

CHAPTER 143--S.F.No. 1012

An act relating to state government; appropriating money for environment and natural resources; modifying duties of Legislative-Citizen Commission on Minnesota Resources; amending Minnesota Statutes 2008, sections 116P.05, subdivision 2; 116P.08, subdivision 4; 116P.10.

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

Section 1. MINNESOTA RESOURCES APPROPRIATION.

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this act. The appropriations are from the environment and natural resources trust fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2010" and "2011" used in this act mean that the appropriations listed under them are available for the fiscal year ending June 30, 2010, or June 30, 2011, respectively. "The first year" is fiscal year 2010. "The second year" is fiscal year 2011. "The biennium" is fiscal years 2010 and 2011.

APPROPRIATIONS
Available for the Year
Ending June 30
2010 2011

Sec. 2. MINNESOTA RESOURCES.

Table with 2 columns: 2010, 2011. Row 1: Subdivision 1. Total Appropriation \$ 26,088,000 \$ -0-. Row 2: Appropriations by Fund. Row 3: Environment and Natural Resources Trust 25,622,000 -0-. Row 4: Great Lakes Protection Account 66,000 -0-. Row 5: State Land and Water Conservation Account (LAWCON) 400,000 -0-.

Appropriations are available for two years beginning July 1, 2009, unless otherwise stated in the appropriation. Any unencumbered balance remaining in the first year does not cancel and is available for the second year.

**Subd. 2. Definitions**

(a) "Trust fund" means the Minnesota environment and natural resources trust fund referred to in Minnesota Statutes, section 116P.02, subdivision 6.

(b) "Great Lakes protection account" means the account referred to in Minnesota Statutes, section 116Q.02.

(c) "State land and water conservation account (LAWCON)" means the state land and water conservation account in the natural resources fund referred to in Minnesota Statutes, section 116P.14.

**Subd. 3. Natural Resource Data and Information**

5,995,000

-0-

(a) Minnesota County Biological Survey

\$2,100,000 is from the trust fund to the commissioner of natural resources for continuation of the Minnesota county biological survey to provide a foundation for conserving biological diversity by systematically collecting, interpreting, and delivering data on plant and animal distribution and ecology, native plant communities, and functional landscapes.

(b) County Geological Atlas and South-Central Minnesota Groundwater

\$2,695,000 is from the trust fund for collection and interpretation of subsurface geological information and acceleration of the county geologic atlas program. \$820,000 of this appropriation is to the Board of Regents of the University of Minnesota for the geological survey to continue and to initiate the production of county geologic atlases. \$1,875,000 of this appropriation is

to the commissioner of natural resources to investigate the physical and recharge characteristics of the Mt. Simon aquifer. This appropriation represents a continuing effort to complete the county geologic atlases throughout the state. This appropriation is available until June 30, 2012, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

(c) Soil Survey

\$400,000 is from the trust fund to the Board of Water and Soil Resources to accelerate the county soil survey mapping and Web-based data delivery. This appropriation represents a continuing effort to complete the mapping. The soil surveys must be done on a cost-share basis with local and federal funds.

(d) Springshed Mapping for Trout Stream Management

\$500,000 is from the trust fund to continue to identify and delineate supply areas and springsheds for springs serving as coldwater sources for trout streams and to assess the impacts from development and water appropriations. Of this appropriation, \$250,000 is to the Board of Regents of the University of Minnesota and \$250,000 is to the commissioner of natural resources.

(e) Restorable Wetlands Inventory

\$300,000 is from the trust fund to the commissioner of natural resources for an agreement with Ducks Unlimited, Inc., to complete the inventory, mapping, and digitizing of drained restorable wetlands in Minnesota. This appropriation is available until June 30, 2012, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

**Subd. 4. Land, Habitat, and Recreation**

13,227,000

-0-

Appropriations by Fund

<u>Environment and Natural Resources Trust</u>	<u>12,827,000</u>	<u>-0-</u>
<u>State Land and Water Conservation Account (LAWCON)</u>	<u>400,000</u>	<u>-0-</u>

(a) State Parks Acquisition

\$590,000 is from the trust fund to the commissioner of natural resources to acquire in-holdings for state parks. Land acquired with this appropriation must be sufficiently improved to meet at least minimum management standards as determined by the commissioner of natural resources. A list of proposed acquisitions must be provided as part of the required work program.

(b) State Trail Acquisition

\$1,000,000 is from the trust fund to the commissioner of natural resources to assist in the acquisition of the Brown's Creek Segment of the Willard Munger Trail in Washington County and Paul Bunyan State Trail in the city of Bemidji.

(c) Metropolitan Regional Park System Acquisition

\$1,290,000 is from the trust fund to the Metropolitan Council for subgrants for the acquisition of lands within the approved park unit boundaries of the metropolitan regional park system. This appropriation may not be used for the purchase of residential structures. A list of proposed fee title and easement acquisitions must be provided as part of the required work program. All funding for conservation easements must include a long-term stewardship plan and funding for monitoring and enforcing the agreement. This appropriation must be matched by at least 40 percent of nonstate money and must be committed by December 31, 2009, or the appropriation cancels. This

appropriation is available until June 30, 2012, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

(d) Statewide Scientific and Natural Area Acquisition and Restoration

\$590,000 is from the trust fund to the commissioner of natural resources to acquire high quality native plant communities and rare features and restore parts of scientific and natural areas as provided in Minnesota Statutes, section 86A.05, subdivision 5. A list of proposed acquisitions must be provided as part of the required work program.

(e) Minnesota's Habitat Conservation Partnership (HCP) – Phase VI

\$3,375,000 is from the trust fund to the commissioner of natural resources for the sixth appropriation for acceleration of agency programs and cooperative agreements. Of this appropriation, \$770,000 is for the Department of Natural Resources agency programs and \$2,605,000 is for agreements as follows: \$450,000 with Pheasants Forever; \$50,000 with Minnesota Deer Hunters Association; \$895,000 with Ducks Unlimited, Inc.; \$85,000 with National Wild Turkey Federation; \$365,000 with the Nature Conservancy; \$210,000 with Minnesota Land Trust; \$350,000 with the Trust for Public Land; \$100,000 with Minnesota Valley National Wildlife Refuge Trust, Inc.; \$50,000 with the United States Fish and Wildlife Service; and \$50,000 with Friends of Detroit Lakes Watershed Management District to plan, restore, and acquire fragmented landscape corridors that connect areas of quality habitat to sustain fish, wildlife, and plants. The United States Department of Agriculture-Natural Resources Conservation Service is a cooperating partner in the appropriation. Expenditures are limited to the project corridor areas as defined in the work program. Land acquired with this appropriation must be sufficiently improved to meet at least minimum habitat and facility

management standards as determined by the commissioner of natural resources. This appropriation may not be used for the purchase of residential structures, unless expressly approved in the work program. All conservation easements must be perpetual and have a natural resource management plan. Any land acquired in fee title by the commissioner of natural resources with money from this appropriation must be designated as an outdoor recreation unit under Minnesota Statutes, section 86A.07. The commissioner may similarly designate any lands acquired in less than fee title. A list of proposed restorations and fee title and easement acquisitions must be provided as part of the required work program. All funding for conservation easements must include a long-term stewardship plan and funding for monitoring and enforcing the agreement. To the maximum extent practical, consistent with contractual easement or fee acquisition obligations, the recipients shall utilize staff resources to identify future projects and shall maximize the implementation of biodiverse, quality restoration projects in the project proposal into the first half of the 2010 fiscal year.

(f) Metro Conservation Corridors (MeCC) - Phase V

\$3,375,000 is from the trust fund to the commissioner of natural resources for the fifth appropriation for acceleration of agency programs and cooperative agreements. Of this appropriation, \$2,185,000 is for Department of Natural Resources agency programs and \$1,190,000 is for agreements as follows: \$380,000 with the Trust for Public Land; \$90,000 with Friends of the Mississippi River; \$155,000 with Great River Greening; \$250,000 with Minnesota Land Trust; \$225,000 with Minnesota Valley National Wildlife Refuge Trust, Inc.; and \$90,000 with Friends of the Minnesota Valley for the purposes of planning, restoring, and protecting important natural areas in the metropolitan area, as defined under Minnesota Statutes, section 473.121,

subdivision 2, and portions of the surrounding counties, through grants, contracted services, technical assistance, conservation easements, and fee title acquisition. Land acquired with this appropriation must be sufficiently improved to meet at least minimum management standards as determined by the commissioner of natural resources. Expenditures are limited to the identified project corridor areas as defined in the work program. This appropriation may not be used for the purchase of residential structures, unless expressly approved in the work program. All conservation easements must be perpetual and have a natural resource management plan. Any land acquired in fee title by the commissioner of natural resources with money from this appropriation must be designated as an outdoor recreation unit under Minnesota Statutes, section 86A.07. The commissioner may similarly designate any lands acquired in less than fee title. A list of proposed restorations and fee title and easement acquisitions must be provided as part of the required work program. All funding for conservation easements must include a long-term stewardship plan and funding for monitoring and enforcing the agreement. To the maximum extent practical, consistent with contractual easement or fee acquisition obligations, the recipients shall utilize staff resources to identify future projects and shall maximize the implementation of biodiverse, quality restoration projects in the project proposal into the first half of the 2010 fiscal year.

(g) Statewide Ecological Ranking of Conservation Reserve Program (CRP) and Other Critical Lands

\$107,000 is from the trust fund to the Board of Water and Soil Resources to continue the efforts funded by the emerging issues account allocation to identify and rank the ecological value of conservation reserve program (CRP) and other critical lands throughout Minnesota using a multiple parameter approach including soil productivity, landscape, water, and wildlife factors.

(h) Protection of Granite Rock Outcrop Ecosystem

\$1,500,000 is from the trust fund to the Board of Water and Soil Resources, in cooperation with the Renville Soil and Water Conservation District, to acquire perpetual easements of unique granite rock outcrops located in the Upper Minnesota River Valley and to restore their ecological integrity.

(i) Minnesota Farm Bill Assistance Project

\$1,000,000 is from the trust fund to the Board of Water and Soil Resources to provide funding for technical staff to assist in the implementation provisions of conservation programs including the federal farm bill conservation programs. Documentation must be provided on the number of landowner contacts, program participation, federal dollars leveraged, quantifiable criteria, and measurement of the improvements to water quality and habitat.

(j) Land and Water Conservation Account (LAWCON) Federal Reimbursements

\$400,000 is from the state land and water conservation account (LAWCON) in the natural resources fund to the commissioner of natural resources for priorities established by the commissioner for eligible state projects and administrative and planning activities consistent with Minnesota Statutes, section 116P.14, and the federal Land and Water Conservation Fund Act.

Subd. 5. Water Resources2,063,000-0-(a) Removal of Endocrine Disruptors; Treatment and Education

\$275,000 is from the trust fund to the Board of Regents at the University of Minnesota to continue research on the removal of endocrine disruptors from Minnesota's waters through strategies of enhancing treatment at wastewater treatment plants and decreasing the use of the compounds. This appropriation is available until June



30, 2012, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program. \* **(The preceding text beginning "(a) Removal of Endocrine Disruptors;" was indicated as vetoed by the governor.)**

(b) Vulnerability of Fish Populations in Lakes to Endocrine Disrupting Contaminants

\$297,000 is from the trust fund to the commissioner of natural resources for an agreement with the United States Geologic Survey and St. Cloud State University to develop quantitative data on juvenile and adult fish vulnerability to endocrine-active emerging contaminants found in Minnesota lakes. This appropriation is available until June 30, 2012, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

(c) Cooperative Habitat Research in Deep Lakes

\$825,000 is from the trust fund to the commissioner of natural resources to assess the consequences of large ecological drivers of change on water quality and habitat dynamics of deep water lakes with coldwater fish populations. This appropriation is available until June 30, 2012, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

(d) Intensified Tile Drainage Evaluation

\$300,000 is from the trust fund to the Science Museum of Minnesota for the St. Croix watershed research station to conduct a comparative assessment of hydrologic changes in watersheds with and without intensive tile drainage to determine the effects of climate and tile drainage on river erosion. This appropriation is available until June 30, 2012, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

(e) Citizen-Based Stormwater Management

\$279,000 is from the trust fund to the commissioner of natural resources for an agreement with Metro Blooms, in cooperation with Minnehaha Creek Watershed District and the city of Minneapolis, to install and evaluate the effectiveness of rain gardens on improving the impaired water of Powderhorn Lake in Minneapolis. This appropriation is available until June 30, 2012, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

(f) Minnesota Drainage Law Analysis and Evaluation

\$87,000 is from the trust fund to the commissioner of natural resources for an agreement with Smith Partners PLLP to identify and analyze legal and policy issues where the drainage code conflicts with other laws impacting protection of public waters and wetlands.

**Subd. 6. Aquatic and Terrestrial Invasive Species**

1,068,000

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Appropriations by Fund

Environment and Natural Resources

<u>Trust</u>	<u>1,002,000</u>	<u>-0-</u>
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Great Lakes

<u>Protection Account</u>	<u>66,000</u>	<u>-0-</u>
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(a) Ballast Water Sampling Method Development and Treatment Technology

\$300,000 is from the trust fund and \$66,000 is from the Great Lakes protection account to the commissioner of the Pollution Control Agency in cooperation with the Department of Natural Resources to conduct monitoring for aquatic invasive species in ballast water discharges to Minnesota waters of Lake Superior and to test the effectiveness of ballast water treatment systems.

(b) Emergency Delivery System Development for Disinfecting Ballast Water

\$125,000 is from the trust fund to the commissioner of the Pollution Control Agency for an agreement with the United States Geologic Survey to test the viability of treating ballast water through tank access ports or air vents as a means to prevent the spread of invasive species.

(c) Improving Emerging Fish Disease Surveillance in Minnesota

\$80,000 is from the trust fund to the Board of Regents of the University of Minnesota to assess mechanisms and control of the transmission of Heterosporosis, an emerging fish disease in Minnesota, to assist in future management decisions and research.

(d) Controlling the Movement of Invasive Fish Species

\$300,000 is from the trust fund to the Board of Regents of the University of Minnesota to develop and test sonic barriers that could be effective in preventing and controlling the movement of invasive carp in Minnesota's waterways. This appropriation is available until June 30, 2012, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

(e) Prevention and Early Detection of Invasive Earthworms

\$150,000 is from the trust fund to the Board of Regents of the University of Minnesota Natural Resources Research Institute for a risk assessment of the methods of spreading, testing of management recommendations, and identification of key areas for action in the state to reduce the impacts of invasive earthworms on hardwood forest productivity. This appropriation is available until June 30, 2012, at which time the project must be completed and final products delivered.

unless an earlier date is specified in the work program.

(f) Native Plant Biodiversity, Invasive Plant Species, and Invertebrates

\$47,000 is from the trust fund to the commissioner of natural resources for an agreement with Concordia College to survey plant, pollinator, and invertebrate biodiversity in native and restored prairies to assess impacts on invasive species and food sources for grassland birds and ecosystem services.

Subd. 7. Energy

2,323,000

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(a) Options to Decarbonize Minnesota's Electrical Power System

\$143,000 is from the trust fund to the Board of Regents of the University of Minnesota to analyze the Minnesota Climate Change Advisory Group's greenhouse gas reduction recommendations related to electrical power from a life-cycle analysis and a socio-political perspective. \* (The preceding text beginning "(a) Options to Decarbonize" was indicated as vetoed by the governor.)

(b) Projecting Environmental Trajectories for Energy-Water-Habitat Planning

\$180,000 is from the trust fund to the Board of Regents of the University of Minnesota to combine detailed climatic records of Minnesota with present and past ecosystem boundaries to forecast future fine-scale flow of climate across the state impacting human activities and natural resources.

(c) Energy Efficient Cities

\$2,000,000 is from the trust fund to the commissioner of commerce for an agreement with the Center for Energy and Environment for demonstration of innovative residential energy efficiency delivery and financing strategies, training, installation, evaluation,

and recommendations for a utility residential energy conservation program.

**Subd. 8. Administration and Other**

1,412,000

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**(a) Contract Management**

\$158,000 is from the trust fund to the commissioner of natural resources for contract management for duties assigned in Laws 2007, chapter 30, section 2, and Laws 2008, chapter 367, section 2, and for additional duties as assigned in this section.

**(b) Legislative-Citizen Commission on Minnesota Resources (LCCMR)**

\$1,254,000 is from the trust fund for fiscal years 2010 and 2011 and is for administration as provided in Minnesota Statutes, section 116P.09, subdivision 5.

**Subd. 9. Availability of Appropriations**

Unless otherwise provided, the amounts in this section are available until June 30, 2011, when projects must be completed and final products delivered. For acquisition of real property, the amounts in this section are available until June 30, 2012, if a binding contract is entered into by June 30, 2011, and closed not later than June 30, 2012. If a project receives a federal grant, the time period of the appropriation is extended to equal the federal grant period.

**Subd. 10. Data Availability Requirements**

Data collected by the projects funded under this section that have value for planning and management of natural resources, emergency preparedness, and infrastructure investments must conform to the enterprise information architecture developed by the Office of Enterprise Technology. Spatial data must conform to geographic information system guidelines and standards outlined in that architecture and adopted by the Minnesota Geographic Data Clearinghouse at the Land Management Information Center. A

description of these data that adheres to the Office of Enterprise Technology geographic metadata standards must be submitted to the Land Management Information Center to be made available online through the clearinghouse and the data must be accessible and free to the public unless made private under the Data Practices Act, Minnesota Statutes, chapter 13.

To the extent practicable, summary data and results of projects funded under this section should be readily accessible on the Internet and identified as an environment and natural resources trust fund project.

#### **Subd. 11. Project Requirements**

(a) As a condition of accepting an appropriation in this section, any agency or entity receiving an appropriation must, for any project funded in whole or in part with funds from the appropriation:

(1) comply with Minnesota Statutes, chapter 116P;

(2) plant vegetation only of native ecotypes to Minnesota and preferably of the local ecotype using a high diversity of species originating as close to the restoration site as possible and when restoring prairies, protect existing prairies from genetic contamination.

Use of seeds and plant materials beyond these requirements must be expressly approved in the work program;

(3) provide that all conservation easements:

(i) are perpetual;

(ii) specify the parties to an easement in the easement;

(iii) specify all of the provisions of an agreement that are perpetual;

(iv) are sent to the office of the Legislative-Citizen Commission on Minnesota Resources in an electronic format; and

(v) include a long-term stewardship plan and funding for monitoring and enforcing the easement agreement;

(4) for all restorations, prepare an ecological restoration and management plan that, to the degree practicable, is consistent with the highest quality conservation and ecological goals for the restoration site. Consideration should be given to soil, geology, topography, and other relevant factors that would provide the best chance for long-term success of the restoration projects. The plan shall include the proposed time table for implementing the restoration, including site preparation, establishment of diverse plant species, maintenance, and additional enhancement to establish the restoration; identify long-term maintenance and management needs of the restoration and how the maintenance, management, and enhancement will be financed; and take advantage of the best available science and include innovative techniques to achieve the best restoration;

(5) for new lands acquired, prepare a restoration and management plan in compliance with clause (4), including sufficient funding for implementation;

(6) give priority in any acquisition of land or interest in land to high quality natural resources or conservation lands that provide natural buffers to water resources;

(7) to ensure public accountability for the use of public funds, provide to the Legislative-Citizen Commission on Minnesota Resources documentation of the selection process used to identify parcels acquired and provide documentation of all related transaction costs, including but not limited to appraisals, legal fees, recording fees, commissions, other similar costs, and donations. This information must be provided for all parties involved in the transaction. The recipient shall also report to the Legislative-Citizen Commission on Minnesota Resources any difference between the acquisition amount paid to the seller and the state-certified or state-reviewed appraisal. Acquisition data such as appraisals

may remain private during negotiations but must ultimately be made public according to Minnesota Statutes, chapter 13; and

(8) give consideration to contracting with the Minnesota Conservation Corps for contract restoration and enhancement services.

(b) The Legislative-Citizen Commission on Minnesota Resources shall review the requirement in paragraph (a), clause (7), and provide a recommendation whether to continue or modify the requirement in future years. The commission may waive the application of paragraph (a), clause (7), for specific projects.

#### **Subd. 12. Payment Conditions and Capital Equipment Expenditures**

All agreements, grants, or contracts referred to in this section must be administered on a reimbursement basis unless otherwise provided in this section. Notwithstanding Minnesota Statutes, section 16A.41, expenditures made on or after July 1, 2009, or the date the work program is approved, whichever is later, are eligible for reimbursement unless otherwise provided in this section. Periodic payment must be made upon receiving documentation that the deliverable items articulated in the approved work program have been achieved, including partial achievements as evidenced by approved progress reports. Reasonable amounts may be advanced to projects to accommodate cash flow needs or match federal money. The advances must be approved as part of the work program. No expenditures for capital equipment are allowed unless expressly authorized in the project work program.

#### **Subd. 13. Purchase of Recycled and Recyclable Materials**

A political subdivision, public or private corporation, or other entity that receives an appropriation in this section must use the appropriation in compliance with Minnesota Statutes, sections 16B.121, regarding



purchase of recycled, repairable, and durable materials, and 16B.122, regarding purchase and use of paper stock and printing.

**Subd. 14. Energy Conservation and Sustainable Building Guidelines**

A recipient to whom an appropriation is made in this section for a capital improvement project shall ensure that the project complies with the applicable energy conservation and sustainable building guidelines and standards contained in law, including Minnesota Statutes, sections 16B.325, 216C.19, and 216C.20, and rules adopted thereunder. The recipient may use the energy planning, advocacy, and State Energy Office units of the Department of Commerce to obtain information and technical assistance on energy conservation and alternative energy development relating to the planning and construction of the capital improvement project.

**Subd. 15. Accessibility**

Structural and nonstructural facilities must meet the design standards in the Americans with Disabilities Act (ADA) accessibility guidelines.

**Subd. 16. Carryforward**

The availability of the appropriations for the following projects is extended to June 30, 2010:

(1) Laws 2005, First Special Session chapter 1, article 2, section 11, subdivision 9, paragraph (a), completing third-party certification of Department of Natural Resources forest lands, as extended by Laws 2007, chapter 30, section 2, subdivision 16;

(2) Laws 2005, First Special Session chapter 1, article 2, section 11, subdivision 10, paragraph (a), clean energy resource teams and community wind energy rebate, as amended by Laws 2006, chapter 243, section 15;

(3) Laws 2005, First Special Session chapter 1, article 2, section 11, subdivision 10, paragraph (e), wind to hydrogen demonstration, as extended by Laws 2007, chapter 30, section 2, subdivision 16;

(4) Laws 2007, chapter 30, section 2, subdivision 4, paragraph (a), forest legacy conservation easements; and

(5) Laws 2007, chapter 30, section 2, subdivision 5, paragraph (m), threat of emerging contaminants to Upper Mississippi walleye.

Sec. 3. Minnesota Statutes 2008, section 116P.05, subdivision 2, is amended to read:

Subd. 2. **Duties.** (a) The commission shall recommend an annual or biennial legislative bill for appropriations from the environment and natural resources trust fund and shall adopt a strategic plan as provided in section 116P.08. Approval of the recommended legislative bill requires an affirmative vote of at least 12 members of the commission.

(b) The commission shall recommend expenditures to the legislature from the state land and water conservation account in the natural resources fund.

(c) It is a condition of acceptance of the appropriations made from the Minnesota environment and natural resources trust fund, and oil overcharge money under section 4.071, subdivision 2, that the agency or entity receiving the appropriation must submit a work program and semiannual progress reports in the form determined by the Legislative-Citizen Commission on Minnesota Resources, and comply with applicable reporting requirements under section 116P.16. None of the money provided may be spent unless the commission has approved the pertinent work program.

(d) The peer review panel created under section 116P.08 must also review, comment, and report to the commission on research proposals applying for an appropriation from the oil overcharge money under section 4.071, subdivision 2.

(e) The commission may adopt operating procedures to fulfill its duties under this chapter.

(f) As part of the operating procedures, the commission shall:

(1) ensure that members' expectations are to participate in all meetings related to funding decision recommendations;

(2) recommend adequate funding for increased citizen outreach and communications for trust fund expenditure planning;

(3) allow administrative expenses as part of individual project expenditures based on need;

(4) provide for project outcome evaluation;

(5) keep the grant application, administration, and review process as simple as possible; and

(6) define and emphasize the leveraging of additional sources of money that project proposers should consider when making trust fund proposals.

Sec. 4. Minnesota Statutes 2008, section 116P.08, subdivision 4, is amended to read:

Subd. 4. **Legislative recommendations.** (a) Funding may be provided only for those projects that meet the categories established in subdivision 1.

(b) The commission must recommend an annual or biennial legislative bill to make appropriations from the trust fund for the purposes provided in subdivision 1. The recommendations must be submitted to the governor for inclusion in the biennial budget and supplemental budget submitted to the legislature.

(c) The commission may recommend regional block grants for a portion of trust fund expenditures to partner with existing regional organizations that have strong citizen involvement, to address unique local needs and capacity, and to leverage all available funding sources for projects.

(d) The commission may recommend the establishment of an ~~annual~~ emerging issues account in its ~~annual~~ legislative bill for funding emerging issues, which come up unexpectedly, but which still adhere to the commission's strategic plan, to be approved by the governor after initiation and recommendation by the commission.

(e) Money in the trust fund may not be spent except under an appropriation by law.

Sec. 5. Minnesota Statutes 2008, section 116P.10, is amended to read:

**116P.10 ROYALTIES, COPYRIGHTS, PATENTS, AND SALE OF PRODUCTS AND ASSETS.**

(a) This section applies to projects supported by the trust fund and the oil overcharge money referred to in section 4.071, subdivision 2, each of which is referred to in this section as a "fund."

(b) The fund owns and shall take title to the percentage of a royalty, copyright, or patent resulting from a project supported by the fund equal to the percentage of the project's total funding provided by the fund. Cash receipts resulting from a royalty, copyright, or patent, or the sale of the fund's rights to a royalty, copyright, or patent, must be credited immediately to the principal of the fund. Receipts from Minnesota future resources fund projects must be credited to the trust fund. The commission may include in its ~~annual~~ legislative bill a recommendation to relinquish the ownership or rights to a royalty, copyright, or patent resulting from a project supported by the fund to the project's proposer when the amount of the original grant or loan, plus interest, has been repaid to the fund.

(c) If a project supported by the fund results in net income from the sale of products or assets developed or acquired by an appropriation from the fund, the appropriation must be repaid to the fund in an amount equal to the percentage of the project's total funding provided by the fund. The commission may include in its ~~annual~~ legislative bill a recommendation to relinquish the income if a plan is approved for reinvestment of the income in the project or when the amount of the original grant or loan, plus interest, has been repaid to the fund.

Presented to the governor May 20, 2009

Signed by the governor May 22, 2009, 5:06 p.m.