



Minnesota Watersheds

2023 Legislative Session
End of Session Legislative Update

May 24, 2023

By Ray Bohn

The 2023 Legislative Session ended on Monday, May 22 with some goodwill after the majority and minority parties finally came together on bonding and cash capital investment bills for the 2023 session. There had not been a bonding bill passed by the legislature in the past three sessions, so there was much pent up demand and consternation regarding infrastructure issues. Eventually, both parties agreed on a bonding bill ([HF669](#)) and infrastructure bill ([HF670](#)) package totaling \$2.6 billion. In addition, the parties agreed to spend an additional \$300 million to aid nursing homes which are struggling to stay in existence throughout Minnesota. All three bills dealing with these topics were passed on Monday evening and will be signed by the governor.

Outlined in this update are the results of Minnesota Watershed's legislative initiatives for the session.

Priority A: Top Priorities for 2023 Legislative Action

Increase or remove the \$250,000 general fund tax levy limit. One of the more prominent watershed initiatives passed was increasing watershed district's general levy authority ([Laws 2023, Chapter 64](#), Article 3, Sec. 1) from \$250,000 to \$500,000 or from 0.048 to 0.096, whichever is lower. While this looks like a significant increase, this levy has not been increased since 2001. The present value of the \$250,000 levy dollar limit is approximately \$418,000 in today's money. Plus, this language gives watershed districts the authority to raise general fund levy taxes up to this amount, and of course very few will probably do that immediately. This provision is effective beginning with the 2024 assessment year.

Seek capacity funding for the \$250,000 capped rural WDs and SWCDs from state and county general funds and Use Clean Water Funds (CWFs) for implementation, not capacity. Another tax provision ([Laws 2023, Chapter 64](#), Article 4, Sec. 1) passed was state aid for the Soil and Water Conservation Districts (SWCDs). This provision will eliminate the need for SWCD's to receive capacity funds from the Clean Water Fund (CWF). They were given \$15 million in FY23 and \$15 million in FY24 to be distributed statewide with a formula and other provisions dealing with the distribution of the aid. For aids payable in FY25 and thereafter, they were given \$12 million each year. This provision frees up CWFs for implementation, which is needed by all local units of government.

Clarification of watershed district project establishment. Another provision (103D605, Subd. 5), was clarified in the final environment bill ([Laws 2023, Chapter 60](#), Article 5, Sec. 14) that under watershed district's establishment of projects, it is the board of managers that orders the project, not the Board of Water and Soil Resources (BWSR). While board of managers orders have been the traditional process, because of the ambiguity of the statute, it was believed there was a need to clarify the provision. This provision was initially part of the BWSR housekeeping bill.

Obtain stable funding for Flood Damage Reduction and Natural Resources Enhancement Projects. The two capital investment bills provided much needed funding for the Flood Hazard Mitigation program. The statewide total is \$40.3 million. Of that, the Red River Watershed Management Board (RRWMB) received \$5 million for its flood projects. There was also an \$11 million grant to the City of Moorhead for their flood mitigation needs. The remaining \$15 million undesignated funds for the program will be allocated by Department of Natural Resources for statewide allocation. We anticipate that because the

RRWMB has several shovel-ready projects many of those funds will be allocated to the RRWMB projects. (While this does not meet the long-term stable funding needs, the funds will provide much needed funding for flood control projects.)

Require 60-day review periods when state agencies adopt new policies. The 60-day requirement when state agencies adopt new policies was not acted on this session. This should be a prime target for action in the non-budget 2024 session.

Priority B: Legislation to Support

Limited liability for Smart Salting-certified Commercial Salt Applicators. The Commercial Certified Salt Applicator legislation (HF820), even with 18 House sponsors, received very little interest this session. It was sent directly to the Judiciary Committee in the House and the committee did not afford the bill a hearing. In the Senate, the companion file, SF755 was heard in the Environment Committee and re-referred to the Senate Judiciary and Public Safety Committee. It was not heard in that committee. This legislation is still alive and could be activated again next session.

Legislation to Defeat

Drainage registry information portal. The provision dealing with drainage notice requirements via a drainage portal was not passed but sent back by the conference committee to the Drainage Work Group (DWG) for its recommendations for the 2024 session. In addition, the environment committees want recommendations from the DWG on outlet adequacy, which is presently being worked on by the group. These recommendations must be made by February 1, 2024. ([Laws 2023, Chapter 60](#), Article 5, Sec. 21) The legislature also directed the DWG to assess drainage district's powers "to consider the abandonment or dismantling of drainage systems; to re-meander, restore, or reconstruct a natural waterway that has been modified by drainage, or to deconstruct dikes, dams or other water-control structures". In addition, the DWG has already agreed to work with DNR on early coordination efforts. ([2023 Laws, Chapter 60](#), Article 1, Sec. 4(d)) So, it appears the DWG will have a very busy summer and fall dealing with these issues and others that may come up in the next several months.

There were a number of initiatives in various bills adopted by the legislature this past session that affect or are of interest to watersheds. We will be reviewing those bills and presenting a final legislative update in the near future capturing these new legislative initiatives and regulatory actions for your information.

Jan Voit and I would like to thank everyone who help move our legislation along by talking with your local legislators or by testifying on watershed legislation. Please feel free to contact me or Jan Voit if you have any questions about this update or the legislative session just ended.

Thank you!

PRIORITY A: TOP PRIORITIES FOR 2023 LEGISLATIVE ACTION		
TAX BILL	2018-02	Increase or remove the \$250k General Fund tax levy Limit
	2021-01, 02	Seek capacity funding for the \$250k capped rural WDs and SWCDs from state and county general funds
	2021-06	Require 60-day review periods when state agencies adopt new policies
	2021-04, 07	Use CWFs for implementation, not capacity; require metro watershed-based implementation grants to go through approved 103B plans
23 Bonding Bill	2022-03, 2016-08	Obtain stable funding for Flood Damage Reduction and Natural Resources Enhancement Projects
	2022-04	Clarification of watershed district project establishment
PRIORITY B: LEGISLATION TO SUPPORT		
	2022-02	Limited liability for Smart Salting-certified Commercial Salt Applicators
	2021-03	Allow greater flexibility in open meeting law for virtual attendance, not just during a pandemic
	2021-05	Change crop insurance provisions to cover crop losses within impoundment areas
	2020-01	Allow appeals for public waters designations
	2022-06	Limiting negative impacts from wake boats by supporting scientific studies by the University of Minnesota
PRIORITY C: TOP PRIORITIES FOR 2023 ADMINISTRATIVE LOBBYING RESOURCES		
	2022-03	Increased support and participation for the Minnesota Drainage Work Group
	2022-01	MDH - WD/WMO representation on Stormwater Reuse Task Force
	LGWRT	CWC - Increase Clean Water Funding for watershed-based implementation programs
	2020-04	DNR - temporary water storage on DNR wetlands during major flood events
Resolutions for the Parking Lot (Support if opportunities arise)		
	2018-04	Require WD Permits for the DNR
	2019-04	Clarify county financing obligations and allow WD G.O. bonds for drainage systems
	2017-06	Stable General Fund allocation for flood damage reduction projects
	2017-05	WD general operating levy adjustment: Middle Fork Crow River
	2019-08	WD general operating levy adjustment: Heron Lake
	2019-09	WD general operating levy adjustment: Shell Rock River
	2019-10	WD general operating levy adjustment: Pelican River
	2019-11	WD general operating levy adjustment: Buffalo Red River
	2018-06	DNR - ensure timely updates to Wildlife Management Area (WMA) plans
	2017-02	DNR - temporary lake quarantine authorization to control the spread of aquatic invasive species
	2019-07	DNR - change Chinese Mystery Snail designation and support research needs
	2019-01	DNR - streamline DNR permit process
	2018-08	DNR - reinforce existing rights to maintain/repair 103E drainage systems
	2020-03	BWSR - require soil health goals in metro watershed management plans
	2019-05	BWSR - WD Membership on Wetland Technical Evaluation Panels
	2019-03	BWSR - Support watershed-based management in MN River Basin through increased storage
	2018-03	BWSR - require timely appointments to the BWSR Board
	2019-02	MPCA - default classification for artificial watercourses that serve as public drainage ditches
LEGISLATION TO DEFEAT - This legislation died at the end of the session. Watch to see if reintroduced.		
HF 0368/SF 0711	Green/Utke	Remove eminent domain powers for WDs
HF 0884/SF 1539	Green/Utke	Requires county commissioners to only appoint county commissioners to serve as WD managers
HF 0989/SF 0881	Marquart/Ruud	\$22M CWF appropriation to SWCDs
HF 1586/SF 2214	Torkelson/Johnson	Fund a SWCD/WD merger study once a 1W1P is approved
HF 1718	Fischer	Establish SWCD account in the special revenue fund, \$12M/year for capacity, 1% for BWSR administration
HF 2030/SF 1835	Nelson/Kiffmeyer	Modifying uses of positive general fund; removes CWF payback from \$22M SWCD capacity funds
HF 4274, 4274A	Lippert/Hansen	Drainage registry information portal
	DNR	Incorporating environmental, land use, and multipurpose water management criteria M.S. 103E.015 requirements