

MAWD Legislative Update

June 21, 2016

The 2016 Legislative Session has to go down as one of the most disappointing sessions in the history of our state.

This session had three big bills in play, the transportation funding bill, the tax bill, and the bonding bill ... none of which passed into law. Legislative leadership are meeting with the Governor as I write this, and if there is no agreement from that meeting it is very unlikely there will be a special session to address passing these bills.

MAWD's priority legislative issues included clarifying language on the 2015 buffers legislation to enhance the implementation of the buffers law, and advocate for sufficient funds (\$20 million) for the Flood Hazard Mitigation Program (FHM) in the bonding bill to cover the needs for the Red River Valley and other watershed districts across the state.

In addition, we advocated for an additional \$500,000 for the Lac Qui Parle Yellow Bank WD (Area II) for an engineering study on two floodwater retention ponds. On the tax side we are advocating returning the effective date of local government sales tax exemption to January 1, 2016 from January 1, 2017.

Buffers Legislation: Rep. Torkelson on the House side and Senator Skoe on the Senate side worked with various stakeholders to make the 2015 buffer legislation workable. To that end HF3000/SF2503 was agreed to by all stakeholders and was passed into law with the Governor's signature. This legislation addresses the major concerns we had with the lack of clarity which would have opened WDs and other LGUs into lawsuits with landowners. See the complete summary of the legislation on the BWSR web site at http://www.bwsr.state.mn.us/buffers/Chapter_85_Summary.pdf.

The LGUs are planning a series of regional meetings to meet with the state agencies involved in this legislation so we all get on the same page in the implementation and enforcement of the buffers law. The meetings will begin in July. Watch for more details on the regional meetings in the near future.

Tax Bill

Buffer Implementation Funding: During the discussion of this legislation we indicated that funding would be needed for WDs and Counties for us to implement our enforcement end of the bill. To that end \$10 million was appropriated in the Tax bill with a formula dependent upon miles of ditches and shoreline under their respective jurisdiction. The funding would flow thru through Local Government Aids to counties and watershed districts. It provided for a maximum of \$200,000 per county and a minimum of \$45,000 if they agree to enforce the statute. Funding would be provided proportionally to areas within a county with WD jurisdiction from the county to the WD.

Unfortunately, the Tax bill was pocket vetoed by the Governor so that funding is now dead. We will continue with efforts with a special session if called or next year to ensure funding for this work, nothing can be guaranteed at this point.

Sales Tax Exemption: WDs were included in language last year that moved our pending sales tax exemption from January 1, 2016 till January 1, 2017. We advocated a return to the Jan 1, 2016 date. Legislation was introduced by Sen. Ann Rest (SF2249) and Rep. Mike Freiberg (HF2387) to return to the 2016 date, but no action was taken in the Tax bill on this provision.

Capital Investment:

Flood Hazard Mitigation: Watershed districts and others throughout the state needed to get at least \$18-20 million for the FHM program in order to get enough in the DNR flood program to cover all the pending ready to go statewide flood needs. These total dollars would be spread around the entire state to meet all ready to go flooding projects. Unfortunately the bonding bill failed to pass so no funding is available. The final bill included \$11.555 million but included some ear marks that would have had a negative impact on WD projects ready to go in the RRV and other areas in the state.

RIM & Local Roads Replacement: In addition, the Governor's request for \$30 million for BWSR as a match with the FSA for RIM and to implement a new CREP in Minnesota was reduced to \$10 million in the final bill. The Governor's recommendation of \$5 million for the Local Gov't Roads Wetland Replacement Program was fully funded in the final bill.

Area II Flood Retention: The Laq Qui Parle Yellow Bank WD is requesting \$500,000 through the Area II Flood Retention program for an engineering study for two retention ponds. The final bill did not fund this request.

Unfortunately the Capital Investment did not pass.

Other issues covered by the RRWMB included:

- a. **GENERAL FUND CHAPTER 189, HF2749:** The bill appropriates \$178,000 (one time money) to DNR for a grant to the MSTRWD for modeling along the agr levy reach along the Red River north and south of Oslo. The money must be matched by ND interests. The MSTRWD has been working with the BTAG group regarding the modeling. The appropriation is available until June 30, 2018. BTAG is a representation of townships in MN and ND and Oslo.
- b. **LEGACY SF2527:** The appropriations included \$828,000 for the SHWD to restore and enhance fish passage and habitat and also included \$2,763,000 for the RRWD and the Roseau Lake Bed restoration.
- c. **LCCMR SF2963:** \$65,000 is for Roseau Lake watershed to use IWI's Water Quality App to develop targeted water quality implementation options for the watershed. Would be done in coordination with the Roseau Lake project.
- d. **LANDS SF2760:** Include provisions for the exchange of School Trust lands; disposition of Acquired WMA lands and protection & enhancement of a fen as part of the Klondike projects. Provides timeframes to decisions on the WMA land disposition.

Please share this MAWD Legislative Update with all of your managers, key staff, and partners. Thank you!