

SENATE
STATE OF MINNESOTA
NINETY-FIRST SESSION

S.F. No. 4265

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Introduction and first reading
Referred to Environment and Natural Resources Policy and Legacy Finance

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to clean water; establishing soil and water conservation district grant
1.3 program; appropriating money; amending Laws 2019, First Special Session chapter
1.4 2, article 2, sections 2, subdivision 1; 7; proposing coding for new law in Minnesota
1.5 Statutes, chapter 103C.

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

1.7 Section 1. 103C.333 SOIL AND WATER CONSERVATION DISTRICT GRANTS.

1.8 Subdivision 1. Creation. The Board of Water and Soil Resources must establish a soil
1.9 and water conservation district grant program to provide support to soil and water
1.10 conservation districts.

1.11 Subd. 2. Distribution of grants. Money appropriated for grants to soil and water
1.12 conservation districts under this section must be distributed as follows:

1.13 (1) one-third must be distributed equally as a base grant to each soil and water
1.14 conservation district;

1.15 (2) one-third must be distributed equally to soil and water conservation districts with a
1.16 total estimated market value of taxable property in the bottom ... percent of the state; and

1.17 (3) one-third must be distributed as competitive grants based on soil and water
1.18 conservation district performance and the merits of a project's environmental outcomes.

1.19 Sec. 2. Laws 2019, First Special Session chapter 2, article 2, section 2, subdivision 1, is
1.20 amended to read:

1.21 Subdivision 1. **Total Appropriation** \$ 134,518,000 \$ **126,743,000**
1.22 123,743,000

2.1 The amounts that may be spent for each
2.2 purpose are specified in the following sections.

2.3 Sec. 3. Laws 2019, First Special Session chapter 2, article 2, section 7, is amended to read:

2.4	Sec. 7. BOARD OF WATER AND SOIL		66,484,000
2.5	RESOURCES	\$ 71,950,000 \$	<u>63,484,000</u>

2.6 (a) \$13,591,000 the first year and \$13,375,000
 2.7 the second year are for performance-based
 2.8 grants with multiyear implementation plans
 2.9 to local government units. The grants may be
 2.10 used to implement projects that protect,
 2.11 enhance, and restore surface water quality in
 2.12 lakes, rivers, and streams; protect groundwater
 2.13 from degradation; and protect drinking water
 2.14 sources. Projects must be identified in a
 2.15 comprehensive watershed plan developed
 2.16 under the One Watershed, One Plan or
 2.17 metropolitan surface water management
 2.18 frameworks or groundwater plans. Grant
 2.19 recipients must identify a nonstate match and
 2.20 may use other legacy funds to supplement
 2.21 projects funded under this paragraph.

2.22 (b) \$16,000,000 the first year and \$16,000,000
 2.23 the second year are for grants to local
 2.24 government units to protect and restore surface
 2.25 water and drinking water; to keep water on
 2.26 the land; to protect, enhance, and restore water
 2.27 quality in lakes, rivers, and streams; and to
 2.28 protect groundwater and drinking water,
 2.29 including feedlot water quality and subsurface
 2.30 sewage treatment system projects and stream
 2.31 bank, stream channel, shoreline restoration,
 2.32 and ravine stabilization projects. The projects
 2.33 must use practices demonstrated to be
 2.34 effective, be of long-lasting public benefit,
 2.35 include a match, and be consistent with total

3.1 maximum daily load (TMDL) implementation
3.2 plans, watershed restoration and protection
3.3 strategies (WRAPS), or local water
3.4 management plans or their equivalents. A
3.5 portion of this money may be used to seek
3.6 administrative efficiencies through shared
3.7 resources by multiple local governmental
3.8 units. Up to 20 percent of this appropriation
3.9 is available for land-treatment projects and
3.10 practices that benefit drinking water.

3.11 (c) \$4,000,000 the first year and \$4,000,000
3.12 the second year are for accelerated
3.13 implementation, local resource protection,
3.14 enhancement grants, statewide analytical
3.15 targeting tools that fill an identified gap,
3.16 program enhancements for technical
3.17 assistance, citizen and community outreach,
3.18 compliance, and training and certification.

3.19 (d) \$1,000,000 the first year and \$1,000,000
3.20 the second year are to provide state oversight
3.21 and accountability, evaluate and communicate
3.22 results, provide implementation tools, and
3.23 measure the value of conservation program
3.24 implementation by local governments,
3.25 including submitting to the legislature by
3.26 March 1 each even-numbered year a biennial
3.27 report prepared by the board, in consultation
3.28 with the commissioners of natural resources,
3.29 health, agriculture, and the Pollution Control
3.30 Agency, detailing the recipients, the projects
3.31 funded under this section, and the amount of
3.32 pollution reduced.

3.33 (e) \$2,500,000 the first year and \$2,500,000
3.34 the second year are to provide assistance,
3.35 oversight, and grants for supporting local

4.1 governments in implementing and complying
4.2 with riparian protection and excessive soil loss
4.3 requirements.

4.4 (f) \$4,750,000 the first year and \$4,750,000
4.5 the second year are to purchase, restore, or
4.6 preserve riparian land adjacent to lakes, rivers,
4.7 streams, and tributaries, by easements or
4.8 contracts, to keep water on the land to decrease
4.9 sediment, pollutant, and nutrient transport;
4.10 reduce hydrologic impacts to surface waters;
4.11 and increase infiltration for groundwater
4.12 recharge. Up to \$507,000 is for deposit in a
4.13 monitoring and enforcement account.

4.14 (g) \$2,000,000 the first year and \$2,000,000
4.15 the second year are for permanent
4.16 conservation easements on wellhead protection
4.17 areas under Minnesota Statutes, section
4.18 103F.515, subdivision 2, paragraph (d), or for
4.19 grants to local units of government for fee title
4.20 acquisition to permanently protect
4.21 groundwater supply sources on wellhead
4.22 protection areas or for otherwise ensuring
4.23 long-term protection of groundwater supply
4.24 sources as described under alternative
4.25 management tools in the Department of
4.26 Agriculture's Nitrogen Fertilizer Management
4.27 Plan, including low-nitrogen cropping systems
4.28 or implementing nitrogen fertilizer best
4.29 management practices. Priority must be placed
4.30 on land that is located where the vulnerability
4.31 of the drinking water supply is designated as
4.32 high or very high by the commissioner of
4.33 health, where drinking water protection plans
4.34 have identified specific activities that will
4.35 achieve long-term protection, and on lands

5.1 with expiring Conservation Reserve Program
5.2 contracts. Up to \$182,000 is for deposit in a
5.3 monitoring and enforcement account.

5.4 (h) \$84,000 the first year and \$84,000 the
5.5 second year are for a technical evaluation
5.6 panel to conduct ten restoration evaluations
5.7 under Minnesota Statutes, section 114D.50,
5.8 subdivision 6.

5.9 (i) \$2,000,000 the first year and \$2,000,000
5.10 the second year are for assistance, oversight,
5.11 and grants to local governments to transition
5.12 local water management plans to a watershed
5.13 approach as provided for in Minnesota
5.14 Statutes, chapters 103B, 103C, 103D, and
5.15 114D.

5.16 (j) \$850,000 the first year and \$850,000 the
5.17 second year are for technical assistance and
5.18 grants for the conservation drainage program
5.19 in consultation with the Drainage Work Group,
5.20 coordinated under Minnesota Statutes, section
5.21 103B.101, subdivision 13, that includes
5.22 projects to improve multipurpose water
5.23 management under Minnesota Statutes, section
5.24 103E.015.

5.25 (k) \$11,250,000 the first year and \$6,000,000
5.26 the second year are to purchase and restore
5.27 permanent conservation sites via easements
5.28 or contracts to treat and store water on the land
5.29 for water quality improvement purposes and
5.30 related technical assistance. This work may
5.31 be done in cooperation with the United States
5.32 Department of Agriculture with a first-priority
5.33 use to accomplish a conservation reserve
5.34 enhancement program, or equivalent, in the

6.1 state. Up to \$397,000 is for deposit in a
6.2 monitoring and enforcement account.

6.3 (l) \$1,500,000 the first year and \$1,500,000
6.4 the second year are to purchase permanent
6.5 conservation easements to protect lands
6.6 adjacent to public waters with good water
6.7 quality but threatened with degradation. Up
6.8 to \$338,000 is for deposit in a monitoring and
6.9 enforcement account.

6.10 (m) \$425,000 the first year and \$425,000 the
6.11 second year are for grants or contracts for a
6.12 program to systematically collect data and
6.13 produce county, watershed, and statewide
6.14 estimates of soil erosion caused by water and
6.15 wind along with tracking adoption of
6.16 conservation measures, including cover crops,
6.17 to address erosion. Up to \$700,000 is available
6.18 for grants to or contracts with the University
6.19 of Minnesota to complete this work.

6.20 (n) \$12,000,000 the first year and ~~\$12,000,000~~
6.21 \$9,000,000 the second year are for payments
6.22 to soil and water conservation districts for the
6.23 purposes of Minnesota Statutes, sections
6.24 103C.321 and 103C.331. From this
6.25 appropriation, each soil and water
6.26 conservation district shall receive an increase
6.27 in its base funding of \$100,000 ~~per year~~ in
6.28 fiscal year 2020 and \$75,000 in fiscal year
6.29 2021. Money remaining after the base increase
6.30 is available for grants to soil and water
6.31 conservation districts as determined by the
6.32 board based on county allocations to soil and
6.33 water conservation districts and amount of
6.34 private land and public waters. The board and
6.35 other agencies may reduce the amount of

7.1 grants to a county by an amount equal to any
7.2 reduction in the county's allocation to a soil
7.3 and water conservation district from the
7.4 county's previous year allocation when the
7.5 board determines that the reduction was
7.6 disproportionate. The board may use up to one
7.7 percent for the administration of payments.

7.8 (o) The board must contract for delivery of
7.9 services with Conservation Corps Minnesota
7.10 for restoration, maintenance, and other
7.11 activities under this section for up to \$500,000
7.12 the first year and up to \$500,000 the second
7.13 year.

7.14 (p) The board may shift grant, cost-share, or
7.15 easement funds in this section and may adjust
7.16 the technical and administrative assistance
7.17 portion of the funds to leverage federal or
7.18 other nonstate funds or to address oversight
7.19 responsibilities or high-priority needs
7.20 identified in local water management plans.

7.21 (q) The board must require grantees to specify
7.22 the outcomes that will be achieved by the
7.23 grants before any grant awards.

7.24 (r) The appropriations in this section are
7.25 available until June 30, 2024, except grant
7.26 funds are available for five years after the date
7.27 a grant is executed, unless the commissioner
7.28 of administration determines that a longer
7.29 duration is in the best interest of the state
7.30 according to Minnesota Statutes, section
7.31 16B.98. Returned grant funds must be
7.32 regranted consistent with the purposes of this
7.33 section.

8.1 Sec. 4. **CLEAN WATER COUNCIL RECOMMENDATIONS; SOIL AND WATER**
8.2 **CONSERVATION DISTRICTS.**

8.3 The Clean Water Council must include in its recommendations to the governor and
8.4 legislature required under Minnesota Statutes, section 114D.30, subdivision 6, the following
8.5 recommendations for funding to soil and water conservation districts to provide base grants
8.6 and other support to supplement general fund appropriations for these purposes:

8.7 (1) \$6,000,000 to soil and water conservation districts in fiscal year 2022; and

8.8 (2) \$3,000,000 to soil and water conservation districts in fiscal year 2023.

8.9 Sec. 5. **SOIL AND WATER CONSERVATION DISTRICTS; APPROPRIATION.**

8.10 \$4,500,000 in fiscal year 2021 is appropriated from the general fund to the Board of
8.11 Water and Soil Resources for grants to soil and water conservation districts under Minnesota
8.12 Statutes, section 103C.333. The base for this appropriation is \$9,000,000 in fiscal year 2022,
8.13 \$15,000,000 in fiscal year 2023, and \$18,000,000 in fiscal year 2024 and thereafter.