

Minnesota Environmental Partnership Legislative Wrap-Up 2018



Summary

Rollbacks derailed, but innovation loses this session.

Just when we need solutions for our critical environmental and societal challenges most, the legislature failed to provide the policy or resources that would drive important innovations. Dozens of detrimental policies advanced, from making it harder to afford community solar, to a rollback of drinking water protections. Legislative leaders combined many provisions in a single omnibus, or “everything,” bill that Governor Dayton ultimately vetoed. The Governor’s veto was also critical to defending against several bad standalone bills, such as nullifying the water quality standard to protect wild rice and giving a greenlight to the Line 3 pipeline that would carry tar sands across Minnesota’s waters. But most unfortunately, the Governor left in place a bonding bill that raids the Environment and Natural Resources Trust Fund, putting this long-term funding source for Minnesota innovation in serious jeopardy.

Initiatives

Minnesota Environmental Partnership priorities for the 2018 legislature included:

Clean Water Investments for Rural Communities



Ensure a \$22 million payback to the Clean Water Fund. Last year’s diversion of \$22 million of Clean Water Funds to Soil and Water Conservation Districts was restored! The Legislature did not make any appropriations from the fund this year, however, the accumulating funds can be spent in future years.

Bonding for the Conservation Reserve Easement Program (CREP). At only \$10 million for purchasing farmland easements for conservation, this appropriation misses a greater opportunity to take full advantage of the \$350 million federal match, which relies on Minnesota investing \$150 million of state funds (a 70-30 split). We advocated for \$45 million in bonding funding for CREP.

Bonding for drinking water and wastewater treatment infrastructure. At only \$123 million, this is 25% less than the Public Facilities Authority requested to keep up with the aging and deteriorating wastewater infrastructure, much of which was put in more than fifty years ago.

But most of these bonds are paid for by raiding the long standing Environment and Natural Resources Trust Fund over the next 20 years. See next page for more specifics.

More Perennials for High Productivity Farming and Clean Water



Increase funding for Forever Green, the University of Minnesota developing new cover and perennial crops to improve soil health and water quality. Last year the program received \$750,000 each year for two years, but the University needs increased funding in order to meet the promise of these innovative efforts. A \$500,000 increase was proposed in the House but did not move in the Senate. Result: No increase this year.

Support the Working Lands Watershed Restoration Program – an effort to facilitate the creation of processes, incentives, products and markets that make it profitable for landowners to plant perennials and cover crops – needed a legislative change to allow the Board of Water and Soil Resources to continue spending previously appropriated funds in 2019. Unfortunately, this change was packaged in the Supplemental Budget Bill that was vetoed by Governor Dayton.

Renewable Energy Standard Increase to 50% by 2030



The Renewable Energy Standard first put in place in 2007 required the majority of Minnesota utilities to get 25% of their energy from renewables by 2025. Most utilities are on track to blow past this standard as it now makes good economic sense. (We don’t have to import sun or wind!) Despite efforts by many diverse groups, the bill to increase this standard did not even receive a hearing in the House or Senate this session -- a serious disappointment.

(over)

Defense

The following bills were signed by the Governor and are a step backwards:



- **Raiding the Environment and Natural Resources Trust Fund of nearly \$8 million for each of the next 20 years** to pay for debt service on projects that not only have traditionally been paid for with regular general obligation bonding, but are a contravention of the intended purposes of this constitutionally-dedicated fund. The ENRTF uses state lottery proceeds to fund innovative research and projects aimed at solving Minnesota's pressing environmental challenges. Statutory changes also direct the Legislative-Citizen Commission on Minnesota Resources to consider paying for landfill cleanup in next year's package of projects, a category specifically prohibited under previous law. This raid poses a long-term threat to all constitutionally-dedicated funds.
- **Giving municipal water treatment facilities 16 years to delay complying with water quality standards** if investments designed to achieve earlier standards have already been made.
- **Suspending a legal directive for sustainable groundwater management** in the northeast metro.

These harmful proposals were passed by either the House, Senate, or both, but **did NOT** become law:



- **Wild Rice Water Quality Standard Nullification:** This bill sought to nullify the existing sulfate standard to protect wild rice and bypass the science that supported it. This first bill was vetoed by the Governor. A second bill crafted on the last day of session by nine of the authors of the first bill would have changed the law to allow future polluters (like sulfide ore mines) the ability to add unlimited sulfates to the water without making investments to control them. This was also vetoed.
- **"Guilty by Association"** bill that could extend vicarious liability to citizens and organizations who peacefully exercise their first amendment rights by attending or supporting a protest where critical infrastructure is damaged – even when those individuals were doing so peacefully. Vetoed.
- **Rollback to Groundwater Protection Act authority:** The bill would prohibit the MN Department of Agriculture from adopting any rules regarding nitrogen fertilizer without legislative approval. Nitrogen fertilizer is a significant contributor to unsafe nitrate levels in community and private drinking water supplies, creating health risks and expense for families and communities. Passed the House as a stand-alone, dropped from the final omnibus bill presented to the Governor.
- **Granting immediate approval for the construction of the Line 3 Pipeline** along Enbridge's preferred route, bypassing the PUC and public input process that is in its last weeks. Vetoed.
- **Reducing Xcel Energy's payment into the Renewable Development Account**, an account meant to fund research and development in renewable electric energy, grid modernization, storage, and decreasing demand. Vetoed.
- **Eliminating the requirement that Xcel include reasonable financing** options for residential customers who'd like to participate in community solar gardens. Vetoed.
- **Allowing Xcel to bypass usual Public Utilities Commission review** in determining its profits on nuclear facility investments. Passed the House only.
- **Allowing the transfer of water from one water body to another without a permit**, risking the spread of aquatic invasive species or other pollution. Vetoed.
- **Degrading the process of peer review** by accepting conflicts of interest among peer review members so long as they are disclosed. Vetoed.
- **Giving industry water treatment facilities 16 years to comply** with water quality standards if improvements have already been made in order to meet previously existing standards. Vetoed.
- **Changing the definition of pipeline to weaken regulation** of pipelines not owned or operated by a condemning authority, likely benefiting frac sand operations that pipe frac sand slurry. Vetoed.
- **Jeopardizing native species by delaying needed conversion** back to pre-settlement conditions of oak-Savannah, oak woodland or prairie in the Sand Dunes State Forest. Vetoed.
- **Asking voters to pass a constitutional amendment directing certain sales taxes** to roads and bridges, meeting only a fraction of that need while providing nothing for transit. Passed the House.

MEP and member organizations – working with citizens from across the state -- successfully blocked these proposals.