

2024 WETLAND CONSERVATION ACT

STATUTE CHANGES

Summary of Key Statute Changes with Explanations

This summary includes excerpts from Laws of MN 2024, Chapter 90, Article 3. It includes only the relevant Wetland Conservation Act (WCA) statutory subdivisions and paragraphs that contain changes, listed by the corresponding section numbers from the Chapter 90 session law. See the Office of the Revisor of Statutes website for complete statutes and session law: <https://www.revisor.leg.state.mn.us/laws/current/>. Underlined text indicates new language, ~~strikeout~~ indicates repealed language. This summary was prepared by the Minnesota Board of Water and Soil Resources (BWSR). All changes take effect August 1, 2024 unless otherwise noted.

Sec. 75. Minnesota Statutes 2022, section 103G.005, subdivision 14d, is amended to read:

Subd. 14d. **Project.** "Project" means a specific plan, contiguous activity, proposal, or design necessary to accomplish a goal as defined by the local government unit. As used in this chapter, a project may not be split into components or phases for the ~~sole~~ purpose of gaining additional exemptions.

Effect of Change: Clarifies that the restriction applies even when the gaining of additional exemptions was not the *sole* purpose for splitting a project into components or phases.

Sec. 76. Minnesota Statutes 2022, section 103G.005, subdivision 17b, is amended to read:

Subd. 17b. **Wetland type.** "Wetland type" means a wetland type classified according to *Wetlands of the United States*, United States Fish and Wildlife Service Circular 39 (1971 edition), ~~as summarized in this subdivision~~ or A Hydrogeomorphic Classification for Wetlands, United States Army Corps of Engineers (August 1993), including updates, supplementary guidance, and replacements, if any, as determined by the board.

~~(1) "Type 1 wetlands" are seasonally flooded basins or flats in which soil is covered with water or is waterlogged during variable seasonal periods but usually is well-drained during much of the growing season. Type 1 wetlands are located in depressions and in overflow bottomlands along watercourses, and in which vegetation varies greatly according to season and duration of flooding and includes bottomland hardwoods as well as herbaceous growths.~~

~~(2) "Type 2 wetlands" are inland fresh meadows in which soil is usually without standing water during most of the growing season but is waterlogged within at least a few inches of surface. Vegetation includes grasses, sedges, rushes, and various broad-leaved plants. Meadows may fill shallow basins, sloughs, or farmland sags, or these meadows may border shallow marshes on the landward side.~~

~~(3) "Type 3 wetlands" are inland shallow fresh marshes in which soil is usually waterlogged early during a growing season and often covered with as much as six inches or more of water. Vegetation includes grasses, bulrushes, spikerushes, and various other marsh plants such as cattails, arrowheads, pickerelweed,~~

and smartweeds. These marshes may nearly fill shallow lake basins or sloughs, or may border deep marshes on the landward side and are also common as seep areas on irrigated lands.

(4) "Type 4 wetlands" are inland deep fresh marshes in which soil is usually covered with six inches to three feet or more of water during the growing season. Vegetation includes cattails, reeds, bulrushes, spikerushes, and wild rice. In open areas, pondweeds, naiads, coontail, water milfoils, waterweeds, duckweeds, waterlilies, or spatterdocks may occur. These deep marshes may completely fill shallow lake basins, potholes, limestone sinks, and sloughs, or they may border open water in such depressions.

(5) "Type 5 wetlands" are inland open fresh water, shallow ponds, and reservoirs in which water is usually less than ten feet deep and is fringed by a border of emergent vegetation similar to open areas of type 4 wetland.

(6) "Type 6 wetlands" are shrub swamps in which soil is usually waterlogged during growing season and is often covered with as much as six inches of water. Vegetation includes alders, willows, buttonbush, dogwoods, and swamp privet. This type occurs mostly along sluggish streams and occasionally on floodplains.

(7) "Type 7 wetlands" are wooded swamps in which soil is waterlogged at least to within a few inches of the surface during growing season and is often covered with as much as one foot of water. This type occurs mostly along sluggish streams, on floodplains, on flat uplands, and in shallow basins. Trees include tamarack, arborvitae, black spruce, balsam, red maple, and black ash. Northern evergreen swamps usually have a thick ground cover of mosses. Deciduous swamps frequently support beds of duckweeds and smartweeds.

(8) "Type 8 wetlands" are bogs in which soil is usually waterlogged and supports a spongy covering of mosses. This type occurs mostly in shallow basins, on flat uplands, and along sluggish streams. Vegetation is woody or herbaceous or both. Typical plants are heath shrubs, sphagnum moss, and sedges. In the north, leatherleaf, Labrador tea, cranberries, carex, and cottongrass are often present. Scattered, often stunted, black spruce and tamarack may occur.

Effect of Change: Allows for use of the Hydrogeomorphic Classification for Wetlands (HGM) for determining wetland type. MN Rules Chapter 8420 (WCA Rule) will be amended to incorporate the use of HGM. Circular 39 remains in statute as an optional wetland typing method and is relevant to the identification of public water wetlands under Minn. Stat. 103G.005, Subd. 15a. Deletion of the "Wetland type" summary does not affect the use of Circular 39. More information about HGM can be found at: [HGM Approach \(dren.mil\)](https://www.dnr.state.mn.us/dren/hgm/)

Sec. 77. Minnesota Statutes 2023 Supplement, section 103G.005, subdivision 19, is amended to read:

Subd. 19. **Wetlands.** (a) "Wetlands" means lands transitional between terrestrial and aquatic systems where the water table is usually at or near the surface or the land is covered by shallow water. For purposes of this definition, wetlands must have the following three attributes:

(1) have a predominance of hydric soils;

(2) are inundated or saturated by surface water or groundwater at a frequency and duration sufficient to support a prevalence of hydrophytic vegetation typically adapted for life in saturated soil conditions; and

(3) under normal circumstances support a prevalence of such vegetation.

(b) For the purposes of regulation under this chapter, the term wetlands does not include public waters wetlands as defined in subdivision 15a.

(c) Notwithstanding paragraph (a), wetlands includes deepwater aquatic habitats that are not public waters or public waters wetlands. For purposes of this paragraph, "deepwater aquatic habitats" has the meaning given in *Corps of Engineers Wetlands Delineation Manual*, United States Army Corps of Engineers (January 1987).

Effect of Change: WCA regulatory authority will now apply to deepwater habitats that are not designated as public waters. All replacement requirements, exemptions, application procedures, etc. will apply to projects involving these deepwater habitats. Deepwater habitats are permanently flooded lands lying below the deepwater boundary of wetlands (generally greater than 8.2 feet of water depth) as defined in the "Classification of Wetlands and Deepwater Habitats of the United States" (adapted from Cowardin et al., 1979), which is available here: [Classification of Wetlands and Deepwater Habitats of the United States](#)

Sec. 78. Minnesota Statutes 2022, section 103G.222, subdivision 1, is amended to read:

Subdivision 1. **Requirements.** (a) Wetlands must not be drained or filled, wholly or partially, unless replaced by actions that provide at least equal public value under a replacement plan approved as provided in section 103G.2242, a replacement plan under a local governmental unit's comprehensive wetland protection and management plan approved by the board under section 103G.2243, or, if a permit to mine is required under section 93.481, under a mining reclamation plan approved by the commissioner under the permit to mine. Project-specific wetland-replacement plans submitted as part of a project for which a permit to mine is required and approved by the commissioner on or after July 1, 1991, may include surplus wetland credits to be allocated by the commissioner to offset future mining-related wetland impacts under any permits to mine held by the permittee, the operator, the permittee's or operator's parent, an affiliated subsidiary, or an assignee pursuant to an assignment under section 93.481, subdivision 5. For project-specific wetland replacement completed prior to wetland impacts authorized or conducted under a permit to mine within the Great Lakes and Rainy River watershed basins, those basins ~~shall be~~ are considered a single watershed for purposes of determining wetland-replacement ratios. Mining reclamation plans ~~shall~~ must apply the same principles and standards for replacing wetlands that are applicable to mitigation plans approved as provided in section 103G.2242. The commissioner must provide notice of an application for wetland replacement under a permit to mine to the county in which the impact is proposed and the county in which a mitigation site is proposed. Public value must be determined in accordance with section 103B.3355 or a comprehensive wetland protection and management plan established under section 103G.2243. Sections 103G.221 to 103G.2372 also apply to excavation in permanently and semipermanently flooded areas of ~~types 3, 4, and 5~~ wetlands.

Effect of Change: Removes Circular 39 wetland type from consideration in determining whether excavation in permanently and semi-permanently flooded areas of a wetland is an impact.

(d) If a wetland is replaced under paragraph (c), or drained under section 103G.2241, ~~subdivision 2, paragraph (b) or (c),~~ subdivision 1, clause (1), the local government unit may require a deed restriction that prohibits nonagricultural use for at least ten years. The local government unit may require the deed restriction if it determines the wetland area drained is at risk of conversion to a nonagricultural use within ten years based on the zoning classification, proximity to a municipality or full service road, or other criteria as determined by the local government unit.

Effect of Change: Applies the deed restriction prohibiting agricultural use for at least ten years to the new prior-converted cropland exemption (see changes to 103G.2241 subdivision 1). The reference to 103G.2241 subdivision 2(b-e) has been deleted, as those paragraphs were removed from statute.

(m) A replacement plan for wetlands is not required for individual projects that result in the filling or draining of wetlands for the repair, rehabilitation, reconstruction, or replacement of a currently serviceable existing state, city, county, or town public road necessary, as determined by the public transportation authority, to meet state or federal design or safety standards or requirements, excluding new roads or roads expanded solely for additional traffic capacity lanes. This paragraph only applies to authorities for public transportation projects that:

(1) minimize the amount of wetland filling or draining associated with the project and consider mitigating important site-specific wetland functions on site;

(2) except as provided in clause (3), submit project-specific reports to the board, the Technical Evaluation Panel, the commissioner of natural resources, and members of the public requesting a copy at least 30 days prior to construction that indicate the location, amount, and type of wetlands to be filled or drained by the project or, alternatively, convene an annual meeting of the parties required to receive notice to review projects to be commenced during the upcoming year; and

(3) for minor and emergency maintenance work impacting less than 10,000 square feet, submit project-specific reports, within 30 days of commencing the activity, to the board that indicate the location, amount, and type of wetlands that have been filled or drained.

Those required to receive notice of public transportation projects may appeal minimization, delineation, and on-site mitigation decisions made by the public transportation authority to the board according to the provisions of section 103G.2242, subdivision 9. The Technical Evaluation Panel ~~shall~~ must review minimization and delineation decisions made by the public transportation authority and provide recommendations regarding on-site mitigation if requested to do so by the local government unit, a contiguous landowner, or a member of the Technical Evaluation Panel.

Except for ~~state~~ public transportation projects that occur on state roads, for which the state Department of Transportation is responsible for the wetland replacement, the board must replace the wetlands, and wetland areas of public waters if authorized by the commissioner or a delegated authority, drained or filled by public transportation projects on existing roads.

Public transportation authorities at their discretion may deviate from federal and state design standards on existing road projects when practical and reasonable to avoid wetland filling or draining, provided that public safety is not unreasonably compromised. The local road authority and its officers and employees are exempt from liability for any tort claim for injury to persons or property arising from travel on the highway and related to the deviation from the design standards for construction or reconstruction under this paragraph. This paragraph does not preclude an action for damages arising from negligence in construction or maintenance on a highway.

Effect of Change: Clarifies that the Minnesota Department of Transportation is responsible for wetland replacement on public transportation projects that occur on state roads, regardless of who the project sponsor or co-sponsor is.

Sec. 79. Minnesota Statutes 2022, section 103G.2241, subdivision 1, is amended to read:

Subdivision 1. **Agricultural activities.** A replacement plan for wetlands is not required for:

~~(1) activities in a wetland that was planted with annually seeded crops, was in a crop rotation seeding of pasture grass or legumes, or was required to be set aside to receive price support or other payments under United States Code, title 7, sections 1421 to 1469, in six of the last ten years prior to January 1, 1991;~~

~~(2) activities in a type 1 wetland on agricultural pasture land that remains in the same use, except for bottomland hardwood type 1 wetlands, and activities in a type 2 or type 6 wetland that is less than two acres in size and located on agricultural pasture land that remains in the same use;~~

(1) impacts to wetlands on agricultural land labeled prior-converted cropland and impacts to wetlands resulting from drainage maintenance activities authorized by the United States Department of Agriculture, Natural Resources Conservation Service, on areas labeled farmed wetland, farmed-wetland pasture, and wetland. The prior-converted cropland, farmed wetland, farmed-wetland pasture, or wetland must be labeled on a valid final certified wetland determination issued by the Natural Resources Conservation Service in accordance with Code of Federal Regulations, title 7, part 12, as amended. It is the responsibility of the owner or operator of the land to provide a copy of the final certified wetland determination to, and allow the Natural Resources Conservation Service to share related information with, the local government unit and the board for purposes of verification;

~~(3) (2) activities in a wetland conducted as part of normal farming practices. For purposes of this clause, "normal farming practices" means farming, silvicultural, grazing, and ranching activities such as plowing, seeding, cultivating, and harvesting for the production of feed, food, and fiber products, but does not include activities that result in the draining of wetlands;~~

~~(4) (3) soil and water conservation practices approved by the soil and water conservation district, after review by the Technical Evaluation Panel;~~

~~(5) (4) wetland impacts resulting from aquaculture activities, including pond excavation and construction and maintenance of associated access roads and dikes, authorized under, and conducted in accordance with, a permit issued by the United States Army Corps of Engineers under section 404 of the federal Clean Water Act, United States Code, title 33, section 1344, but not including construction or expansion of buildings;~~

~~(6) (5) wetland impacts resulting from wild rice production activities, including necessary diking and other activities, authorized under and conducted in accordance with a permit issued by the United States Army Corps of Engineers under section 404 of the federal Clean Water Act, United States Code, title 33, section 1344; or~~

~~(7) (6) agricultural activities on agricultural land that is subject to the swampbuster provisions of the federal farm program restrictions consistent with a memorandum of understanding and related agreements between the board and the United States Department of Agriculture, Natural Resources Conservation Service.~~

Effect of Change: Eliminates the exemption from WCA replacement requirements for activities that impact wetlands on agricultural land that is cropped 8 of the last 10 years, and on pasture land meeting certain wetland type and acreage requirements. Establishes an exemption for impacts to prior-converted cropland as labeled by the USDA Natural Resources Conservation Service (NRCS) and for impacts resulting from drainage maintenance activities on areas labeled by the NRCS as farmed wetland, farmed-wetland pasture, and wetland. Changes to items 4 and 5 clarify that only those wetland impacts authorized under a U.S. Army Corps of Engineers permit are exempt.

Sec. 80. Minnesota Statutes 2022, section 103G.2241, subdivision 2, is amended to read:

Subd. 2. **Drainage.** (a) For the purposes of this subdivision, "public drainage system" means a drainage system as defined in section 103E.005, subdivision 12, and any ditch or tile lawfully connected to the drainage system.

(b) A replacement plan is not required for draining of type 1 wetlands, or up to five acres of type 2 or 6 wetlands, in an unincorporated area on land that has been assessed drainage benefits for a public drainage system, provided that:

(1) during the 20-year period that ended January 1, 1992:

(i) there was an expenditure made from the drainage system account for the public drainage system;

(ii) the public drainage system was repaired or maintained as approved by the drainage authority; or

(iii) no repair or maintenance of the public drainage system was required under section 103E.705, subdivision 1, as determined by the public drainage authority; and

(2) the wetlands are not drained for conversion to:

(i) platted lots;

(ii) planned unit, commercial, or industrial developments; or

(iii) any development with more than one residential unit per 40 acres, except for parcels subject to local zoning standards that allow for family members to establish an additional residence on the same 40 acres.

If wetlands drained under this paragraph are converted to uses prohibited under clause (2) during the ten-year period following drainage, the wetlands must be replaced under section 103G.222.

(c) A replacement plan is not required for draining or filling of wetlands, except for draining types 3, 4, and 5 wetlands that have been in existence for more than 25 years, resulting from maintenance and repair of existing public drainage systems.

(d) (a) A replacement plan is not required for draining or filling of wetlands, except for draining wetlands that have been in existence for more than 25 years, resulting from maintenance and repair of existing drainage systems ~~other than~~, including public drainage systems.

(e) A replacement plan is not required for draining agricultural land that:

(1) was planted with annually seeded crops before July 5, except for crops that are normally planted after that date, in eight out of the ten most recent years prior to the impact;

(2) was in a crop rotation seeding of pasture grass, cover crop, or legumes, or was fallow for a crop production purpose, in eight out of the ten most recent years prior to the impact; or

(3) was enrolled in a state or federal land conservation program and met the requirements of clause (1) or (2) before enrollment.

(f) The (b) A public drainage authority may, as part of the repair of a public drainage system, as defined in section 103E.005, subdivision 12, install control structures, realign the ditch, construct dikes along the ditch, or make other modifications as necessary to prevent the drainage of the ~~wetland~~ wetlands.

(g) ~~Wetlands of all types that would be drained as a part of a public drainage repair project are eligible for the permanent wetlands preserve under section 103F.516. The board shall give priority to acquisition of easements on types 3, 4, and 5 wetlands that have been in existence for more than 25 years on~~

public drainage systems and other wetlands that have the greatest risk of drainage from a public drainage repair project.

Effect of Change: Eliminates the drainage exemptions in subdivision 2, except for the drainage of wetlands that have existed for 25 years or less resulting from maintenance and repair of existing drainage systems. The amended exemption eliminates wetland type as a consideration for eligibility and applies to both public and private drainage systems. Paragraph (b) clarifies that certain activities associated with repairs completed by public drainage authorities only apply to public drainage systems as defined under 103E.005 Subdivision 12 – this information was previously located in the now deleted paragraph (a).

Sec. 81. Minnesota Statutes 2022, section 103G.2241, subdivision 6, is amended to read:

Subd. 6. **Utilities; public works.** (a) A replacement plan for wetlands is not required for wetland impacts resulting from:

(1) new placement or maintenance, repair, enhancement, realignment, or replacement of existing utility or utility-type service, including pipelines, ~~if:~~ when wetland impacts are authorized under and conducted in accordance with a permit issued by the United States Army Corps of Engineers under section 404 of the federal Clean Water Act, United States Code, title 33, section 1344, and

(i) the direct and indirect impacts of the proposed project have been avoided and minimized to the extent possible; ~~and~~

(ii) ~~the proposed project significantly modifies or alters less than one-half acre of wetlands;~~

(2) activities associated with operation, routine maintenance, or emergency repair of existing utilities and public work structures, including pipelines, provided the activities do not result in additional wetland intrusion or additional draining or filling of a wetland either wholly or partially; or

(3) repair and updating of existing subsurface sewage treatment systems necessary to comply with local, state, and federal regulations.

(b) ~~For maintenance, repair, and replacement, the local government unit may issue a seasonal or annual exemption certification or the utility may proceed without local government unit certification if the utility is carrying out the work according to approved best management practices. Work of an emergency nature may proceed as necessary, and any drain or fill activities shall~~ must be addressed with the local government unit after the emergency work has been completed.

Effect of Change: Eliminates the acreage-based condition of the utilities exemption, and now subjects the exemption to a requirement that the wetland impacts be authorized by and conducted in accordance with a U.S. Army Corps of Engineers Section 404 permit. A local government unit can no longer issue a seasonal or annual exemption for a public utility as the exemption is now dependent on a Corps permit.

Sec. 82. Minnesota Statutes 2022, section 103G.2241, subdivision 9, is amended to read:

Subd. 9. **De minimis.** (a) Except as provided in paragraphs (d), (e), (f), (g), (h), and (i), a replacement plan for wetlands is not required for ~~draining or filling~~ impacts to the following amounts of wetlands, excluding the

permanently and semipermanently flooded areas of wetlands, as part of a project outside of the shoreland wetland protection zone:

~~(1) 10,000 square feet of type 1, 2, 6, or 7 wetland, excluding white cedar and tamarack wetlands, one-quarter acre of wetland in a greater than 80 percent area;~~

~~(2) 5,000 square feet of type 1, 2, 6, or 7 wetland, excluding white cedar and tamarack wetlands, one-tenth acre of wetland in a 50 to 80 percent area, except within the 11-county metropolitan area; or~~

~~(3) 2,000 square feet of type 1, 2, 6, or 7 wetland, excluding white cedar and tamarack wetlands, one-twentieth acre of wetland in a less than 50 percent area, except within the 11-county metropolitan area; or~~

~~(4) 100 square feet of type 3, 4, 5, or 8 wetland or white cedar and tamarack wetland.~~

~~(b) Except as provided in paragraphs (e), (f), (g), (h), and (i), a replacement plan for wetlands is not required for draining or filling the following amounts of up to 100 square feet of impacts to wetlands as part of a project within the shoreland wetland protection zone beyond the shoreland building setback zone:~~

~~(1) 400 square feet of type 1, 2, 6, or 7 wetland; or~~

~~(2) 100 square feet of type 3, 4, 5, or 8 wetland or white cedar and tamarack wetland.~~

~~In a greater than 80 percent area, the de minimis amount allowed under clause (1) may be increased up to 1,000 square feet if the wetland is isolated and is determined to have no direct surficial connection to the public water or if permanent water runoff retention or infiltration measures are established in proximity as approved by the shoreland management authority.~~

~~(c) Except as provided in paragraphs (e), (f), (g), (h), and (i), a replacement plan for wetlands is not required for draining or filling up to 20 square feet of wetland impacts to wetlands as part of a project within the shoreland building setback zone, as defined in the local shoreland management ordinance. The amount in this paragraph may be increased to 100 square feet if permanent water runoff retention or infiltration measures are established in proximity as approved by the shoreland management authority.~~

~~(d) Except as provided in paragraphs (b), (c), (e), (f), (g), (h), and (i), a replacement plan is not required for draining or filling amounts up to 400 square feet of impacts to the permanently and semipermanently flooded areas of wetlands as part of a project:~~

~~(1) 2,500 square feet of type 1, 2, 6, or 7 wetland, excluding white cedar and tamarack wetlands, outside of the shoreland wetland protection zone in a 50 to 80 percent area within the 11-county metropolitan area; or~~

~~(2) 1,000 square feet of type 1, 2, or 6 wetland, outside of the shoreland wetland protection zone in a less than 50 percent area within the 11-county metropolitan area.~~

~~For purposes of this subdivision, the 11-county metropolitan area consists of the counties of Anoka, Carver, Chisago, Dakota, Hennepin, Isanti, Ramsey, Scott, Sherburne, Washington, and Wright.~~

~~(e) The amounts listed in paragraphs (a), (b), and (c), and (d) may not be combined on a project.~~

~~(f) This exemption no longer applies to a landowner's portion of a wetland when the cumulative area drained or filled of the landowner's portion since January 1, 1992, is the greatest of:~~

~~(1) the applicable area listed in paragraph (a), (b), or (c), if the landowner owns the entire wetland;~~

~~(2) five percent of the landowner's portion of the wetland; or~~

~~(3) 400 square feet.~~

(f) When the total area of impacts to wetlands as part of a project exceeds the applicable amount in this subdivision, a replacement plan is required for the entire amount.

(g) This exemption may not be combined with another exemption in this section on a project.

(h) Property may not be divided to increase the amounts listed in paragraph (a), (b), (c), or (d).

(i) If a local ordinance or similar local control is more restrictive than this subdivision, the local standard applies.

Effect of Change: Thresholds based on wetland type (Circular 39) and thresholds specific to the 11-country metro area have been eliminated from the de minimis exemption. Thresholds are now based on presettlement area (<50, 50-80, >80), shoreland zone, shoreland building setback zone, and permanently/semi-permanently flooded water regimes. Statute now clarifies that if project wetland impacts exceed the applicable de minimis threshold, all wetland impacts require replacement. The exemption restrictions related to the landowner's portion of the wetland and the cumulative area drained/filled since 1992 have been eliminated. Additional restrictions have been added to statute to prevent increasing de minimis amounts by dividing property. The statute now refers to all wetland impacts as opposed to just impacts caused by draining and filling.

Sec. 83. Minnesota Statutes 2023 Supplement, section 103G.2242, subdivision 1, is amended to read:

Subdivision 1. **Rules.** (a) The board, in consultation with the commissioner, shall adopt rules governing the approval of wetland value replacement plans under this section and public-waters-work permits affecting public waters wetlands under section 103G.245. These rules must address the criteria, procedure, timing, and location of acceptable replacement of wetland values and may address the state establishment and administration of a wetland banking program for public and private projects, including provisions for an in-lieu fee program; mitigating and banking other water and water-related resources; the administrative, monitoring, and enforcement procedures to be used; provisions that protect, or mitigate impacts to, intermittent and perennial watercourses upstream of public waters identified under section 103G.005, subdivision 15, paragraph (a), clause (9) or (10); and a procedure for the review and appeal of decisions under this section. In the case of peatlands, the replacement plan rules must consider the impact on carbon. Any in-lieu fee program established by the board must conform with Code of Federal Regulations, title 33, section 332.8, as amended.

(b) After the adoption of the rules, a replacement plan must be approved by a resolution of the governing body of the local government unit, consistent with the provisions of the rules or a comprehensive wetland protection and management plan approved under section 103G.2243.

(c) If the local government unit fails to apply the rules or fails to implement a local comprehensive wetland protection and management plan established under section 103G.2243, the government unit is subject to penalty as determined by the board.

(d) When making a determination under rules adopted pursuant to this subdivision on whether a rare natural community will be permanently adversely affected, consideration of measures to mitigate any adverse effect on the community must be considered.

Effect of Change: Authorizes BWSR to amend the WCA rules to regulate reaches of intermittent and perennial watercourses that are not identified as public waters. The regulation of these watercourse reaches does not become effective until BWSR develops and adopts specific rules related to their protection and mitigation.

Sec. 84. Minnesota Statutes 2022, section 103G.2242, subdivision 2, is amended to read:

Subd. 2. **Evaluation.** (a) Questions concerning the public value, location, size, or type of a wetland ~~shall~~ must be submitted to and determined by a Technical Evaluation Panel after an on-site inspection. The Technical Evaluation Panel ~~shall~~ must be composed of a technical professional employee of the board, a technical professional employee of the local soil and water conservation district or districts, a technical professional with expertise in water resources management appointed by the local government unit, and a technical professional employee of the Department of Natural Resources for projects affecting public waters or wetlands adjacent to public waters.

(b) ~~For wetland boundary determinations, the panel shall use the "United States Army Corps of Engineers Wetland Delineation Manual", United States Army Corps of Engineers (January 1987), including updates, supplementary guidance, and replacements, if any,". For wetland type determinations, the panel must also use "Wetlands of the United States", United States Fish and Wildlife Service Circular 39, (1971 edition), and "Classification of Wetlands and Deepwater Habitats of the United States" (1979 edition); "Classification of Wetlands and Deepwater Habitats of the United States, United States Fish and Wildlife Service (August 2013 edition); or A Hydrogeomorphic Classification for Wetlands, United States Army Corps of Engineers (August 1993), according to rules authorized under this part and including updates, supplementary guidance, and replacements, if any, for any of these publications.~~

Effect of Change: The edits update references to the Corps of Engineers wetland delineation manual and associated U.S. Fish and Wildlife Service wetland/deepwater habitat classification system. The statute now allows for the use of the HGM wetland classification system in wetland boundary/type determinations according to rules adopted by BWSR (WCA rules). The language also clarifies that future updates, supplements, and replacements of referenced documents can be used.

Sec. 85. Minnesota Statutes 2022, section 103G.2242, subdivision 2a, is amended to read:

Subd. 2a. **Wetland boundary or type determination.**

(c) The local government unit decision must be made in compliance with section 15.99. Within ten calendar days of the decision, the local government unit decision must be mailed or sent by electronic transmission to the landowner, members of the Technical Evaluation Panel, the watershed district or watershed management organization, if one exists, and individual members of the public who request a copy. Notwithstanding section 15.99, subdivision 2, the board must establish by rule timelines for project review and comment for wetland banking projects.

Effect of Change: For wetland banking projects only, statute now directs BWSR to establish review and comment period timelines in WCA rule. These timelines will not take effect until formally adopted in rule. Once adopted, these review and comment period timelines for wetland banking projects would no longer be subject to Minnesota Statutes 15.99. This provision, however, does not apply to other WCA application types such as exemptions or replacement plans.

Sec. 86. Minnesota Statutes 2022, section 103G.2242, subdivision 3, is amended to read:

Subd. 3. Replacement completion.

(b) The board may establish, sponsor, or administer a wetland banking program, which may include provisions allowing monetary payment to the wetland banking program for impacts to wetlands. The board may acquire land in fee title, purchase or accept easements, enter into agreements, and purchase existing wetland replacement credits to facilitate the wetland banking program. The board may establish wetland credit and in-lieu fee payment amounts and hold money in an account in the special revenue fund, which is appropriated to the board to be used solely for establishing replacement wetlands and administering the wetland banking program.

Effect of Change: Clarifies BWSR's authority to develop, sponsor, and administer the wetland banking program, including an in-lieu fee program and/or the associated collection of payments. It also clarifies BWSR's ability to establish fee payment amounts and hold money associated with deposited wetland credits and in-lieu fee payments.

Questions regarding the statute changes included in this summary can be directed to any the following staff of the Minnesota Board of Water and Soil Resources:

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