



Department of Natural Resources Fact Sheet



2012-2013 BIENNIAL BUDGET FACT SHEET Water Management Account Budget-Neutral FY 2012 / FY 2013 (General Fund, Natural Resources Fund)

It is needed because

A dedicated water account is necessary to provide a stable source of funding for water management programs. This initiative is considered revenue-neutral—reducing \$5.0 million in general fund support for water management activities and replacing this funding with \$5.0 million in revenue from permit application, inspection, and annual water use fees that are currently deposited in the state's general fund. This proposal allows fees required by M.S. 103G.301 and M.S. 103G.271 be deposited in a dedicated account in the natural resources fund and statutorily appropriated to the commissioner annually. This change ensures that water fees directly support water management activities, reducing the need for general fund appropriations by a similar amount. Associations representing water user groups have supported dedication of these fees for water management programs.

Major program elements

M.S. 103G.301 establishes application and inspection fees for permits to work in public waters, dam safety permits, and permits to appropriate waters of the state. All water appropriation permit holders are required to submit annual water use reports and fees (M.S.103G.281). These water fees would be deposited in a water management account in the natural resources fund and appropriated each year to the commissioner for water management activities.

Priority-setting

Actions on permit applications must be taken within 30-days of receiving a complete application (M.S. 103G.305). Annual water use reports and fees are due by February 15th of each year (M.S. 103G.281).

Project locations

Water management activities involving public waters, dam safety, and water appropriation permitting apply statewide.

Key measures and outcomes

- Collect water use data and fees for approximately 7,000 water users each year;
- Process 700 to 800 permit requests per year;
- Approve over 300 public water supply plans;
- Complete surface water and groundwater studies to determine if water withdrawals are sustainable; and
- Resolve water use conflicts and well interferences.

Financial Implications (if appropriate)

- Establish a natural resources fund-water management account that would be used for water management activities.
- The water management account would be funded with water fees that are currently deposited in the general fund. Revenue fluctuates due to economic and climate conditions.
- \$5.0 million of general fund that currently supports water management activities would be replaced by water fees deposited in the water management account.

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