90	\$90	Eliminates back-fees for unpermitted water use and sets a maximum fee of \$5,000/year for ongoing water use. Governor recommendation limited maximum fee to \$10,000/year.
Minnow License Fee	GFF	(\$2)	(\$2)	Allows resorts to transport minnows without a license; results in lost license revenue.
Total Revenues/Fees		\$23,366	\$29,520	

^{*}Fee change details shown in Table 5.

Table 5: Fee changes for parks and trails, snowmobiles, all-terrain vehicles, and fish and wildlife included in the omnibus budget bill. Grey shading indicates differences between the Governor's recommendation and the enacted change.

License Type	Current	Governor	Enacted	Effective Date
		Recomm.		
State Parks Passes				
Annual Vehicle Permit	\$25	\$30	\$35	July 1, 2017
Second Annual Vehicle Permit	\$18	\$22	\$26	July 1, 2017
Daily Vehicle Permit	\$5	\$6	\$7	July 1, 2017
Daily Vehicle Permit (Groups)	\$3	\$4	5	July 1, 2017
Annual Motorcycle Permit	\$20	\$25	\$30	July 1, 2017
Parks and Trails License Plate Fees				
Parks and Trails License Plate Fee	\$50	n/a	\$60	July 1, 2017
Snowmobile Trail Passes				
Snowmobile Registration (3 year)	\$75	\$105	\$105	July 1, 2017
Resident Snowmobile Non-Trail Sticker	\$35	\$50	\$50	July 1, 2017
(1 year)				
Non-Resident Snowmobile Trail Pass	\$35	\$50	\$50	July 1, 2017
(1 year)				
Snowmobile Registration and Transfer,	\$2	n/a	\$7	July 1, 2017
Issuing Fee				
Snowmobile Registration Renewal,	\$2	n/a	\$4.50	July 1, 2017
Duplicate or Replacement Registration				
Card/Decal Issuing Fee				
ATV Trail Passes and Registration				
ATV Registration (3 year)	\$45	\$60	\$60	July 1, 2017
Non-Resident ATV State Trail Pass (1 year)	\$20	\$30	\$30	July 1, 2017
Fisheries-Related New Revenue				
Resident Angling	\$22	\$25	\$25	March 1, 2018

License Type	Current	Governor Recomm.	Enacted	Effective Date
Resident Combination Angling	\$35	\$40	\$40	March 1, 2018
Resident 24 Hour Angling	\$10	\$12	\$12	March 1, 2018
Resident 72 Hour Angling	\$12	\$14	\$14	March 1, 2018
Resident 3 Year Angling	\$63	\$71	\$71	March 1, 2018
Resident Conservation Angling	\$15	\$17	\$17	March 1, 2018
Conservation Combination Angling	\$23	\$27	\$27	March 1, 2018
Resident Spearing	\$5	\$6	\$6	March 1, 2018
Non-Resident Individual Angling	\$45	\$51	\$51	March 1, 2018
Non-Resident Family	\$60	\$68	\$68	March 1, 2018
Non-Resident 24 Hour Angling	\$12	\$14	\$14	March 1, 2018
Non-Resident7-day Individual	\$38	\$43	\$43	March 1, 2018
Non-Resident14 Day Individual	\$48	\$54	\$54	March 1, 2018
Non-Resident 72 Hour	\$32	\$36	\$36	March 1, 2018
Non-Resident Spearing	\$15	\$17	\$17	March 1, 2018
Require Shelter License for non-portable houses ¹	\$0	\$15	\$15	July 1, 2017
Deer Hunting-Related New Revenue				
Camp Ripley Deer Hunt	\$12	\$14	\$14	March 1, 2018
Resident Deer (ML, Archery, Firearm)	\$30	\$34	\$34	March 1, 2018
Resident Bonus Deer	\$15	\$17	\$17	March 1, 2018
Non-Resident Deer (ML, Archer, Firearm)	\$165	\$185	\$185	March 1, 2018
Non-Resident Bonus Deer	\$80	\$90	\$90	March 1, 2018
Deer lottery application fee	\$0	\$4	\$0	March 1, 2018
Other Fishing/Hunting-Related New Revenue				
Resident Individual Sports	\$38	\$45	\$41	March 1, 2018
Resident Super Sports	\$93	\$108	\$100	March 1, 2018
Resident Combined Sports	\$52	\$61	\$57	March 1, 2018
Resident Combined Super Sports	\$117	\$136	\$126	March 1, 2018
Fishing Tournaments				
W/O Off-site weigh-in, 50 or Less Boats	\$60	\$70	\$70	March 1, 2018
W/O Off-Site, 50+ Boats	\$200	\$225	\$225	March 1, 2018
Off-Site Weigh-In 50 or Less Boats	\$250	\$280	\$280	March 1, 2018
Off-Site Weigh-In 50+ Boats	\$500	\$560	\$560	March 1, 2018
Ice Fishing 150+ Participants	\$120	\$135	\$135	March 1, 2018
Lifetime Licenses				
Angling				
Age 3 and younger	\$304	\$344	\$344	March 1, 2018
Age 4 to 15	\$415	\$469	\$469	March 1, 2018
Age 16 to 50	\$508	\$574	\$574	March 1, 2018
Age 51 and older	\$335	\$379	\$379	March 1, 2018
Spearing				
Age 3 and younger	\$77	\$90	\$90	March 1, 2018

License Type	Current	Governor	Enacted	Effective Date
		Recomm.		
Age 4 to 15	\$106	\$124	\$124	March 1, 2018
Age 16 to 50	\$100	\$117	\$117	March 1, 2018
Age 51 and older	\$52	\$61	\$61	March 1, 2018
Angling & Spearing				
Age 3 and younger	\$380	\$432	\$432	March 1, 2018
Age 4 to 15	\$509	\$579	\$579	March 1, 2018
Age 16 to 50	\$596	\$678	\$678	March 1, 2018
Age 51 and older	\$386	\$439	\$439	March 1, 2018
Sports				
Age 3 and younger	\$485	\$572	\$522	March 1, 2018
Age 4 to 15	\$659	\$777	\$710	March 1, 2018
Age 16 to 50	\$861	\$1,016	\$927	March 1, 2018
Age 51 and older	\$560	\$661	\$603	March 1, 2018
Sports plus Spearing				
Age 3 and younger	\$562	\$662	\$612	March 1, 2018
Age 4 to 15	\$765	\$901	\$833	March 1, 2018
Age 16 to 50	\$961	\$1,132	\$1,046	March 1, 2018
Age 51 and older	\$612	\$721	\$666	March 1, 2018
Nonresident Angling				
Age 3 and younger	\$726	\$821	\$821	March 1, 2018
Age 4 to 15	\$925	\$1,046	\$1,046	March 1, 2018
Age 16 to 50	\$1,054	\$1,191	\$1,191	March 1, 2018
Age 51 and older	\$702	\$794	\$794	March 1, 2018
Deer, Archery & Firearms				
Age 3 and younger	\$406	\$458	\$458	March 1, 2018
Age 4 to 15	\$538	\$607	\$607	March 1, 2018
Age 16 to 50	\$656	\$741	\$741	March 1, 2018
Age 51 and older	\$468	\$528	\$528	March 1, 2018
Lifetime Renewals²				
Angling	\$22	\$25	\$25	March 1, 2018
Spearing	\$5	\$6	\$6	March 1, 2018
Angling & Spearing	\$27	\$31	\$31	March 1, 2018
Sports	\$38	\$45	\$41	March 1, 2018
Sports plus Spearing	\$43	\$51	\$47	March 1, 2018
Nonresident Angling	\$46	\$51	\$51	March 1, 2018
Deer	\$30	\$34	\$34	March 1, 2018

Notes:

- 1. New state law defines wheel houses as non-portable and now requiring a license
- 2. Amount per license available to transfer from the lifetime license trust account to the game and fish fund when lifetime license is annually renewed

The omnibus budget bill does not include the following Governor recommendations:

• Mississippi River Critical Area rule (Governor recommended \$760,000 from the general fund)

- Public water protection (Governor recommended \$1,340,000 supported by a fee increase)
- Aquatic invasive species surcharge increase (Governor recommended a \$7 increase to the surcharge (bringing the total to \$12) and related increase in AIS expenditures of \$2,116,000)
- Increase for conservation management of rare resources (Governor recommended \$2,800,000 from the heritage enhancement account in the game and fish fund) for
- Funding for a study of large-scale land conversion effects in the Pineland Sands Aquifer (Governor recommended \$1,500,000 from the general fund)
- Increase to service connect disability exemption (Governor recommended free hunting and fishing licenses for all military with any service-related disability, estimated to result in revenue loss of \$700,000 in the game and fish fund; Governor recommended general fund appropriation to cover the loss)
- Improvement of water quality goal of 25% by 2025
- Changes to ginseng regulation, including establishment of a harvest license
- Boat registration fee increases and corresponding funding increase for water access maintenance (Governor's recommendation was estimated to bring in \$7 million in FY18-19 and \$8 million in FY20-21 to the water recreation account in the natural resources fund and included \$1.384 million in spending each biennium)
- Cross-country-ski pass fee increase and corresponding funding increase for cross-country-ski trail maintenance (Governor's recommendation was estimated to bring in \$150,000 each biennium to the cross-country-ski account in the natural resources fund and included \$60,000 in spending each biennium)

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

POLICY PROVISIONS IN THE BILL

Impacts to DNR from policy not attached to funding in this bill are described below. Policy within budget bills was the subject of much debate within the legislature throughout the session. While many DNR initiatives made it into the final version of the bill, other policy was also included, some which DNR opposed in its original form, and worked with the authors to modify. In the end, all of the egregious public problems presented by policy in previous versions of this bill were mitigated by either removing those provisions or modifying them. Policy that represents this compromise includes:

- Previous versions of the bill would have allowed importation of Golden Shiner Minnows from Arkansas, while Ch. 93 instead requires a study of the impacts and recommendation of such a law.
- Previous versions of the bill contained a provision requiring DNR to allow negative impacts to calcareous fens as part of water permitting. DNR worked with Conference Committee Chairs to come forward with language stating that DNR <u>may</u> allow such impacts.
- Expands targeted pilot zebra mussel studies to Gull Lake and Cross Lake.
- Ch. 93 requires a study of the impacts of lead shot on state lands, and limits DNR rules to further restrict the use of lead shot on state lands through July 1, 2019

- While previous versions of the bill would have eliminated the state's Environmental Quality Board (EQB), Ch. 93 instead removes the requirement that EQB Chair is appointed by the Governor, and removes the requirement that EQB cooperates with the Regional Development Commissions on matters of environmental concern.
- DNR can provide a Tier 2 permit applicant with notification and schedule if the permit decision will take longer than 150 days. No permits administered by DNR's Ecological and Water Resources (EWR) require a Public Notice.
- Instead of delaying riparian buffer law implementation (a proposal found in earlier versions of the bill, Ch. 93 allows Soil and Water Conservation Districts (SWCDs) to issue initial buffer compliance waivers of 6 months to landowners needing financial or technical assistance.
- DNR cannot deny a water appropriation permit transfer request if the permit holder is in compliance and if the permit meets water appropriation regulatory requirements.
- Exempts hydropower facilities built before July 1, 1937 from requiring a water appropriations permit.
- DNR's preliminary well notification letter must include information on data and testing requirements for a water appropriation permit application. If a permit application is modified or denied DNR must provide all information that led to that decision.
- Prohibits vegetation conversion to oak savanna or non-forest land in Sand Dunes State
 Forest for 2 years. Requires public notice and notification of nearby residents and local
 governments at least 40 days in advance of a prescribed burn in Sand Dunes State
 Forest. Requires DNR convey an easement over and across 223rd Avenue to the
 township for any state-owned portion of the road
- Allows SWCDs to issue initial buffer compliance waivers of 6 months to landowners needing financial or technical assistance.
- DNR must annually certify the number of miles of public watercourses and public drainage systems on the buffer protection map. This information is used to calculate distribution of riparian protection aid funding to counties, watershed districts and BWSR.
- If available, agencies must begin to review permit application materials for a proposed project when the Environmental Impact Statement (EIS) Preparation Notice is published.

The bulk of policy provisions in this bill originated as Governor's initiatives, including items initially introduced as part of the DNR Policy and Technical bill (SF865), the DNR Forestry bill (HF1292/ SF1123), and the DNR Enforcement bill (HF1581/SF1374). Provisions contained in these bills have the common objective that they will help to clarify DNR responsibilities, make DNR work consistent with other state statutes, or improve DNR business practices for our customers. Governor's initiative policy provisions that were signed into law, by DNR division, include:

Enforcement

 Increased penalties on poachers convicted of the most egregious game and fish law violations.

Forestry

- Clarifies timber purchaser registration and bidding requirements to allow one bid per business on intermediate stand auctions.
- Allows DNR to post timber auctions online, as a means of public notice, to better serve customers.
- Allows DNR to use in-house counsel instead of Attorney General's office for routine activities related to forestry activities and timber business practices.
- Updates the definition of "prescribed burn" in statute to be consistent with DNR's 2017 Prescribed Burns Requirements Report to the legislature.

Ecological and Water Resources

- Updates and clarifies statutory definitions of "protected wild animals", "rough fish", "small game", "unprotected birds", and "unprotected wild animals" consistent with contemporary science and other regulation.
- DNR is permitted to tag and release invasive carp for research or control, until Dec. 31, 2021.
- Prohibited invasive species can be transported from a riparian property to an upland disposal facility at least 100 ft. from any surface water, if transported by a commercial trash hauling vehicle.
- Prohibits harvest of live mussels and establishes limits for harvest of mussel shells.
 Prohibits purchase or sale of mussel shells.
- Bait intended for sale cannot be held in infested water before sale unless permitted under MR, part 6216.0500.
- Allows DNR to classify nonnative species of plants and animals at the subspecies, genotype, or genera level of taxonomic classification, allowing DNR to use whichever is most suitable scientifically.
- Updates language allowing owners and occupants of buildings to take certain animals in cases where those animals are causing damage to property.

Lands and Minerals

 Allows DNR to appoint attorneys or outside counsel to render title opinions and represent DNR in severed mineral forfeiture actions.

Parks and Trails

- Modifies the DNR Naturalist Corps program to allow staff to occupy a wider range of interpretive educational roles within DNR, and to exempt them from unemployment eligibility.
- Expands eligibility and streamlines issuance of free state park permits for veterans
- Updates requirements for use of personal floatation devices to align with federal standards.
- Clarifies that trails or portages used by the public for 15 years or more will remain open to the public.

Fish and Wildlife

- Defines a "portable shelter" as a fish house, dark house, or other shelter that is set on the ice of state waters to provide shelter and that collapses folds or is disassembled for transportation.
- Requires licenses for non-portable shelters placed on the ice.
- Removes attorney general approval requirement from game and fish violation reciprocal agreements with other governments.
- Establishes that a misdemeanor is the default penalty for game and fish law violations.
- Changes size specifications for daily limits for northern-pike outside the boundary waters.
- Allows a new exception from retail licensure for resort owners to transport minnows under certain conditions.

DNR-wide

- Removes duplicative procurement law for referencing procedures must comply with 16C.01.
- Allows demolition as an asset preservation activity consistent with other statutes governing asset preservation.

Other policy in this bill that was not DNR's initiative, but that was not controversial includes:

- Language that aligns MN Counties' timber business practices with the practices of DNR.
- Language that allows blaze pink to be worn as an alternative to blaze orange for firearms hunting season safety.
- Allows for scopes on muzzleloaders for all muzzleloader hunters.
- Allows DNR Commissioner to allocate surplus wetland credits approved as a result of a permit to mine. Also allows wetland replacement plans for permits to mine to include surplus wetland credits.
- Language allowing DNR to conduct an additional pilot study to include water-related equipment with zebra mussels attached on Gull Lake, Cass and Crow Wing counties, and on Cass Lake, Crow Wing County.

- Language allowing LGUs to consider mitigation when determining if a rare natural community will be permanently adversely affected under a Wetland Conservation Act mitigation plan.
- Exempts from MN registration requirements off-highway motorcycles operated on boundary trails and registered in another state or country providing equal reciprocal registration or licensing exemptions for registrants of this state.
- Authorizes 6-16 year olds to take off-highway motorcycle safety training in pursuit of a safety certificate.
- Changes the engine capacity specifications for youthful operators of off-highway vehicles.
- Authorizes the use of golf carts and other special rules not standard with state park operation for Fort Ridgely State Park.
- Exempts from MN registration, watercraft used in MN and licensed in another state under certain circumstances.
- Allows portable deer stands to be left overnight on state land in very specific geographies and circumstances
- Clarifies duties of peace officers with regard to game and fish law enforcement
- Clarifies prosecuting authority for game and fish violations
- Provides for preference for residents of a Minnesota Veterans Home for bear hunting access in cases where DNR limits the number of bear hunters who can have access to an area.
- Preempts the DNR from requiring CPR and First-aid certifications for a master bearhunting-outfitter license should the DNR establish such a license
- Prevents DNR from managing an elk herd in specific Northwest MN counties in such a way that increases the size of the herd
- Requires DNR to maintain the level of service and hours of operation at Hill-Annex Mine State Park at 2016 levels through FY2019, and instructs DNR to work with local and regional government officials to create an alternate operating model for local management and operation of the park by January 15th, 2018

Omnibus Lands Bill

2017, Regular Session, Chapter <u>54</u>
Bill numbers HF1451/<u>SF1124</u>*
Signed into law on May 12, 2017

This bill originated as the DNR lands bill. DNR worked closely with the authors as bill amendments mainly pertaining to sales of tax-forfeit land, were added. The bill authorizes the sale of 719 acres of DNR administered lands. The total estimated revenue from the sale of DNR-administered lands in the bill is \$1.082 million.

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

- Modifies the exchange of road easements law to authorize the state, without payment, to exchange easements with the exchange party that are greater in acres than the state easement.
- Amends a 2011 law authorizing the commissioner to sell by private sale surplus land in Carlton County, and to remove a requirement that the sale be to a political subdivision. This is the Cloquet Forestry Station site.
- Deletes two sections of land that were already exchanged out of state ownership from the boundary of the Cloquet Valley State Forest.
- Authorizes the commissioner to sell surplus land bordering public water in Big Stone County.
- Authorizes Roseau County to sell 704 acres of DNR-administered consolidated conservation land.
- Authorizes the commissioner to sell AMA land to St. Louis County .

The bill also makes the following policy changes:

- Modifies the exchange of road easements law, Minn. Stat. sec. 84.633, subd. 2, to authorize the state, without payment, to exchange easements with the exchange party that are greater in acres than the state easement.
- Amends the forestry real estate lease law to authorize the commissioner to require a
 performance bond for removal of improvements or personal property left on leased
 premises upon termination or cancellation of a lease.
- Authorizes the Minnesota Historical Society to convey surplus land in Redwood County to the Lower Sioux Indian Community to operate as an historic site.
- Authorizes the Comfort Lake-Forest Lake Watershed District to be the drainage authority for the Washington Judicial Ditch 6 drainage system if the Board of Water and Soil Resources approves requested a boundary correction.

The bill gives authority to Beltrami, Blue Earth, Carlton, Cass, Chisago, Goodhue, Hennepin, Itasca, Kandiyohi, Lake, Pine, Polk, Roseau, St. Louis, Traverse, Washington, Watonwan and Wilkin counties to sell tax-forfeited lands. If the counties sold all of the 1112 acres authorized in the bill, revenues could total an estimated \$2.2 million. This is revenue to the local taxing districts and selling these lands will bring property back onto the tax rolls.

Legacy Bill

2017, Regular Session, Chapter <u>91</u>
Bill numbers HF707*/SF566
Signed into law on May 30, 2017

The Omnibus Legacy Bill funds activities that protect, enhance, or restore fish, game, and wildlife habitat across Minnesota.

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. The bill funds projects that protect, enhance, or restore fish, game, and wildlife habitat across MN.

Article 1 of the Omnibus Legacy Bill includes appropriations from the Outdoor Heritage Fund. The bill appropriates \$104.563 million from the Outdoor Heritage Fund, including \$30.862 million for prairies, \$16.824 million for forests, \$28.869 million for wetlands, \$26.544 million for habitats, and \$1.464 million for administration.

The bill provides outdoor heritage fund appropriations to the DNR in roughly the same amounts as the Lessard Sams Outdoor Heritage Council (LSOHC) recommended to the legislature. \$55.123 million is allocated to DNR for the purpose of pass-through grants to other outdoor heritage fund recipients.

Table 6. Direct Appropriations to DNR from the Outdoor Heritage Fund. (by project. \$ in 000's)

Description	Amount
DNR Wildlife Management Area and Scientific and Natural Area Acquisition - Phase IX	\$4,437*
Accelerated Native Prairie Bank Protection - Phase VI	\$2,481
Accelerated Prairie Restoration and Enhancement on DNR Lands - Phase IX	\$3,950
Minnesota Forests for the Future, Ph. 5	\$2,291
State Forest Acquisitions - Phase IV	\$1,000
Accelerated Shallow Lakes and Wetlands Enhancement - Phase IX	\$1,755
DNR Stream Habitat - Phase II	\$2,166
St. Louis River Restoration Initiative - Phase IV**	\$3,392
Conservation Partners Legacy Grant Program: Statewide and Metro Habitat - Phase IX	\$9,294
Contract Management	\$150
Technical Evaluation Panel	\$150
Total	\$31,066

^{*}The total for the request is the same but it is split between 2 years in order to meet the 5% reserve goal.

^{**}Includes up to \$226,000 for an agreement with Minnesota Land Trust

Article 2 of the bill pertains to Clean Water Fund Appropriations. The clean water fund appropriates \$16.892 million to the DNR for the following:

Table 7. Direct Appropriations to DNR from the Clean Water Fund. (by project. \$ in 000's)

Description	Amount
Stream Flow Monitoring	\$3,900
Lake Index of Biological Integrity Assessments	\$2,500
Assessing Mercury Contamination in Fish	\$270
Watershed Restoration & Protection Strategies	\$3,772
Aquifer Monitoring for Drinking Water Protection	\$2,750*
Non-point Source Restoration and Protection	\$1,900
Applied Research and Tools (LIDAR&BMP's)	\$1,350**
County Geological Atlas Survey	\$250
Riparian Buffer Information (Color Infrared Imagery and Analysis)	\$200
Total	\$16,892

^{*} Governors recommendation was \$3.4 million.

The reduction from the Governor's request in the area of Aquifer Monitoring for Drinking Water Protection will result in fewer water level monitoring wells and reduce our capacity to work with water suppliers. Water level monitoring wells are the only way we can evaluate whether the aquifers we rely on for drinking water, industrial use, and agricultural irrigation are stable or declining. The impact will be about 25-35 fewer rural communities served. The reduction from the Governor's request in the area of Applied Research and Tools will have implications for the Division of Lands and Minerals. Due to the lower appropriation they may not be able to do additional water chemistry analysis related to mining.

Article 3 allocates the Parks and Trails Fund dollars. A total of \$54.282 million is allocated to DNR for state parks, recreation areas, and trails to connect people to the outdoors, acquire land and create opportunities, maintain existing holdings, and improve cooperation by coordinating with partners to implement the 25 year long range parks and trails legacy plan. \$17.738 million is for grant to parks and trails of regional significance outside the 7-county metro area. \$1.069 million is for coordination and projects between the DNR, the Metropolitan County, and the Greater Minnesota Regional Parks and Trails Commission.

^{**} Governor recommendation was \$1.7 million.

Environment and Natural Resources Trust Fund Bill

2017, Regular Session, Chapter <u>96</u>
Bill numbers HF1265/ <u>SF550</u>*
Signed into law on May 30, 2017

Chapter 96 is the Environment and Natural Resources Trust Fund bill. The total \$64.25 million includes \$12.407 million in direct appropriations for the DNR. The Legislative-Citizen Commission on Minnesota Resources (LCCMR) recommended \$16.232 million for DNR projects.

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.

Below you will find a table laying out the LCCMR recommendations as well as what the final recommendations in the bill are. In addition to the DNR projects below, DNR also is a contributor to several projects for which funds were appropriated to other entities.

Table 8. Direct appropriations to DNR from the environment and natural resources trust fund, by project.

	LCCMR	Final Passage	
Project/Program Title	Recommendation	SF 550	
	(\$ in 000's)	(\$ in 000's)	
Minnesota Biological Survey Continuation	\$2,900	\$2,900	
Increasing Diversity in Environmental Careers	\$1,487	\$487	
Invasive Bighead and Silver Carp and Native Fish	\$500	¢E00	
Evaluation - Phase II	\$300	\$500	
State Park Pollinator Habitat Restoration	\$672	\$672	
Scientific and Natural Areas Acquisition and Restoration,	\$4,500	\$2,500	
Citizen Science, and Engagement	Ş4,300	\$2,300 	
Minnesota State Parks and State Trails Land Acquisition	\$1,500	\$1,500	
Minnesota State Trails Acquisition, Development, and	\$1,038	\$1,038	
Enhancement	71,036	\$1,056	
Native Prairie Stewardship and Prairie Bank Easement	\$3,500	\$2,675	
Acquisition	\$3,300	\$2,073	
Contract Agreement Reimbursement	\$135	\$135	
Total	\$16,232	\$12,407	

The LCCMR-recommended funding for Increasing Diversity in Environmental Careers project was cut by \$1 million in the final bill. This leaves DNR with an insufficient amount of money to

run the program as originally proposed. We do intend to submit a new proposal under the extended deadline allowed for in the bill (Sec. 2, Subd. 19)

The bill additionally contains \$6 million for local SWCD staff to conduct landowner outreach and implement the CREP program as well as \$13,500,000 for acquisition of easements under the CREP program. DNR supports the CREP program.

Omnibus Agriculture Budget Bill

2017 Regular Session, Chapter <u>88</u> HF1545*/SF1545 Signed into law on May 30, 2017

The Agriculture Budget Bill includes a section that modifies the Minnesota Department of Agriculture's responsibilities to notify the public via their website when noxious weeds are added to the "eradicate" list. DNR is a partner on noxious weed issues.

This bill also contains language clarifying which animals constitute livestock for purposes of cost sharing with private agricultural landowners for fencing along property boundaries. DNR pays these costs as a land administrator.

One section of the bill also establishes a wolf-livestock conflict prevention pilot program which allows the Commissioner of Agriculture to award grants to livestock producers located in MN's wolf range to reimburse for practices to prevent wolf-livestock conflicts. Grant recipients will continue to be eligible for depredation payments where applicable. DNR is a partner on this issue.

Another section of the bill modifies laws for compensating producers whose crop or fence is damaged by wild elk. DNR is a partner on this issue.

Omnibus Jobs, Energy, and Economic Development Budget Bill

2017 Regular Session, Chapter <u>94</u> Regular Session SF 1456/ HF1620 Signed into law on May 30, 2017

This bill appropriates funds for Department of Labor and Industry, Department of Employment and Economic Development, energy programs, and related activities. DNR's interest in this bill is related to potential natural resources impacts. Two bill provisions of this bill are of particular interest to DNR.

The first is funding for resort owners on Mille Lacs Lake impacted by walleye fishery decline via Mille Lacs County. This provision provides a grant to Mille Lacs County for the impacted resort owners.

The second is a repeal of woody biomass mandates for Xcel Energy. Impacts from this action to the agency and to Minnesota's forests are likely to be negative in the short term, but are not entirely clear. DNR is concerned about losing markets for low-grade forest products because public and private forest landowners will likely lose some ability to manage forests when we lose these markets as a result of this bill. Likewise, potential negative impacts to the logging workforce and existing manufacturers industry is of concern. What is known is that woody biomass markets provide great opportunities to manage forests for the diverse array of benefits they provide, and the bill will reduce the total amount of energy in our state coming from wood, and will affect all those in the supply chain.

Omnibus Tax Bill

2017, 1st Special Session, Chapter<u>1</u>
Special Session <u>HF1</u>*
Signed into law on May 30, 2017

The area of particular interest in this bill for DNR relates to the Sustainable Forest Incentive Act (SFIA) in Article 10. DNR worked on this language with staff at the Department of Revenue, as well as with landowner and timber industry interests. The bill's SFIA provisions:

- Create separate roles and responsibilities for the DOR and DNR regarding program administration.
- DOR is the lead agency responsible for SFIA, responsible for enrollments, payments, penalties, etc. DNR is responsible for land stewardship aspects, including determining eligible acres, maintaining geospatial data, annual acreage certification, and compliance monitoring.
- Require all SFIA participants have a stewardship plan registered with the DNR.
- Allow for penalty-free transfer of land from SFIA status to a conservation easement or for a state recreation trail.
- General Fund appropriation of \$215,000 in FY18 and \$312,000 in FY19 and thereafter for administering DNR's portion of the Sustainable Forest Incentive Act.
- Establish a tiered payment option, providing larger payments for greater conservation.
- Maintain a \$7/acre minimum payment in the future for all current SFIA enrollees.
- Eliminate the 60,000 acre exclusion for land with conservation easements that previously precluded Blandin's participation in SFIA. Allows Blandin to enroll retroactively to 2014, with payments at \$7/acre.

 Require all SFIA participants with a conservation easement to allow public use of land (including motorized use and hunting), while allowing current enrollees with a conservation easement on less than 1,920 the option to withdraw from SFIA without penalty by July 1, 2018.

Another area of the bill of interest to DNR is the Riparian Protection Aid related to the buffer law. This provision provides for financial aid to counties and watershed districts that accept jurisdiction for enforcing the buffer law. DNR has a limited role in the aid certification process. That role is to provide to the Department of Revenue the statewide and countywide number of centerline miles of public watercourses and miles of public drainage system ditches on the buffer protection map. These data are readily available from our buffer protection map, and we can easily work out a process with DOR to get the data to the appropriate staff. (See also Sec 11 of SS Ch. 7, SF4, revisors/technical bill for clarification of aid distribution).

Finally, the bill provides for the repayment of up to \$22 million to the Clean Water Fund if there is a General Fund surplus at the end of the biennium. This repayment is related to SWCD funding that was supposed to have been from the General Fund but instead was appropriated by the Legislature from the Clean Water Fund. DNR continues to believe that General Fund is the appropriate source for these SWCD funds.

Roadside Mowing Bill

2017 Regular Session, Chapter <u>15</u> HF124/<u>SF218</u>* Signed into law on April 6, 2017

This bill prohibits the Commissioner of Transportation from requiring or issuing permits to mow or hay in ditches under the Minnesota Department of Transportation (MnDOT's) administration. This prohibition is in effect until April 20th, 2018. The bill requires that MnDOT to prepare a report to the legislature no later than March 1, 2018 regarding ease of applications, frequency of permits or notifications, allocation of permits to landowners adjacent to the Right of Way (ROW), how authority to mow or hay trunk highway ROW in which adjacent land is under jurisdiction of the state or a political subdivision is determined, and differences in wildlife abundance and habitat distribution geographically across the state.

This bill is part of an effort to accommodate farmer requests for access to hay in the ROW's by examining MnDOT's administration of state ROWs, a state asset that MnDOT manages for public transportation and safety.

The DNR's interest in roadside practices relates primarily to habitat, both nesting cover for birds and mammals as well as pollinating insects and rare species. DNR will offer to assist in any task

force that is created as a result of this legislation in order to provide information about wildlife use of ROWs, and to inform public policy regarding natural resource conservation and ROWs.

Bonding Bill

2017, 1st Special Session Chapter <u>8</u>
Special Session <u>HF5</u>
Signed into law on May 30, 2017

Below outlines the 2016 DNR Capital Investment Request, the Governor's 2017 request, and the amount that was allocated in Special Session House File 5. Trail users will see the most positive impact, while park users will continue to be inconvenienced by inadequate facilities. Citizens will be protected by flood mitigation and dam safety projects. DNR will be able to address some unacceptable building components, water and sewer system deficiencies, and accessibility issues with the asset preservation funding, but the amount of funding falls far short of addressing all asset preservation needs.

Table 9. Capital Investment Requests and Final Bill Outcomes.

DNR Proposals	DNR 2015	Gov. 2017	Final
	Request	Proposal	Allocations
	(\$ in 000's)	(\$ in 000's)	HF 5
			(\$ in 000's)
Natural Resources Asset Preservation	\$80,000	\$34,000	\$15,000
Building and Facilities Development	\$10,000	\$2,000	
Flood Hazard Mitigation Grant Program	\$15,000	\$6,500	\$11,555
Mille Lacs Lake Fisheries Management	\$3,500	\$3,500	
Dam Safety Repair, Reconstruction	\$10,000	\$7,000	\$15,400
State Land Reforestation & Stand Improvement	\$6,000	\$2,000	\$1,000
Native Prairie Bank Acquisition & Development	\$8,000	\$2,000	
Itasca State Park Renovation	\$10,000	\$3,000	
WMA/AMA Acquisition and Development - Pheasant Action	\$20,000	\$9,500	
Plan			
State Park Campground Renovations	\$7,000	\$1,000	
Park, State Rec Area & Trail Development	\$14,000	\$2,000	\$18,048
Fish Hatchery Enhancement	\$5,500	\$1,000	
Scientific and Natural Area Acquisition	\$5,800	\$1,000	
Groundwater Monitoring	\$5,000		
State Forest Acquisition	\$2,000		
Stream Restoration	\$3,035		
Minnesota Forests for the Future	\$5,000		

DNR Proposals	DNR 2015	Gov. 2017	Final
	Request	Proposal	Allocations
	(\$ in 000's)	(\$ in 000's)	HF 5
			(\$ in 000's)
RIM Critical Habitat Match	\$3,000	\$2,000	
Community Tree Invasive Pest Program	\$500		
Prairie RestorationState Parks and Trails	\$500		
Parks and Trails Local and Regional Grant	\$2,000		
School Trust Fund Land Acquisition	\$20,000		
Champlin Mill pond dredging			\$3,300
Prospectors ATV trail			\$1,000
Morrison County-Soo Line trail bridge			\$400
St Paul shade tree reforestation			\$1,500
Total Project requests	\$235,835	\$76,500	\$67,203

Omnibus State Government Finance Bill

2017, 1st Special Session, Chapter <u>4</u>
Bill number <u>SF1</u>*
Signed into law on May 30, 2017

State Government Finance Bill creates the option for state employees to opt out of health care benefits and requires \$4.012 million in general fund appropriation reductions by June 30, 2019 due to savings from the opt out provisions. The DNR's operating budget could be impacted by up to \$320,000 each year Fund reductions require the DNR to reduce service levels and impact fee payers and their level of service. DNR will monitor transfers from non-general fund accounts.

The bill creates a Minnesota Administrative Rules Status System (MARSS) working group, DNR is supportive of this working group and while not identified as a working group member, DNR rules staff works closely with those on the working group.

The bill also includes language from the regular session omnibus liquor bill. Of particular interest to DNR is the language that DNR worked on and supported allowing liquor sales at Fort Ridgely. The language allows the Department of Public Safety, with the approval of DNR, to issue an on-sale license for the sale of intoxicating liquor to a concessionaire at Ft. Ridgely. This language is consistent with the concession agreement DNR has negotiated with the City of Fairfax.

NEW REPORT REQUIREMENTS

Two bills passed in the 2017 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.

Report Requirement in the Roadside Mowing Bill

The bill, summarized above in greater detail, requires that MnDOT prepare a report to the legislature no later than March 1, 2018 regarding ease of applications, frequency of permits or notifications, allocation of permits to landowners adjacent to the ROW, how authority to mow or hay trunk highway ROW in which adjacent land is under jurisdiction of the state or a political subdivision is determined, and differences in wildlife abundance and habitat distribution geographically across the state. DNR will work with MnDOT and other partners to answer questions about wildlife conservation within the scope of this report.

Report Requirements in the Omnibus Environment and Natural Resources Budget Bill

LEAD SHOT STUDY

Ch 93 restricts DNR authority over rules that would limit the use of lead shot on state lands through July 1 2019, and funds a study of lead shot deposition on state lands and its impacts on wildlife. This report is due to the Legislature March of 2018.

SHOOTING SPORTS SITE STUDY

The bill also funds a contract with a private entity to search for a site to construct a world-class shooting range and clubhouse.

MINNOW IMPORTATION RISK REPORT

Previous iterations of the bill (HF888) contained policy provisions that would have allowed importation of Golden Shiner Minnows from Arkansas. The final bill signed into law does not allow this importation and instead requires a study of impacts and recommendations to be delivered to the legislature by January 15th, 2018.

PRESCRIBED BURN REPORT REQUIREMENTS

Updates 2016 Session law to retroactively specify the DNR must develop criteria for certifying an entity to conduct a prescribed burn under an open burning permit. This language corrects the name of the permit in past session law for an already delivered report to the legislature.

HILL ANNEX MINE STATE PARK MANAGEMENT AND OPERATION PLAN

Requires DNR to maintain the level of service and hours of operation at Hill-Annex Mine State Park at 2016 levels through FY2019 and to work with local and regional government officials to create an alternate operating model for local management and operation of the park by January 15th, 2018

DNR BASELINE BUDGET REPORT

Requires DNR to submit a report that contains the details of our base budgets by fiscal year including the following:

- appropriation riders for the previous biennium and the year the rider was first used; anticipated appropriation riders for the fiscal years 2020-2021 biennium;
- statutory appropriations; and
- an explanation on the use of funds for each appropriation not covered by a rider.

The report must be submitted 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 October 15, 2018.

DNR PRIORITIES FOR NATURAL RESOURCE ASSET PRESERVATION AND REPLACEMENT PROJECTS

Requires DNR establish priorities for asset preservation and replacement projects, and to submit a report to Minnesota Management and Budget detailing projects paid for with money from asset preservation and replacement appropriations in the preceding calendar year by January 15th each year.

BILLS OF INTEREST TO DNR THAT DID NOT BECOME LAW

The following bills or initiatives either did not pass the legislature or were vetoed during the 2017 Regular Session.

Omnibus Tax Bill (bill numbers HF4*/SF2255, Chapter 66)

The omnibus tax bill was passed by the legislature during the regular session but the bill was vetoed by the Governor. (<u>Link</u> to veto letter).

Omnibus Agriculture and Housing Appropriation Bill (bill numbers HF780*/SF895, Chapter 41)

The Omnibus Ag bill was passed by the legislature during the regular session. The bill was vetoed by the Governor. (Link to veto letter)

Omnibus Environment and Natural Resources Bill (bill numbers HF888*/SF723, Chapter 42)

The Omnibus Environment and Natural Resources bill was passed by the legislature during the regular session. The bill was vetoed by the Governor. (Link to veto letter)

Omnibus State Government Appropriations Bill; Omnibus Veterans and Military Affairs Appropriations Bill (bill numbers HF691/SF605*, Chapter 44).

The Omnibus State Government Appropriations Bill was passed by the legislature during the regular session. The bill was vetoed by the Governor. (<u>Link</u> to veto letter). The bill contained several policy items of concern to the agency pertaining to rulemaking.

Uniform Labor Standards and Local Government Pre-emption (1st Special Session Chapter <u>2</u>, <u>SF3</u>)

The pensions bill was wrapped into the "Uniform Labor Standards" pre-emption bill which the governor vetoed May 30th, 2017.