

1.1 A bill for an act

1.2 relating to waters; modifying rulemaking authority for cost-share program;  
1.3 amending Minnesota Statutes 2008, section 103C.501, subdivisions 2, 4, 5, 6.

1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.5 Section 1. Minnesota Statutes 2008, section 103C.501, subdivision 2, is amended to  
1.6 read:

1.7 Subd. 2. **Request by district board.** ~~(a)~~ A district board requesting funds of the  
1.8 state board must submit an application in a form prescribed by the board containing:

1.9 (1) a comprehensive plan;

1.10 (2) an annual work plan; and

1.11 (3) an application for cost-sharing funds.

1.12 ~~(b) The comprehensive and annual work plans must be completed as provided in~~  
1.13 ~~section 103C.331, subdivision 11. After review of the district's comprehensive plan, the~~  
1.14 ~~state board must approve the comprehensive plan with necessary amendments or reject~~  
1.15 ~~the plan.~~

1.16 Sec. 2. Minnesota Statutes 2008, section 103C.501, subdivision 4, is amended to read:

1.17 Subd. 4. **Cost-sharing funds.** (a) The state board shall allocate at least 70 percent  
1.18 of cost-sharing funds to areas with high priority erosion, sedimentation, or water quality  
1.19 problems or water quantity problems due to altered hydrology. The areas must be  
1.20 selected based on the statewide priorities established by the state board. The allocated  
1.21 funds must be used for conservation practices for high priority problems identified in the  
1.22 comprehensive and annual work plans of the districts.

1.23 (b) The remaining cost-sharing funds may be allocated to districts as follows:

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2.1 (1) for technical and administrative assistance, not more than 20 percent of the  
2.2 funds; and

2.3 (2) for conservation practices for lower priority erosion, sedimentation, or water  
2.4 quality problems.

2.5 Sec. 3. Minnesota Statutes 2008, section 103C.501, subdivision 5, is amended to read:

2.6 Subd. 5. **Contracts by districts.** (a) A district board may contract on a cost-share  
2.7 basis to furnish financial aid to a land occupier or to a state agency for permanent systems  
2.8 for erosion or sedimentation control or water quality ~~improvement~~ improvement or water quantity  
2.9 improvements that are consistent with the district's comprehensive and annual work plans.

2.10 (b) The duration of the contract must, at a minimum, be the time required to  
2.11 complete the planned systems. A contract must specify that the land occupier is liable for  
2.12 monetary damages and penalties in an amount up to 150 percent of the financial assistance  
2.13 received from the district, for failure to complete the systems or practices in a timely  
2.14 manner or maintain the systems or practices as specified in the contract.

2.15 (c) A contract may provide for cooperation or funding with federal agencies. A land  
2.16 occupier or state agency may provide the cost-sharing portion of the contract through  
2.17 services in kind.

2.18 (d) The state board or the district board may not furnish any financial aid for  
2.19 practices designed only to increase land productivity.

2.20 (e) When a district board determines that long-term maintenance of a system or  
2.21 practice is desirable, the board may require that maintenance be made a covenant upon  
2.22 the land for the effective life of the practice. A covenant under this subdivision shall be  
2.23 construed in the same manner as a conservation restriction under section 84.65.

2.24 Sec. 4. Minnesota Statutes 2008, section 103C.501, subdivision 6, is amended to read:

2.25 Subd. 6. **Policies and rules.** (a) The state board may adopt rules and shall adopt  
2.26 ~~rules~~ policies prescribing:

2.27 (1) procedures and criteria for allocating funds for cost-sharing contracts;

2.28 (2) standards and guidelines for cost-sharing contracts;

2.29 (3) the scope and content of district comprehensive plans, plan amendments, and  
2.30 annual work plans;

2.31 (4) standards and methods necessary to plan and implement a priority cost-sharing  
2.32 program, including guidelines to identify high priority erosion, sedimentation, and water  
2.33 quality problems and water quantity problems due to altered hydrology;

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3.1 (5) the share of the cost of conservation practices to be paid from cost-sharing  
3.2 funds; and

3.3 (6) requirements for districts to document their efforts to identify and contact land  
3.4 occupiers with high priority ~~erosion~~ problems.

3.5 (b) The rules may provide that cost-sharing may be used for ~~farmstead~~ windbreaks  
3.6 and shelterbelts for the purposes of energy conservation and snow protection.

3.7 (c) The board may establish alternative practices to those defined in section 84.02  
3.8 for restoration or establishment of native prairie, grasslands, shorelands, riparian buffers,  
3.9 or wetlands based on soil type, seed availability, adjacent land uses, project or practice  
3.10 purpose, or other site-specific factors.