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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-SIXTH  
SESSION

HOUSE FILE No. **1734**

March 16, 2009

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The bill was read for the first time and referred to the Committee on Environment Policy and Oversight

March 15, 2010

Committee Recommendation and Adoption of Report:

To Pass as Amended and re-referred to the Committee on Finance

1.1 A bill for an act  
1.2 relating to environment; authorizing establishment of basin boards; authorizing  
1.3 taxing authority; amending Minnesota Statutes 2008, sections 103B.101,  
1.4 subdivision 9; 103B.102, subdivision 2; 103B.231, subdivision 4; 103B.245,  
1.5 subdivision 1; 103B.3369, subdivision 2; 103D.205, subdivision 3; 103D.401,  
1.6 subdivision 1; Minnesota Statutes 2009 Supplement, sections 103B.3369,  
1.7 subdivision 5; 275.066; proposing coding for new law in Minnesota Statutes,  
1.8 chapters 103A; 103B.

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

1.10 Section 1. **[103A.212] BASIN WATERSHED MANAGEMENT POLICY.**

1.11 The quality of life of every Minnesotan depends on water. Minnesota's rivers, lakes,  
1.12 streams, wetlands, and groundwater provide a foundation for the state's recreational,  
1.13 municipal, commercial, industrial, agricultural, environmental, aesthetic, and economic  
1.14 well-being. The legislature finds that it is in the public interest to manage water resources  
1.15 from the perspective of watersheds and river basins to achieve protection, preservation,  
1.16 enhancement, and restoration of the state's valuable water resources.

1.17 Sec. 2. Minnesota Statutes 2008, section 103B.101, subdivision 9, is amended to read:

1.18 Subd. 9. **Powers and duties.** In addition to the powers and duties prescribed  
1.19 elsewhere, the board shall:

1.20 (1) coordinate the water and soil resources planning activities of counties, soil and  
1.21 water conservation districts, watershed districts, watershed management organizations,  
1.22 and any other local units of government through its various authorities for approval of  
1.23 local plans, administration of state grants, and by other means as may be appropriate;

1.24 (2) facilitate communication and coordination among state agencies in cooperation  
1.25 with the Environmental Quality Board, and between state and local units of government,

2.1 in order to make the expertise and resources of state agencies involved in water and soil  
2.2 resources management available to the local units of government to the greatest extent  
2.3 possible;

2.4 (3) coordinate state and local interests with respect to the study in southwestern  
2.5 Minnesota under United States Code, title 16, section 1009;

2.6 (4) develop information and education programs designed to increase awareness  
2.7 of local water and soil resources problems and awareness of opportunities for local  
2.8 government involvement in preventing or solving them;

2.9 (5) provide a forum for the discussion of local issues and opportunities relating  
2.10 to water and soil resources management;

2.11 (6) adopt an annual budget and work program that integrate the various functions  
2.12 and responsibilities assigned to it by law; ~~and~~

2.13 (7) report to the governor and the legislature by October 15 of each even-numbered  
2.14 year with an assessment of board programs and recommendations for any program  
2.15 changes and board membership changes necessary to improve state and local efforts in  
2.16 water and soil resources management; and

2.17 (8) report to the legislature by January 15 of each even-numbered year on the  
2.18 progress being made to further the basin watershed management policy established under  
2.19 section 103A.212.

2.20 The board may accept grants, gifts, donations, or contributions in money, services,  
2.21 materials, or otherwise from the United States, a state agency, or other source to achieve  
2.22 an authorized purpose. The board may enter into a contract or agreement necessary or  
2.23 appropriate to accomplish the transfer. The board may receive and expend money to  
2.24 acquire conservation easements, as defined in chapter 84C, on behalf of the state and  
2.25 federal government consistent with the Camp Ripley's Army Compatible Use Buffer  
2.26 Project.

2.27 Any money received is hereby appropriated and dedicated for the purpose for  
2.28 which it is granted.

2.29 Sec. 3. Minnesota Statutes 2008, section 103B.102, subdivision 2, is amended to read:

2.30 Subd. 2. **Definitions.** For the purposes of this section, "local water management  
2.31 entities" means basin boards, watershed districts, soil and water conservation districts,  
2.32 metropolitan water management organizations, and counties operating separately or  
2.33 jointly in their role as local water management authorities under chapter 103B, 103C,  
2.34 103D, or 103G and chapter 114D.

3.1 Sec. 4. **[103B.176] DEFINITIONS.**

3.2 (a) For the purposes of sections 103B.176 to 103B.18, the following terms have  
3.3 the meanings given.

3.4 (b) "Basin board" means a basin board established under section 103B.178 or  
3.5 103B.179.

3.6 (c) "Local water management organizations" means watershed districts, soil  
3.7 and water conservation districts, metropolitan water management organizations, lake  
3.8 improvement districts, lake conservation districts, and counties under chapters 103B,  
3.9 103C, 103D, and 114.

3.10 (d) "Watershed management entity" means: (1) a watershed district under chapter  
3.11 103D; (2) a watershed management organization under section 103B.211; or (3) a formally  
3.12 organized joint powers organization of counties, cities, soil and water conservation  
3.13 districts, and watershed districts located outside the seven-county metropolitan area as  
3.14 defined under section 473.121, subdivision 4, encompassing one or more of the state's  
3.15 major watersheds as determined by the Board of Water and Soil Resources. A lake  
3.16 improvement district is not a watershed management entity.

3.17 Sec. 5. **[103B.177] BASIN WATERSHED MANAGEMENT.**

3.18 Subdivision 1. **Basin management purposes.** The purposes of the basin watershed  
3.19 management approach are to:

3.20 (1) protect, preserve, and use natural surface water and groundwater storage and  
3.21 retention systems;

3.22 (2) maximize benefits of public capital expenditures needed to correct flooding and  
3.23 water quality problems;

3.24 (3) identify and plan for means to effectively protect and improve surface water  
3.25 and groundwater quality;

3.26 (4) establish more uniform policies, goals, and objectives for surface water and  
3.27 groundwater management;

3.28 (5) prevent erosion of soil and associated pollutants into surface water systems;

3.29 (6) promote groundwater recharge;

3.30 (7) protect and enhance fish and wildlife habitat;

3.31 (8) secure other benefits associated with the sustainable use and management of  
3.32 surface water and groundwater resources;

3.33 (9) promote coordination and cooperation among local water management  
3.34 organizations;

4.1 (10) work with other public agencies and citizen volunteers collecting scientific data  
4.2 used to identify and restore impaired waters; and

4.3 (11) facilitate resolution of water resources conflicts.

4.4 Subd. 2. **Basin boards.** (a) Basin boards may be established in each of the state's  
4.5 major river basins. Basin boards shall be established by petition under section 103B.178  
4.6 in the following major river basins:

4.7 (1) Rainy River Basin;

4.8 (2) Great Lakes Basin;

4.9 (3) St. Croix River Basin;

4.10 (4) Middle Mississippi River Basin;

4.11 (5) Lower Mississippi-Cedar Rivers Basin;

4.12 (6) Missouri-Des Moines Rivers Basin;

4.13 (7) Upper Mississippi River Basin; and

4.14 (8) Minnesota River Basin.

4.15 (b) The board for the Red River of the North Basin shall be the Red River Watershed  
4.16 Management Board established under Laws 1976, chapter 162. The Red River Watershed  
4.17 Management Board may reorganize and establish itself under the petition for amendment  
4.18 process under section 103B.179. Until the Red River Watershed Management Board  
4.19 is established under section 103B.179, the board shall continue to operate under Laws  
4.20 1976, chapter 162.

4.21 Subd. 3. **Membership; organization.** (a) Membership of the basin boards under  
4.22 subdivision 2, paragraph (a), consists of one member from each of the existing watershed  
4.23 management entities within the basin and one member from each of the major watershed  
4.24 units where there is no watershed management entity. The governing body for each  
4.25 watershed management entity shall appoint one member. If no watershed management  
4.26 entity exists, the counties and soil and water conservation districts located wholly or  
4.27 partially within, or any watershed district located partially within, each major watershed  
4.28 unit shall jointly appoint one member that resides in the major watershed unit. A member  
4.29 of a basin board must be a county commissioner, a soil and water conservation district  
4.30 supervisor, a watershed district manager, or an elected city official.

4.31 (b) Each basin board established by petition under section 103B.178 shall annually  
4.32 elect from among its members a chair, vice-chair, and secretary-treasurer who shall serve  
4.33 for concurrent three-year terms. The chair shall preside over all meetings of the basin  
4.34 board and may call special meetings at reasonable times and with adequate notice, when  
4.35 necessary. The vice-chair shall preside over the meetings of the basin board in the absence  
4.36 of the chair. The secretary-treasurer or the designee of the secretary-treasurer shall keep a

5.1 record of all proceedings of the basin board. The secretary-treasurer shall provide for the  
5.2 proper receipt and disbursement of funds.

5.3 Subd. 4. **Advisory committee.** (a) A basin board must appoint an advisory  
5.4 committee to advise and assist the basin board on all matters affecting the interests of the  
5.5 basin and make recommendations to the basin board on all projects and improvements  
5.6 proposed by the basin board.

5.7 (b) The advisory committee consists of at least six members. The members of the  
5.8 advisory committee shall be from the advisory committees of the watershed management  
5.9 entities within the basin. If no watershed management entity exists, the advisory  
5.10 committee member shall be appointed in the same manner as the basin membership under  
5.11 subdivision 3. The members must be residents of the basin and shall serve two-year terms.

5.12 Subd. 5. **Basin management plans.** Within 24 months of establishment under  
5.13 section 103B.178 or 103B.179, a basin board shall adopt a basin management plan as  
5.14 approved by the Board of Water and Soil Resources.

5.15 Subd. 6. **Watershed management entity plans.** Within 120 days of basin board  
5.16 establishment under section 103B.178 or 103B.179, all watershed management entity  
5.17 plans and local water plans developed under sections 103B.231, 103B.235, 103B.255,  
5.18 103B.311, 103B.501, 103B.601, 103B.651, 103C.331, subdivision 11, and 103D.401,  
5.19 shall be submitted to the basin board for review and comment on the consistency  
5.20 of the proposed plan with the basin management plan. A county or soil and water  
5.21 conservation district may use the watershed management entity plan to meet the local  
5.22 water management plan requirements of sections 103B.311 and 103C.331, subdivision 11.

5.23 Subd. 7. **Taxing and other authority.** (a) For taxes levied the year following  
5.24 the establishment of the basin board and thereafter, a basin board with taxing authority  
5.25 under paragraph (b) or a county with taxing authority under paragraph (c) may levy an ad  
5.26 valorem tax not to exceed 0.048 percent of the taxable market value of all property within  
5.27 the basin, or \$1,000,000, whichever is less. A levy under this subdivision is in addition to  
5.28 any other levy authorized by statute. The levy shall be allocated as follows:

5.29 (1) one-half of the levy shall be credited to the general fund of the basin board and  
5.30 shall be used: (i) to develop and implement the basin board's management plan; and (ii)  
5.31 for water resource projects and programs of benefit to the basin. The basin board must  
5.32 adopt criteria for application and allocation of these funds by the basin board; and

5.33 (2) the remaining one-half of the levy shall be credited to the watershed management  
5.34 fund of the watershed management entity for development, construction, maintenance,  
5.35 implementation, and operation of projects and programs of benefit to the watershed and  
5.36 basin for the restoration, enhancement, preservation, and protection of water and related

6.1 land resources. If no watershed management entity exists for a major watershed unit,  
 6.2 the levy under this clause shall be credited to the county and held by the county until a  
 6.3 watershed management entity is established, at which time the funds shall be transferred  
 6.4 for use by the watershed management entity.

6.5 (b) A basin board may establish taxing authority under this section if the majority of  
 6.6 the members of the basin board are elected officials at the time the levy is established.  
 6.7 A basin board with taxing authority under this section is a special taxing district under  
 6.8 section 275.066.

6.9 (c) A county may levy a tax under paragraph (a) on behalf of a basin board when a  
 6.10 basin board does not have taxing authority under paragraph (b). A county levying under  
 6.11 this section is a special taxing district under section 275.066.

6.12 (d) A basin board may hire or contract for goods and services to carry out its  
 6.13 responsibilities under this section.

6.14 (e) A basin board has the authority to participate in interstate and international basin  
 6.15 organizations that are geographically and hydrologically connected with the basin.

6.16 (f) A basin board is eligible for funding from the clean water fund under section  
 6.17 114D.50, provided the basin board meets the requirements established under section  
 6.18 103B.18, subdivision 1.

6.19 (g) A basin board may enter into joint powers agreements under section 471.59.

6.20 **Sec. 6. [103B.178] ESTABLISHMENT PETITION.**

6.21 Subdivision 1. **Filing.** To establish a basin board as permitted under section  
 6.22 103B.177, an establishment petition must be filed with the Board of Water and Soil  
 6.23 Resources.

6.24 Subd. 2. **Requirements.** The establishment petition must state:

6.25 (1) the name of the proposed basin board;

6.26 (2) the major river basin under section 103B.177 to be represented by the board,  
 6.27 including a map and description of the property to be included;

6.28 (3) the membership structure of the board meeting the requirements under section  
 6.29 103B.177, subdivision 3; and

6.30 (4) whether the board intends to meet the elected official requirements for  
 6.31 establishing taxing authority under section 103B.177, subdivision 7.

6.32 Subd. 3. **Signatures.** The establishment petition must be signed by one or more  
 6.33 of the following groups:

6.34 (1) one-half or more of the counties, soil and water conservation districts, or  
 6.35 watershed districts located wholly or partially within the basin;

7.1 (2) counties, soil and water conservation districts, or watershed districts collectively  
7.2 having 50 percent or more of the area within the basin;

7.3 (3) cities that represent the majority of city residents within the basin; or

7.4 (4) 50 or more resident owners residing in a watershed from at least 25 percent of  
7.5 the watersheds within the basin, excluding resident owners within the corporate limits of  
7.6 a city if the city has signed the petition.

7.7 Subd. 4. **Filing establishment petitions.** (a) The petitioners must file a copy of  
7.8 the original establishment petition with a signed statement of delivery or receipt with the  
7.9 auditors of affected counties and with the Board of Water and Soil Resources.

7.10 (b) An auditor that receives a copy of an establishment petition must determine  
7.11 whether the petitioners are resident owners from the tax records. The tax records are prima  
7.12 facie evidence of ownership. The auditor must certify the number of petitioners that are  
7.13 resident owners and file the certification with the Board of Water and Soil Resources.

7.14 (c) After receiving a copy of the establishment petition, the Board of Water and Soil  
7.15 Resources shall acknowledge that an establishment petition has been received and prepare  
7.16 a preliminary river basin map and a preliminary report about the basin.

7.17 Subd. 5. **Similar and duplicate establishment petitions.** Similar and duplicate  
7.18 establishment petitions for the same proposed basin board may be filed and regarded as  
7.19 one establishment petition. All establishment petitions filed before the establishment  
7.20 hearing must be considered by the Board of Water and Soil Resources as part of the  
7.21 original petition.

7.22 Subd. 6. **Defective establishment petition.** An establishment petition that has the  
7.23 requisite number of petitioner signatures may not be dismissed because of defects in the  
7.24 establishment petition. The Board of Water and Soil Resources must allow petitioners to  
7.25 amend a defective establishment petition at any time before the end of the establishment  
7.26 hearing.

7.27 Subd. 7. **Withdrawal of petitioners.** After an establishment petition has been filed,  
7.28 a petitioner may not withdraw from the establishment petition unless the withdrawing  
7.29 petitioner obtains the written consent of all other petitioners and files the written consent  
7.30 with the Board of Water and Soil Resources.

7.31 Subd. 8. **Hearings; notice.** (a) After receiving an establishment petition, the  
7.32 Board of Water and Soil Resources must determine whether the establishment petition  
7.33 has the requisite number of petitioner signatures. If the establishment petition does  
7.34 not have the requisite number of petitioners, the board must dismiss the establishment  
7.35 petition and return it to the petitioners with an explanation of why the petition was  
7.36 dismissed. If the board determines that an establishment petition has the requisite number

8.1 of petitioner signatures, the board must, by order, set a time and location for hearings on  
8.2 the establishment petition within 35 days after the board's determination. The hearings  
8.3 must be held within the limits of the basin to be established unless the board determines  
8.4 a suitable place is not located within the basin and selects a place within the limits of a  
8.5 county that would be affected by the proposed basin board.

8.6 (b) The Board of Water and Soil Resources must give notice of the establishment  
8.7 hearings by publication in a legal newspaper that is published in counties affected by the  
8.8 proposed basin board. The last publication must occur at least ten days before the last  
8.9 establishment hearing. The board must give notice of the establishment hearings to the  
8.10 commissioners of natural resources, agriculture, health, and the Pollution Control Agency  
8.11 and to the auditors of counties and the chief executive officials of municipalities affected  
8.12 by the proposed basin board. The notice must include:

8.13 (1) a statement that an establishment petition has been filed with the board and  
8.14 auditors of counties affected by the proposed basin board;

8.15 (2) a general description of the need for the basin board;

8.16 (3) a general description of the property to be included in the basin represented  
8.17 by the proposed board;

8.18 (4) the date, time, and location of the hearings; and

8.19 (5) a statement that all persons affected or interested in the establishment of the basin  
8.20 board may attend and give statements at the establishment hearings.

8.21 (c) The Board of Water and Soil Resources must allow all persons interested in or  
8.22 affected by the proposed basin board an opportunity to make oral and written statements at  
8.23 the establishment hearings. The board may continue the establishment hearings.

8.24 Subd. 9. **Establishment order.** (a) If the Board of Water and Soil Resources  
8.25 determines after the establishment hearings that the establishment of the proposed basin  
8.26 board would benefit the public welfare and public interest, the board must, by order,  
8.27 establish the basin board. The order of the board establishing the basin board must include:

8.28 (1) the findings of the board supporting its determination to establish the basin board;

8.29 (2) the official name of the basin board;

8.30 (3) the location of the principal place of business of the basin board;

8.31 (4) the boundaries of the basin to be represented by the basin board; and

8.32 (5) the membership of the basin board.

8.33 (b) The Board of Water and Soil Resources must file a certified copy of the findings  
8.34 and order establishing a basin board with the secretary of state and, at the same time:



9.1 (1) mail a copy of the findings and order to the auditor of each county affected by the  
9.2 basin board and to the commissioners of natural resources, agriculture, health, and the  
9.3 Pollution Control Agency; and

9.4 (2) have each basin board member personally served with a copy of the order.

9.5 (c) A basin board established under this section exists from the time the order  
9.6 establishing the basin board is filed with the secretary of state until the basin board is  
9.7 terminated under section 103B.179.

9.8 **Sec. 7. [103B.179] AMENDMENTS AND TERMINATION.**

9.9 Subdivision 1. **Amendment process.** An establishment order for a basin board may  
9.10 be amended as provided in this section. A proceeding to amend an establishment order  
9.11 must be initiated by a petition to the Board of Water and Soil Resources requesting the  
9.12 amendment. Amendments may include changes to the boundaries of the area represented  
9.13 by the basin board, withdrawal of a portion of the area represented, additions to the area  
9.14 represented, or consolidation of areas represented. The Red River Watershed Management  
9.15 Board may reorganize and establish itself under this section as provided under section  
9.16 103B.177.

9.17 Subd. 2. **Petition.** (a) A petition for an amendment to an establishment order for a  
9.18 basin board must include:

9.19 (1) the name of the basin boards affected by any of the proposed changes;

9.20 (2) a description, in general terms, of the property affected by the proposed changes;

9.21 (3) reasons for the proposed changes;

9.22 (4) by illustration in a map, the proposed changes; and

9.23 (5) a request for the Board of Water and Soil Resources to establish the proposed  
9.24 changes.

9.25 (b) A petition for an amendment must be signed by:

9.26 (1) one-half or more of the counties, soil and water conservation districts, or  
9.27 watershed districts located wholly or partially within the basin;

9.28 (2) counties, soil and water conservation districts, or watershed districts collectively  
9.29 having 50 percent or more of the area within the basin;

9.30 (3) cities that represent the majority of city residents within the basin;

9.31 (4) 50 or more resident owners residing in a watershed from at least 25 percent of  
9.32 the watersheds within the basin, excluding resident owners within the corporate limits of a  
9.33 city if the city has signed the petition; or

9.34 (5) the basin board by passage of a resolution authorizing the amendment.

10.1            Subd. 3. **Hearings.** The Board of Water and Soil Resources must set a time and  
10.2 location for hearings and give notice of the hearings in the same manner as establishment  
10.3 hearings. If a petition for an amendment involves a common boundary of two or more  
10.4 areas represented by established basin boards, the Board of Water and Soil Resources  
10.5 must determine the basin where the hearings will be held.

10.6            Subd. 4. **Establishment of amendment.** (a) After the hearings on the petition  
10.7 for an amendment, the Board of Water and Soil Resources must establish the proposed  
10.8 amendment, by order, if the board determines that establishment of the proposed  
10.9 amendment would benefit the public welfare and public interest and the proposed  
10.10 amendment would advance the purpose of this chapter.

10.11            (b) In the order establishing the amendment, the board must include:

10.12            (1) the findings of the board supporting its determination to establish the amendment;  
10.13 and

10.14            (2) the boundaries of the areas represented by the basin boards affected by the  
10.15 amendment.

10.16            (c) The board must file a certified copy of the findings and order establishing the  
10.17 amendment with the secretary of state and, at the same time, mail a copy of the order to  
10.18 the auditors of counties affected by the change, the commissioners of natural resources,  
10.19 agriculture, health, and the Pollution Control Agency, and the members of basin boards  
10.20 affected by the change. The amendment is effective the day the certified order establishing  
10.21 the amendment is filed with the secretary of state.

10.22            Subd. 5. **Termination process.** A basin board may be terminated under this  
10.23 section. Proceedings for the termination of a basin board may only be initiated by  
10.24 filing a termination petition with the Board of Water and Soil Resources. The board  
10.25 may not accept a termination petition within five years from the date of a basin board's  
10.26 establishment. The board may not make determinations or accept termination petitions for  
10.27 basin boards more than once in five years.

10.28            Subd. 6. **Termination petition; certification.** (a) A termination petition must be  
10.29 signed by at least 25 percent of the resident owners from each of at least 50 percent of  
10.30 the watersheds in the area represented by the basin board. The termination petition must  
10.31 state that the existence of the basin board does not benefit the public welfare and public  
10.32 interest and the basin board is not needed to accomplish the purposes of this chapter. The  
10.33 petitioners must file a copy of the termination petition with the auditors of the counties  
10.34 affected by the basin board. The original termination petition with a statement signed for  
10.35 delivery or receipt of each of the termination petitions submitted to the auditors of counties  
10.36 affected by the basin board must be filed with the Board of Water and Soil Resources.

11.1 (b) An auditor who receives a termination petition must determine from the tax  
11.2 records whether the petitioners are resident owners within the area represented by the  
11.3 basin board. The auditor must certify the number of petitioners that are resident owners  
11.4 and file the certification with the Board of Water and Soil Resources.

11.5 Subd. 7. **Termination hearing; notice.** (a) When the Board of Water and Soil  
11.6 Resources determines a termination petition has been filed that meets the requirements of  
11.7 this section, the board must, by order, set a time within 35 days after its determination and  
11.8 a location within the area represented by the basin board for a termination hearing.

11.9 (b) The board must give notice of the termination hearing by publication in a legal  
11.10 newspaper that is published in counties affected by the basin board. The last publication  
11.11 must occur at least ten days before the termination hearing.

11.12 (c) The board must give notice of the termination hearing by mail to the auditors of  
11.13 counties and the chief executive officials of municipalities affected by the basin board.

11.14 (d) The notice must include:

11.15 (1) a statement that a termination petition has been filed with the board and auditors  
11.16 of the counties affected by the basin board;

11.17 (2) a general description of why the basin board is to be terminated;

11.18 (3) a general description of the property within the area represented by the basin  
11.19 board;

11.20 (4) the date, time, and location of the hearing; and

11.21 (5) a statement that all persons affected by or interested in the basin board may  
11.22 attend and give statements at the termination hearing.

11.23 (e) The Board of Water and Soil Resources must allow all persons affected by or  
11.24 interested in the basin board to make oral and written statements at the termination  
11.25 hearing. The board may continue the termination hearing.

11.26 Subd. 8. **Termination order.** If, after the termination hearing, the Board of Water  
11.27 and Soil Resources determines that the existence of the basin board does not benefit the  
11.28 public welfare and public interest and the basin board is not needed to accomplish the  
11.29 purpose of this chapter, the board must issue a termination order. The termination order  
11.30 must include findings that support termination of the basin board and a statement that the  
11.31 basin board is terminated. The board must file a certified copy of the termination order  
11.32 with the secretary of state. A basin board ceases to be a political subdivision and ceases to  
11.33 exist when a termination order for the basin board is filed with the secretary of state.

11.34 Sec. 8. **[103B.18] STANDARDS AND OVERSIGHT.**

12.1 Subdivision 1. **Standards.** A basin board may, in its basin management plan, adopt  
12.2 additional performance and operational standards for its member watershed management  
12.3 entities. A basin board, water management entity, or other local water management  
12.4 organization is not eligible for funds from the clean water legacy account under section  
12.5 114D.45 or from the clean water fund under section 114D.50 unless:

12.6 (1) it is formally organized;

12.7 (2) it has a water plan approved by the Board of Water and Soil Resources;

12.8 (3) there is cooperation, coordination, and implementation on a watershed basin  
12.9 basis; and

12.10 (4) nonstate matching funds are available.

12.11 Subd. 2. **Corrective actions.** (a) In addition to any other powers granted to the  
12.12 Board of Water and Soil Resources, the Board of Water and Soil Resources has the  
12.13 authority to intervene for the purpose of resolving disputes between a basin board and its  
12.14 member watershed management entities and between watershed management entities.

12.15 (b) A basin board may petition the Board of Water and Soil Resources to establish a  
12.16 watershed district if deficiencies identified by the Board of Water and Soil Resources are  
12.17 not corrected within two years. The Board of Water and Soil Resources may, after public  
12.18 notice and hearing, declare a watershed management organization nonimplementing and  
12.19 initiate proceedings for establishment of a watershed district.

12.20 Sec. 9. Minnesota Statutes 2008, section 103B.231, subdivision 4, is amended to read:

12.21 Subd. 4. **General standards.** (a) The watershed management plan must specify the  
12.22 period covered by the plan and must extend at least five years but no more than ten years  
12.23 from the date the board approves the plan. Plans that contain revision dates inconsistent  
12.24 with this section must comply with that date, provided it is not more than ten years beyond  
12.25 the date of board approval.

12.26 (b) The plan must be reviewed for consistency with an adopted county groundwater  
12.27 plan, and revised to the degree necessary to become compliant with the groundwater plan  
12.28 no later than two years after adoption by the county. A one-year extension may be granted  
12.29 by the board. Upon the request of a watershed management organization, the county shall  
12.30 provide a written statement that:

12.31 (1) identifies any substantial inconsistencies between the watershed plan and the  
12.32 groundwater plan and any substantial adverse effects of the watershed plan on the  
12.33 groundwater plan; and

12.34 (2) evaluates, estimates the cost of, and recommends alternatives for amending the  
12.35 watershed plan to rectify any substantial inconsistencies and adverse effects.

13.1 (c) The plan shall contain the elements required by subdivision 6. Each element shall  
13.2 be set out in the degree of detail and prescription necessary to accomplish the purposes  
13.3 of sections 103B.205 to 103B.255, considering the character of existing and anticipated  
13.4 physical and hydrogeologic conditions, land use, and development and the severity of  
13.5 existing and anticipated water management problems in the watershed.

13.6 (d) Existing plans of a watershed management organization shall remain in force and  
13.7 effect until amended or superseded by plans adopted under sections 103B.205 to 103B.255.

13.8 (e) Watershed management organizations shall coordinate their planning activities  
13.9 with basin boards, contiguous watershed management organizations and counties  
13.10 conducting water planning and implementation under sections 103B.101 and 103B.301  
13.11 to 103B.355.

13.12 (f) The plan must be consistent with the basin watershed management policy  
13.13 established in section 103A.212.

13.14 Sec. 10. Minnesota Statutes 2008, section 103B.245, subdivision 1, is amended to read:

13.15 Subdivision 1. **Watershed management tax district.** (a) Any local government unit  
13.16 planning for water management under ~~sections~~ section 103B.177, 103B.178, 103B.231  
13.17 ~~and, or~~ 103B.235 may establish a watershed management tax district in the territory  
13.18 within the watershed, for the purpose of paying the costs of the planning required under  
13.19 ~~sections~~ section 103B.177, 103B.231 and, or 103B.235.

13.20 (b) Any local government unit which has part of its territory within a watershed  
13.21 for which a plan has been adopted in accordance with section 103B.177, 103B.178, or  
13.22 103B.231 and which has a local water management plan adopted in accordance with  
13.23 section 103B.177, 103B.178, or 103B.235 may establish a watershed management tax  
13.24 district in the territory within the watershed or a subwatershed unit in the watershed,  
13.25 for the purpose of paying capital costs of the water management facilities described in  
13.26 the capital improvement program of the plans and for the purpose of paying for normal  
13.27 and routine maintenance of the facilities.

13.28 (c) A county or counties required by section 103B.231, subdivision 3, to prepare,  
13.29 adopt, and implement a watershed plan shall apportion the costs of planning, capital  
13.30 improvements, and maintenance proportionate to benefits. The county may apportion the  
13.31 costs among the subwatershed units in the watershed, or among the statutory and home  
13.32 rule charter cities and towns having territory in the watershed, and for this purpose may  
13.33 establish more than one watershed management tax district in the watershed.

14.1 (d) Notification of new watershed management tax districts established under this  
14.2 subdivision must be made to the county auditor by July 1 in order to be effective for  
14.3 taxes payable in the following year.

14.4 Sec. 11. Minnesota Statutes 2008, section 103B.3369, subdivision 2, is amended to  
14.5 read:

14.6 Subd. 2. **Establishment.** A local water resources protection and management  
14.7 program is established. The board may provide financial assistance to local units of  
14.8 government or to basin boards as defined in section 103B.176, paragraph (b), for activities  
14.9 that protect or manage water and related land quality. The activities include planning,  
14.10 zoning, official controls, and other activities to implement local water management plans.

14.11 Sec. 12. Minnesota Statutes 2009 Supplement, section 103B.3369, subdivision 5,  
14.12 is amended to read:

14.13 Subd. 5. **Financial assistance.** (a) A base grant may be awarded to a county that  
14.14 provides a match utilizing a water implementation tax or other local source. A water  
14.15 implementation tax that a county intends to use as a match to the base grant must be levied  
14.16 at a rate determined by the board. The minimum amount of the water implementation tax  
14.17 shall be a tax rate times the adjusted net tax capacity of the county for the preceding year.  
14.18 The rate shall be the rate, rounded to the nearest .001 of a percent, that, when applied to  
14.19 the adjusted net tax capacity for all counties, raises the amount of \$1,500,000. The base  
14.20 grant will be in an amount equal to \$37,500 less the amount raised by the local match.  
14.21 If the amount necessary to implement the local water plan for the county is less than  
14.22 \$37,500, the amount of the base grant shall be the amount that, when added to the match  
14.23 amount, equals the amount required to implement the plan. For counties where the tax  
14.24 rate generates an amount equal to or greater than \$18,750, the base grant shall be in an  
14.25 amount equal to \$18,750.

14.26 (b) A base grant may be awarded to a basin board as defined in section 103B.176,  
14.27 paragraph (b), for the development and implementation of a basin management plan under  
14.28 section 103B.177, subdivision 5.

14.29 Sec. 13. Minnesota Statutes 2008, section 103D.205, subdivision 3, is amended to read:

14.30 Subd. 3. **Signatures.** The establishment petition must be signed by one or more  
14.31 of the following groups:

14.32 (1) one-half or more of the counties within the proposed watershed district;

- 15.1 (2) counties having 50 percent or more of the area within the proposed watershed  
 15.2 district;
- 15.3 (3) a majority of the cities within the proposed watershed district; ~~or~~
- 15.4 (4) 50 or more resident owners residing in the proposed watershed district, excluding  
 15.5 resident owners within the corporate limits of a city if the city has signed the petition; or  
 15.6 (5) a basin board as defined under section 103B.176, paragraph (b).

15.7 Sec. 14. Minnesota Statutes 2008, section 103D.401, subdivision 1, is amended to read:

15.8 Subdivision 1. **Contents.** (a) The managers must adopt a watershed management  
 15.9 plan for any or all of the purposes for which a watershed district may be established.

15.10 The watershed management plan must give a narrative description of existing water and  
 15.11 water-related problems within the watershed district, possible solutions to the problems,  
 15.12 and the general objectives of the watershed district. The watershed management plan  
 15.13 must also conform closely with watershed management plan guidelines as adopted and  
 15.14 amended from time to time by the Board of Water and Soil Resources and be consistent  
 15.15 with the basin watershed management policy established in section 103A.212.

15.16 (b) The watershed management plan may include a separate section on proposed  
 15.17 projects. If the watershed district is within the metropolitan area, the separate section of  
 15.18 proposed projects or petitions for projects to be undertaken according to the watershed  
 15.19 management plan is a comprehensive plan of the watershed district for purposes of review  
 15.20 by the Metropolitan Council under section 473.165.

15.21 Sec. 15. Minnesota Statutes 2009 Supplement, section 275.066, is amended to read:

15.22 **275.066 SPECIAL TAXING DISTRICTS; DEFINITION.**

15.23 For the purposes of property taxation and property tax state aids, the term "special  
 15.24 taxing districts" includes the following entities:

- 15.25 (1) watershed districts under chapter 103D;
- 15.26 (2) sanitary districts under sections 115.18 to 115.37;
- 15.27 (3) regional sanitary sewer districts under sections 115.61 to 115.67;
- 15.28 (4) regional public library districts under section 134.201;
- 15.29 (5) park districts under chapter 398;
- 15.30 (6) regional railroad authorities under chapter 398A;
- 15.31 (7) hospital districts under sections 447.31 to 447.38;
- 15.32 (8) St. Cloud Metropolitan Transit Commission under sections 458A.01 to 458A.15;
- 15.33 (9) Duluth Transit Authority under sections 458A.21 to 458A.37;
- 15.34 (10) regional development commissions under sections 462.381 to 462.398;

- 16.1 (11) housing and redevelopment authorities under sections 469.001 to 469.047;
- 16.2 (12) port authorities under sections 469.048 to 469.068;
- 16.3 (13) economic development authorities under sections 469.090 to 469.1081;
- 16.4 (14) Metropolitan Council under sections 473.123 to 473.549;
- 16.5 (15) Metropolitan Airports Commission under sections 473.601 to 473.680;
- 16.6 (16) Metropolitan Mosquito Control Commission under sections 473.701 to 473.716;
- 16.7 (17) Morrison County Rural Development Financing Authority under Laws 1982,
- 16.8 chapter 437, section 1;
- 16.9 (18) Croft Historical Park District under Laws 1984, chapter 502, article 13, section
- 16.10 6;
- 16.11 (19) East Lake County Medical Clinic District under Laws 1989, chapter 211,
- 16.12 sections 1 to 6;
- 16.13 (20) Floodwood Area Ambulance District under Laws 1993, chapter 375, article
- 16.14 5, section 39;
- 16.15 (21) Middle Mississippi River Watershed Management Organization under sections
- 16.16 103B.211 and 103B.241;
- 16.17 (22) emergency medical services special taxing districts under section 144F.01;
- 16.18 (23) a county levying under the authority of section 103B.241, 103B.245, or
- 16.19 103B.251;
- 16.20 (24) Southern St. Louis County Special Taxing District; Chris Jensen Nursing Home
- 16.21 under Laws 2003, First Special Session chapter 21, article 4, section 12;
- 16.22 (25) an airport authority created under section 360.0426; ~~and~~
- 16.23 (26) a basin board or county under section 103B.177; and
- 16.24 (27) any other political subdivision of the state of Minnesota, excluding counties,
- 16.25 school districts, cities, and towns, that has the power to adopt and certify a property tax
- 16.26 levy to the county auditor, as determined by the commissioner of revenue.