

Section 1. **DULUTH, CITY OF; SALES AND USE TAX.** Subdivision 1. Minnesota Statutes, Section 477A.01, Subdivision 18, shall not be deemed to prohibit the city of Duluth from amending its sales and use tax ordinances so as to impose a sales or use tax at the rate of one percent, or two percent in cases covered by subdivision 2, upon any or all sales or uses which are taxed by the state of Minnesota pursuant to Minnesota Statutes, Chapter 297A, or Minnesota Statutes, Chapter 297B.

Subd. 2. Notwithstanding Minnesota Statutes, Section 477A.01, Subdivision 18, or other law, ordinance or city charter provision to the contrary, the city of Duluth may by ordinance impose a sales tax of up to two percent on sales transactions covered by Minnesota Statutes, Section 297A.01, Subdivision 3, clause (c), occurring within the city of Duluth. The imposition of this tax shall not be subject to voter referendum under either state law or city charter provisions. Revenues received from this additional tax shall be used to provide revenues only for facilities or agencies which are run by the governing body of the city or by a board which is appointed by the governing body of the city.

Subd. 3. The city council shall prepare a report for the legislature by January, 1979, on the future of the Spirit Mountain project containing directions relative to future funding and the feasibility of contracting part or all portions of the project to private interests.

Sec. 2. **EFFECTIVE DATE.** This act shall become effective only after its approval by the city council of the city of Duluth, and upon compliance with Minnesota Statutes, Section 645.021 and shall be in effect only to July 1, 1979.

Approved June 2, 1977.

CHAPTER 439—S.F.No.896

[Coded in Part]

An act relating to the establishment of a power plant site and transmission line route selection authority in the environmental quality board; eliminating the corridor designation process; clarifying certain procedures; authorizing certain options concerning the amount of land to be condemned and annual payments for owners of land condemned for routes or sites; requiring utilities to make additional annual payments to owners of property crossed by a route; requiring the board and the office of hearing examiners to adopt emergency and permanent rules; authorizing the board to revoke or suspend permits; specifying amounts for route application fees; providing penalties; amending Minnesota Statutes 1976, Sections 116C.52, Subdivisions 3 and 7, and by adding subdivisions; 116C.53; 116C.54; 116C.55, Subdivisions 2 and 3; 116C.57; 116C.58; 116C.59, Subdivision 1, and by adding subdivisions; 116C.61, Subdivisions 2 and 3; 116C.62; 116C.63; 116C.64; 116C.65; 116C.66; 116C.67; 116C.68; and 116C.69; and Chapter 116C, by adding a section; repealing Minnesota Statutes 1976, Sections 116C.55, Subdivision 1; and 116C.56.

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

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Section 1. Minnesota Statutes 1976, Section 116C.52, Subdivision 3, is amended to read:

Subd. 3. **ENVIRONMENT; POWER PLANT SITES AND TRANSMISSION LINES.** "High voltage transmission line" ~~shall mean~~ means a conductor of electric energy and associated facilities designed for and capable of operation at a nominal voltage of 200 kilovolts or more, except that the board, by regulation rule, may exempt lines ~~under one mile in length pursuant to section 116C.57, subdivision 5.~~

Sec. 2. Minnesota Statutes 1976, Section 116C.52, Subdivision 7, is amended to read:

Subd. 7. "Construction" ~~shall be deemed to have started or commenced as a result of significant physical alteration of a site or route but not including activities incident to preliminary engineering or environmental studies~~ means any clearing of land, excavation, or other action that would adversely affect the natural environment of the site or route but does not include changes needed for temporary use of sites or routes for nonutility purposes, or uses in securing survey or geological data, including necessary borings to ascertain foundation conditions.

Sec. 3. Minnesota Statutes 1976, Section 116C.52, is amended by adding a subdivision to read:

Subd. 8. "Route" means the location of a high voltage transmission line between two end points. The route may have a variable width of up to 1.25 miles.

Sec. 4. Minnesota Statutes 1976, Section 116C.52, is amended by adding a subdivision to read:

Subd. 9. "Site" means the location of a large electric power generating plant.

Sec. 5. Minnesota Statutes 1976, Section 116C.52, is amended by adding a subdivision to read:

Subd. 10. "Large electric power facilities" means high voltage transmission lines and large electric power generating plants.

Sec. 6. Minnesota Statutes 1976, Section 116C.53, is amended to read:

116C.53 SITING AUTHORITY. Subdivision 1. POLICY. The legislature hereby declares it to be the policy of the state to locate large electric power facilities in an orderly manner compatible with environmental preservation and the efficient use of resources. In accordance with this policy the board shall choose locations that minimize adverse human and environmental impact while insuring continuing electric power system reliability and integrity and insuring that electric energy needs are met and fulfilled in an orderly and timely fashion.

Subd. 2. JURISDICTION. The Minnesota environmental quality board is hereby

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given the authority to provide for power plant site and transmission line corridor and route selection.

Subd. 3. If a route is proposed in two or more states, the board shall attempt to reach agreement with affected states on the entry and exit points prior to authorizing the construction of the route. The board, in discharge of its duties pursuant to sections 116C.51 to 116C.69 may make joint investigations, hold joint hearings within or without the state, and issue joint or concurrent orders in conjunction or concurrence with any official or agency of any state or of the United States. The board may negotiate and enter into any agreements or compacts with agencies of other states, pursuant to any consent of congress, for cooperative efforts in certifying the construction, operation, and maintenance of large electric power facilities in accord with the purposes of sections 116C.51 to 116C.69 and for the enforcement of the respective state laws regarding such facilities.

Sec. 7. Minnesota Statutes 1976, Section 116C.54, is amended to read:

116C.54 ADVANCE FORECASTING. Every utility which owns or operates, or plans within the next 15 years to own or operate large electric power generating plants or high voltage transmission lines shall develop forecasts as specified in this section. On or before July 1 of each even-numbered year, every such utility shall submit a report of its forecast to the board. ~~Such~~ The report may be appropriate portions of a single regional forecast or may be jointly prepared and submitted by two or more utilities and shall contain the following information:

(1) Description of the tentative regional location and general size and type of all large electric power generating plants and high voltage transmission lines to be owned or operated by ~~such the~~ utility during the ensuing 15 years or ~~such any~~ longer period as the board deems necessary;

(2) Identification of all existing generating plants and transmission lines projected to be removed from service during ~~such any~~ 15 year period or upon completion of construction of ~~such any~~ large electric power generating plants and high voltage transmission lines;

(3) Statement of the projected demand for electric energy for the ensuing 15 years and the underlying assumptions for this forecast, such information to be as geographically specific as possible where this demand will occur;

(4) Description of the capacity of the electric power system to meet ~~such projected~~ demands during the ensuing 15 years;

(5) Description of the utility's relationship to other utilities and regional associations, power pools or networks; and

(6) Other relevant information as may be requested by the board.

On or before July 1 of each odd-numbered year, a utility shall verify or submit
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revisions to items (1) and (2).

Sec. 8. Minnesota Statutes 1976, Section 116C.55, Subdivision 2, is amended to read:

Subd. 2. **INVENTORY CRITERIA; PUBLIC HEARINGS.** The board shall promptly initiate a public planning process where all interested persons can participate in developing the criteria and standards to be used by the board in preparing an inventory of ~~potential large electric power generating plant sites and high voltage transmission line corridors~~ study areas and to guide the site and route suitability evaluation and selection process. The participatory process shall include, but should not be limited to public hearings. Before substantial modifications of the initial criteria and standards are adopted, additional public hearings shall be held. ~~Such criteria and standards shall be promulgated on or before July 1, 1974. All hearings conducted under this subdivision shall be conducted pursuant to the rulemaking provisions of chapter 15.~~

Sec. 9. Minnesota Statutes 1976, Section 116C.55, Subdivision 3, is amended to read:

Subd. 3. **INVENTORY OF LARGE ELECTRIC POWER GENERATING PLANT STUDY AREAS.** On or before ~~July 1, 1975, January 1, 1979~~, the board shall ~~assemble and publish~~ adopt an inventory of ~~potential large electric power generating plant sites and high voltage transmission line corridors~~ study areas and ~~publish an inventory report~~. The inventory report of ~~potential large electric power generating plant sites and high voltage transmission line corridors~~ shall set forth ~~specify~~ the planning policies, criteria and standards used in developing the ~~potential site and corridor~~ inventory. After completion of its initial inventory of ~~potential sites and corridors~~, the board shall have a continuing responsibility to evaluate, update and publish its inventory and ~~if, due to changed circumstances or information, a site or corridor is inconsistent with prescribed criteria or does not meet prescribed standards, such site or corridor shall be removed from the inventory of potential sites and corridors.~~

Sec. 10. Minnesota Statutes 1976, Section 116C.57, is amended to read:

116C.57 DESIGNATION OF SITES AND ROUTES; PROCEDURES; CONSIDERATIONS; EMERGENCY CERTIFICATION; EXEMPTION. Subdivision 1. **DESIGNATION OF SITES SUITABLE FOR SPECIFIC FACILITIES; REPORTS.** Following publication of the inventory of potential sites for large electric power generating plants or corridors for high voltage transmission lines and the submission of the five year development plans of the utilities, A utility must apply to the board in a form and manner prescribed by the board for designation of a specific site or corridor for a specific size and type of facility. ~~No large electric power generating plant or high voltage transmission line shall be constructed except on a site or route designated by the board pursuant to sections 116C.51 to 116C.69. Following the study, evaluation, and hearings, as provided in this section and sections 116C.58 to 116C.60, on~~ The application shall contain at least two proposed sites. In the event a utility proposes a site not included in the board's inventory of study areas, the utility shall specify the reasons for the proposal and shall make an evaluation of the proposed site based upon the planning policies, criteria

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and standards specified in the inventory. Pursuant to sections 116C.57 to 116C.60, the board shall study and evaluate any site or corridor proposed by the utilities a utility and such any other sites site and corridors as the board deems necessary from the inventory the board shall designate a suitable site or corridor for a specific size and type of facility. This designation by the board shall be made in accordance with the site selection criteria and standards established in section 116C.55 and shall be made in a timely manner in a finding with reasons for such choice, and published no later than one year after the request for designation of a site by the utility or no later than 180 days after the request for designation of a corridor by the utility. The time for designation of a site may be extended for six months by the board for just cause which was proposed in a manner consistent with rules adopted by the board concerning the form, content, and timeliness of proposals for alternate sites. No site or corridor designation shall be made in violation of the site selection standards established in section 116C.55. The board shall indicate the reasons for any refusal and indicate changes in size or type of facility necessary to allow siting in compliance with the standards site designation. Upon designation of the Within a year after the board's acceptance of a utility's application, the board shall decide in accordance with the criteria specified in section 116C.55, subdivision 2, the responsibilities, procedures and considerations specified in section 116C.57, subdivision 4, and the considerations in chapter 116D which proposed site is to be designated. The board may extend for just cause the time limitation for its decision for a period not to exceed six months. When the board designates a site or corridor, the board it shall issue to the utility a certificate of site compatibility to the utility with any appropriate conditions. The board shall publish a notice of its decision in the state register within 30 days of site designation. No large electric power generating plant shall be constructed except on a site designated by the board.

Subd. 2. DESIGNATION OF ROUTES; PROCEDURE. No later than two years after the issuance of a certificate of site compatibility the A utility shall apply to the board in a form and manner prescribed by the board for a permit for the construction of a high voltage transmission line within the approved corridor. Following The application shall contain at least two proposed routes. Pursuant to sections 116C.57 to 116C.60, the board shall study, evaluation and hearings on evaluate the type, design, routing, right-of-way preparation and facility construction as identified of any route proposed in the a utility's application and any other alternatives to the utility's corridor development proposal as provided in subdivision 4; route the board deems necessary which was proposed in a manner consistent with rules adopted by the board concerning the form, content, and timeliness of proposals for alternate routes provided, however, that the board shall identify the alternative routes prior to the commencement of public hearings thereon pursuant to section 116C.58. Within one year after the board's acceptance of a utility's application, the board shall decide in accordance with the criteria and standards specified in section 116C.55, subdivision 2, and the considerations specified in section 116C.57, subdivision 4, which proposed route is to be designated. The board may extend for just cause the time limitation for its decision for a period not to exceed 90 days. When the board designates a route, it shall issue a permit for the construction of a high voltage transmission lines within the designated corridor. This permit issuance by the board shall be made in a timely manner and published no later than 180 days after the application for a permit by the utility line specifying the type, design, routing, right-of-way preparation and facility construction it deems necessary and with any other appropriate conditions.

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The board may order the construction of high voltage transmission line facilities which are capable of expansion in transmission capacity through multiple circuiting or design modifications. The board shall publish a notice of its decision in the state register within 30 days of issuance of the permit. No high voltage transmission line shall be constructed except on a route designated by the board, unless it was exempted pursuant to subdivision 5.

Subd. 3. **EMERGENCY CERTIFICATION.** Any utility whose electric power system requires the immediate construction of a large electric power generating plant or high voltage transmission line may make application to the board for an emergency certificate of site compatibility or permit for the construction of high voltage transmission lines, which certificate or permit shall be issued in a timely manner and published no later than ~~180~~ 195 days after the board's acceptance of the application and upon a finding by the board that a demonstrable emergency exists which requires ~~such~~ immediate construction, and that adherence to the procedures and time schedules ~~set forth~~ specified in sections 116C.54 ~~to~~, 116C.56 and 116C.57 would jeopardize ~~such~~ the utility's electric power system or would jeopardize the utility's ability to meet the electric needs of its customers in a orderly and timely manner. A public hearing to determine if an emergency exists shall be held within 90 days of the application. The board shall, after notice and hearing, promulgate ~~regulations setting forth~~ rules specifying the criteria for emergency certification.

Subd. 4. **CONSIDERATIONS IN DESIGNATING SITES AND ROUTES.** To facilitate the study, research, evaluation and designation of sites and ~~corridors for large electric power generating plants and high voltage transmission lines and the approval of specific transmission line facilities and their routes,~~ the board shall be guided by, but not limited to, the following responsibilities, procedures, and considerations:

(1) Evaluation of research and investigations relating to the effects on land, water and air resources of large electric power generating plants and high voltage transmission line ~~corridors and routes and the effects of water and air discharges and electric fields resulting from such plants facilities on public health and welfare, vegetation, animals, materials and aesthetic values, including base line studies, predictive modeling, and monitoring of the water and air mass at proposed and operating sites and sites of operating large electric power generating plants routes,~~ evaluation of new or improved methods for minimizing adverse impacts of water and air discharges and other matters pertaining to the effects of power plants on the water and air environment;

(2) Environmental evaluation of ~~large electric power generating plant sites and high voltage transmission line corridors and routes proposed for future development and expansion and their relationship to the land, water, air and human resources of the state;~~

(3) Evaluation of the effects of new electric power generation and transmission technologies and systems related to power plants designed to minimize adverse environmental effects;

(4) Evaluation of the potential for beneficial uses of waste energy from proposed large electric power generating plants;

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(5) Analysis of the direct and indirect economic impact of proposed large electric power generating plants and high voltage transmission lines sites and routes including, but not limited to, productive agricultural land lost or impaired;

(6) Evaluation of adverse direct and indirect environmental effects which cannot be avoided should the proposed site and transmission line corridor or route be accepted;

(7) Evaluation of alternatives to the proposed site and transmission line corridors and routes applicant's proposed site or route proposed pursuant to section 116C.57, subdivisions 1 and 2;

(8) Evaluation of potential routes which would use or parallel existing railroad and highway rights-of-way;

(9) Evaluation of governmental survey lines and other natural division lines of agricultural land so as to minimize interference with agricultural operations;

(10) Evaluation of the future needs for additional high voltage transmission lines in the same general area as any proposed route, and the advisability of ordering the construction of structures capable of expansion in transmission capacity through multiple circuiting or design modifications;

(8) (11) Evaluation of irreversible and irretrievable commitments of resources should the proposed site and transmission line corridor or route be approved; and

(9) (12) Where appropriate, consideration of problems raised by other state and federal agencies and local entities.

(10) (13) Where If the board's rules and regulations of the board as set forth in sections 116C.51 to 116C.69 are substantially similar to existing rules and regulations of a federal agency to which the utility in the state is subject, the federal rules and regulations shall be applied by the board.

(14) No site or route shall be designated which violates state agency rules.

Subd. 5. EXEMPTION OF CERTAIN ROUTES. A utility may apply to the board in a form and manner prescribed by the board to exempt the construction of any proposed high voltage transmission line from sections 116C.51 to 116C.69. Within 15 days of the board's receipt of the exemption application, the utility shall publish a notice and description of the exemption application in a legal newspaper of general circulation in each county in which the route is proposed and send a copy of the exemption application by certified mail to the chief executive of any regional development commission, county, incorporated municipality and organized town in which the route is proposed and shall send a notice and description of the exemption application to each owner over whose property the line may run, together with an understandable description of the procedures the owner must follow should he desire to object. For the purpose of giving mailed notice under this subdivision, owners shall be those shown on the records of the county auditor or, in any county where tax statements are mailed by the county treasurer, on the records

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of the county treasurer; but other appropriate records may be used for this purpose. Except as to the owners of tax exempt property or property taxes on a gross earnings basis, every property owner whose name does not appear on the records of the county auditor or the county treasurer shall be deemed to have waived such mailed notice unless he has requested in writing that the county auditor or county treasurer, as the case may be, include his name on the records for such purpose. The failure to give mailed notice to a property owner, or defects in the notice shall not invalidate the proceedings, provided a bona fide attempt to comply with this subdivision has been made. If any person who owns real property crossed by the proposed route, or any person owning property adjacent to property crossed by the proposed route, or any affected political subdivision files an objection with the board within 60 days after the board's receipt of the exemption application, the board shall either deny the exemption application or conduct a public hearing. If the board determines that the proposed high voltage transmission line will not create significant human or environmental impact, it may exempt the proposed transmission line with any appropriate conditions, but the utility shall comply with any applicable state rule and any applicable zoning, building and land use rules, regulations and ordinances of any regional, county, local and special purpose government in which the route is proposed. The board may by rule require a fee to pay expenses incurred in processing exemptions. Any fee charged is subject to the conditions of section 116C.69, subdivision 2a.

Subd. 6. RECORDING OF SURVEY POINTS. The permanent location of monuments or markers found or placed by a utility in a survey of right of way for a route shall be placed on record in the office of the county recorder or registrar of titles. No fee shall be charged to the utility for recording this information.

Sec. 11. Minnesota Statutes 1976, Section 116C.58, is amended to read:

116C.58 PUBLIC HEARINGS; NOTICE. The board shall hold an annual public hearing at a time and place prescribed by regulation rule in order to afford interested persons an opportunity to be heard regarding its inventory of potential sites and corridors study areas and any other aspects of the board's activities and duties or ~~the policies set forth specified~~ in sections 116C.51 to 116C.69. The board shall hold at least one public hearing in each county where a site or route is being considered for designation pursuant to section 116C.57 as suitable for construction of a large electric power generating plant or a high voltage transmission line. Notice and agenda of public hearings and public meetings of the board held in each county shall be given by the board at least ten days in advance but no earlier than 45 days prior to such hearings or meetings. Notice shall be by publication in a legal newspaper of general circulation in the county in which the public hearing or public meeting is to be held and by certified mailed notice to chief executives of the regional ~~councils, county development commissions, counties, organized towns~~ and the incorporated municipalities therein in which a site or route is proposed. All hearings held for designating a site or route or for exempting a route shall be conducted by a hearing examiner from the office of hearing examiners pursuant to the contested case procedures of chapter 15. Any person may appear at the hearings and present testimony and exhibits and may question witnesses without the necessity of intervening as a formal party to the proceedings.

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Sec. 12. Minnesota Statutes 1976, Section 116C.59, Subdivision 1, is amended to read:

116C.59 PUBLIC PARTICIPATION. Subdivision 1. **ADVISORY COMMITTEE.** The board shall appoint one or more advisory committees to assist it in carrying out its duties. Committees appointed to evaluate ~~plant sites or transmission line corridors~~ routes considered for designation shall be comprised of as many persons as may be designated by the board, but ~~shall include a majority of public representatives;~~ at least one representative from each of the following: ~~A public or municipally owned utility; a private investor owned utility and a cooperatively owned utility; one representative from the Regional council and one from each county development commissions, counties and municipal corporation~~ corporations and one town board member from each county in which a large electric power generating plant site and high voltage transmission line corridor are or route is proposed to be located. No officer, agent or employee of a utility shall serve on an advisory committee. Reimbursement for expenses incurred shall be made pursuant to the rules governing state employees.

Sec. 13. Minnesota Statutes 1976, Section 116C.59, is amended by adding subdivisions to read:

Subd. 3. PUBLIC ADVISOR. The board shall designate one staff person for the sole purpose of assisting and advising those affected and interested citizens on how to effectively participate in site or route proceedings.

Subd. 4. SCIENTIFIC ADVISORY COMMITTEE. The board may appoint one or more advisory committee composed of technical and scientific experts to conduct research and make recommendations concerning generic issues such as health and safety, underground routes, double circuiting and long range route and site planning. Reimbursement for expenses incurred shall be made pursuant to the rules governing reimbursement of state employees.

Sec. 14. Minnesota Statutes 1976, Section 116C.61, Subdivision 2, is amended to read:

Subd. 2. **FACILITY LICENSING.** Notwithstanding anything herein to the contrary, utilities shall obtain state permits that may be required to construct and operate large electric power generating plants and high voltage transmission lines. A state agency in processing a utility's facility permit application shall be bound to the decisions of the board, with respect to the site ~~designation for the large electric power generating plant or the corridor~~ or route ~~designation for the high voltage transmission line~~, and with respect to other matters for which authority has been granted to the board by sections 116C.51 to 116C.69.

Sec. 15. Minnesota Statutes 1976, Section 116C.61, Subdivision 3, is amended to read:

Subd. 3. **STATE AGENCY PARTICIPATION.** State agencies authorized to issue permits required for construction or operation of large electric power generating plants or ~~Changes or additions indicated by underline deletions by strikeout~~

high voltage transmission lines shall participate in and present the position of the agency at public hearings and all other activities of the board on specific site, ~~corridor~~ or route designations of the board, which position shall clearly state whether the site, ~~corridor~~, or route being considered for designation or permit approval for a certain size and type of facility will be in compliance with state agency standards, regulations or policies. ~~No site or route shall be designated which violates state agency regulations.~~

Sec. 16. Minnesota Statutes 1976, Section 116C.62, is amended to read:

116C.62 IMPROVEMENT OF SITES AND ROUTES. Utilities which have acquired a ~~power plant site or transmission line route~~ in accordance with sections 116C.51 to 116C.69 may proceed to construct or improve ~~such the~~ site or route for the intended purposes at any time, subject to section 116C.61, subdivision 2, provided that if ~~such the~~ construction and improvement commences more than four years after a certificate or permit for the site or route has been issued then the utility must certify to the board that ~~such the~~ site or route continues to meet the conditions upon which the certificate of site compatibility or transmission line construction permit was issued.

Sec. 17. Minnesota Statutes 1976, Section 116C.63, is amended to read:

116C.63 EMINENT DOMAIN POWERS; RIGHT OF CONDEMNATION.
Subdivision 1. Nothing ~~herein in this section~~ shall ~~abrogate or invalidate~~ the right of eminent domain vested in utilities by statute or common law existing as of May 24, 1973, ~~except to the extent modified herein.~~ ~~Such~~ The right of eminent domain shall continue to exist for utilities and may be used according to law to accomplish any of the purposes and objectives of sections 116C.51 to 116C.69, including acquisition of the right to utilize existing high voltage transmission facilities which are capable of expansion or modification to accommodate both existing and proposed conductors. Notwithstanding any law to the contrary, all easement interests shall revert to the then fee owner if a route is not used for high voltage transmission line purposes for a period of five years.

Subd. 2. In eminent domain proceedings by a utility for the acquisition of real property proposed for construction of a route or a site, the proceedings shall be conducted in the manner prescribed in chapter 117, except as otherwise specifically provided in this section.

Subd. 3. When such property is acquired by eminent domain proceedings or voluntary purchase and the amount the owner shall receive for the property is finally determined, the owner who is entitled to payment may elect to have the amount paid in not more than ten annual installments, with interest on the deferred installments, at the rate of eight percent per annum on the unpaid balance, by submitting a written request to the utility before any payment has been made. After the first installment is paid the petitioner may make its final certificate, as provided by law, in the same manner as though the entire amount had been paid.

Subd. 4. When property defined as class 3, 3b, 3c, 3cc, 3d, or 3f pursuant to section 273.13 is proposed to be acquired for the construction of a site or route by eminent domain proceedings, the property owner shall have the option to require the utility to

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condemn a fee interest in any amount of contiguous land which he owns and elects in writing to transfer to the utility within 60 days after his receipt of the petition filed pursuant to section 117.055. The required acquisition of land contiguous to, but outside the designated right-of-way of a route or the boundary of a site, shall be considered an acquisition for a public purpose and for use in the utility's business, for purposes of chapter 117D and section 500.24, respectively; provided that a utility shall divest itself completely of all such lands used for farming or capable of being used for farming within five years within the date of acquisition, or such land shall be sold at a public sale in the manner prescribed by law for the foreclosure of a mortgage by action.

Subd. 5. A utility shall notify by certified mail each person who has transferred any interest in real property to the utility after July 1, 1974, but prior to the effective date of this act, for the purpose of a site or route that he may elect in writing within 90 days after receipt of notice to require the utility to acquire any remaining contiguous parcel of land pursuant to section 17 or to return any payment to the utility and require it to make installment payments pursuant to section 17.

Sec. 18. Minnesota Statutes 1976, Chapter 116C, is amended by adding a section to read:

[116C.635] ANNUAL PAYMENTS. A utility shall annually pay to the owners of land defined as class 3, 3b, 3c, 3cc, 3d, or 3f pursuant to section 273.13 listed on records of the county auditor or treasurer over which runs a high voltage transmission line as defined in section 116C.52, subdivision 3, an amount determined by multiplying a fraction, the numerator of which is the length of high voltage transmission line which runs over that parcel and the denominator of which is the total length of that particular line running over all property within the county, by ten percent of the transmission and distribution line tax revenue derived from the tax on that line pursuant to section 273.42. Prior to August 1 of each year, the auditor of each county shall send a statement to the utility specifying the amount of the payment the utility must make to each qualifying owner of land within the county pursuant to this section. Where a right of way width is shared by more than one property owner, the numerator shall be adjusted by multiplying the length of line on the parcel by the proportion of the total width on the parcel owned by that property owner. The amount of payment for which the property qualifies pursuant to this subdivision shall not exceed 20 percent of the total gross tax on the parcel prior to deduction of the state paid agricultural credit and the state paid homestead credit. The payments of this section shall be made to each affected landowner by the appropriate utility on or before October 1 of each year after 1977 based upon the tax levied in the previous year and shall not reduce any payment pursuant to a voluntary agreement or eminent domain proceeding.

Sec. 19. Minnesota Statutes 1976, Section 116C.64, is amended to read:

116C.64 FAILURE TO ACT. In the event if the board fails to designate in a timely manner large electric power generating plant sites and high voltage transmission line corridors or routes as provided for herein act within the times specified in section 116C.57, any affected utility may seek an order of the district court requiring the board to designate or refuse to designate a site, corridor, or route.

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Sec. 20. Minnesota Statutes 1976, Chapter 116C, is amended by adding a section to read:

[116C.645] REVOCATION OR SUSPENSION. A site certificate or construction permit may be revoked or suspended by the board after adequate notice of the alleged grounds for revocation or suspension and a full and fair hearing in which the affected utility has an opportunity to confront any witness and respond to any evidence against it and to present rebuttal or mitigating evidence upon a finding by the board of:

(1) Any false statement knowingly made in the application or in accompanying statements or studies required of the applicant, if a true statement would have warranted a change in the board's findings;

(2) Failure to comply with material conditions of the site certificate or construction permit, or failure to maintain safety standards; or

(3) Any material violation of the provisions of sections 116C.51 to 116C.69, any rule promulgated pursuant thereto, or any order of the board.

Sec. 21. Minnesota Statutes 1976, Section 116C.65, is amended to read:

116C.65 JUDICIAL REVIEW. Any utility, party or person aggrieved by the issuance of a certificate or emergency certificate of site compatibility or transmission line construction permit from the board or a certification of continuing suitability filed by a utility with the board or by a final order in accordance with any rules and regulations promulgated by the board, may appeal therefrom to any district court where such ~~large electric power generating plant~~ a site or high voltage transmission line route is to be located. ~~Such~~ The appeal shall be ~~made and perfected~~ filed within 60 days after the publication in the state register of notice of the issuance of the certificate or permit by the board or certification filed with the council or the filing of any final order by the board. The notice of appeal to the district court shall be filed with the clerk of the district court and a copy thereof mailed to the board and affected utility. Any utility, party or person aggrieved by a final order or judgment rendered on appeal to the district court may appeal therefrom to the supreme court in the manner provided in civil actions. The scope of judicial review shall be as prescribed in section 15.024.

Sec. 22. Minnesota Statutes 1976, Section 116C.66, is amended to read:

116C.66 RULES. The board, in order to give effect to the purposes of sections 116C.51 to 116C.69, shall prior to January 1, 1978, adopt rules and regulations consistent with sections 116C.51 to 116C.69, including promulgation of plant siting and transmission line routing site and route designation criteria, the description of the information to be furnished by the utilities, establishment of minimum guidelines for public participation in the development, revision, and enforcement of any regulation rule, plan or program established by the board, procedures for the revocation or suspension of a construction permit or a certificate of site compatibility, the procedure and timeliness for proposing alternative routes and sites, and route exemption criteria and procedures. No rule adopted by the board shall grant priority to state owned wildlife management areas over

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agricultural lands in the designation of route avoidance areas. The provisions of chapter 157 shall apply to the appeal of rules and regulations adopted by the board to the same extent as it applies to review of rules and regulations adopted by any other agency of state government.

The chief hearing examiner shall, prior to January 1, 1978, adopt procedural rules for public hearings relating to the site and route designation process and to the route exemption process. The rules shall attempt to maximize citizen participation in these processes.

Sec. 23. Minnesota Statutes 1976, Section 116C.67, is amended to read:

116C.67 **SAVINGS CLAUSE.** The provisions of sections 116C.51 to 116C.69 shall not apply to ~~the any site for the large electric power generating plant~~ evaluated and recommended by the governor's environmental quality council prior to the date of enactment, and also to any high voltage transmission lines, the construction of which will commence prior to July 1, 1974; ~~provided, however, that within 90 days following the date of enactment, the affected utility shall file with the council a written statement identifying such transmission lines, their planned location, and the estimated date for commencement of construction.~~

Sec. 24. Minnesota Statutes 1976, Section 116C.68, is amended to read:

116C.68 **ENFORCEMENT, PENALTIES.** Subdivision 1. Any person who violates sections 116C.51 to 116C.69 or any rule ~~or regulation~~ promulgated hereunder, or knowingly submits false information in any report required by sections 116C.51 to 116C.69 ~~shall be is~~ guilty of a misdemeanor for the first offense and a gross misdemeanor for the second and each subsequent offense. Each day of violation shall constitute a *separate offense*.

Subd. 2. The provisions of sections 116C.51 to 116C.69 or any rules ~~or regulations~~ promulgated hereunder may be enforced by injunction, action to compel performance or other appropriate action in the district court of the county wherein the violation takes place. The attorney general shall bring any action under this subdivision upon the request of the board.

Subd. 3. When the court finds that any person has violated sections 116C.51 to 116C.69, any rule ~~or regulation~~ hereunder, knowingly submitted false information in any report required by sections 116C.51 to 116C.69 or has violated any court order issued under ~~this chapter sections 116C.51 to 116C.69~~, the court may impose a civil penalty of not more than \$10,000 for each violation. These penalties shall be paid to the general fund in the state treasury.

Sec. 25. Minnesota Statutes 1976, Section 116C.69, is amended to read:

116C.69 **BIENNIAL REPORT; APPLICATION FEES; APPROPRIATION; FUNDING.** Subdivision 1. **BIENNIAL REPORT.** Before November 15 of each even-numbered year the board shall prepare and submit to the legislature **biennially** a

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report of its ~~power plant and transmission siting~~ operations, activities, findings, ~~and~~ recommendations; ~~and undertakings concerning sections 116C.51 to 116C.69.~~ The report shall also contain information on the board's biennial expenditures, its proposed budget for the following biennium, and the amounts paid in certificate and permit application fees pursuant to ~~subdivision~~ subdivisions 2 and 2a and in assessments pursuant to subdivision 3. The proposed budget for the following biennium shall be subject to legislative review.

Subd. 2. **SITE APPLICATION FEE.** Every applicant for a site certificate ~~or transmission line construction permit~~ shall pay to the board a fee in an amount equal to \$500 for each \$1,000,000 of production ~~or transmission line~~ plant investment in the proposed installation as defined in the Federal Power Commission Uniform System of Accounts. The board shall specify the time and manner of payment of the fee. If any single payment requested by the board is in excess of 25 percent of the total estimated fee, the board shall show that ~~such the~~ such excess is reasonably necessary. The applicant shall pay within 30 days of notification ~~such any~~ such additional fees ~~as are~~ reasonably necessary for completion of the ~~plant site; transmission line corridor or route evaluation and selection designation~~ process by the board. In no event shall the total fees required of the applicant under this subdivision exceed an amount equal to 0.001 of said production ~~or transmission line~~ plant investment (\$1,000 for each \$1,000,000) ~~except that the minimum application fee shall not be less than \$5,000.~~ All money received pursuant to this subdivision shall be deposited in the general fund. So much money as is necessary is annually appropriated from the general fund to pay expenses incurred in processing applications for certificates ~~or permits~~ in accordance with the ~~provisions of~~ sections 116C.51 to 116C.69 and in the event ~~such the~~ such expenses are less than the fee paid, to refund the excess to the applicant. This annual appropriation shall not exceed the fees to be paid during ~~such each~~ each period.

Subd. 2a. ROUTE APPLICATION FEE. Every applicant for a transmission line construction permit shall pay to the board a base fee of \$35,000 plus a fee in an amount equal to \$1,000 per mile length of the longest proposed route. The board shall specify the time and manner of payment of the fee. If any single payment requested by the board is in excess of 25 percent of the total estimated fee, the board shall show that the excess is reasonably necessary. In the event the actual cost of processing an application up to the board's final decision to designate a route exceeds the above fee schedule, the board may assess the applicant any additional fees necessary to cover the actual costs, not to exceed an amount equal to \$500 per mile length of the longest proposed route. All money received pursuant to this subdivision shall be deposited in the general fund. So much money as is necessary is annually appropriated from the general fund to pay expenses incurred in processing applications for construction permits in accordance with sections 116C.51 to 116C.69 and in the event the expenses are less than the fee paid, to refund the excess to the applicant. This annual appropriation shall not exceed the fees to be paid during each period.

Subd. 3. **FUNDING; ASSESSMENT.** The board shall finance its base line studies, general environmental studies, development of criteria, inventory preparation, monitoring of conditions placed on site certificates and construction permits, and all other work, other than specific site; ~~corridor~~, and route ~~selection; designation~~ from an assessment

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made annually by the board against all utilities. Each share shall be determined as follows: (1) the ratio that the annual retail kilowatt-hour sales in the state of each utility bears to the annual total retail kilowatt-hour sales in the state of all such utilities, multiplied by 0.667, plus (2) the ratio that the annual gross revenue from retail kilowatt-hour sales in the state of each utility bears to the annual total gross revenues from retail kilowatt-hour sales in the state of all such utilities, multiplied by 0.333, as determined by the board. ~~Such~~ The assessment shall be credited to the general fund and shall be paid to the state treasury within 30 days after receipt of the bill, which shall constitute notice of said assessment and demand of payment thereof. The total amount which may be assessed to the several utilities under authority of this subdivision shall not exceed the annual budget of the board for carrying out the purposes of this subdivision.

Sec. 26. EMERGENCY RULES. The environmental quality board is authorized and directed to promulgate emergency rules pursuant to section 15.0412, subdivision 5, within 90 days of the effective date of this act, concerning the procedures for the revocation or suspension of a construction permit or a certificate of site compatibility and the procedure for designation of a route, including the manner and timeliness of proposing alternative routes, route designation considerations and route exemption criteria and procedures.

The chief hearing examiner is authorized and directed to promulgate emergency rules pursuant to section 15.0412, subdivision 5, within 30 days of the effective date of this act, establishing procedures for public hearings relating to the designation and exemption of routes. The rules shall attempt to maximize citizen participation in the route designation and exemption process.

Any emergency rules authorized by this section shall be effective until either January 1, 1978, or until the board and the chief hearing examiner adopt permanent rules pursuant to chapter 15, whichever occurs first.

Sec. 27. Minnesota Statutes 1976, Sections 116C.55, Subdivision 1; and 116C.56, are repealed.

Sec. 28. Except as herein provided, this act is effective the day following its final enactment. Any corridor, route or site application filed or any public hearing or other proceeding pursuant to sections 116C.51 to 116C.69 initiated or conducted prior to the effective date of this act shall be considered, conducted and acted upon in accordance with the law and rules in effect prior to the effective date of this act. Any route or site application filed or any public hearing or other proceeding pursuant to sections 116C.51 to 116C.69 initiated or conducted subsequent to the effective date of this act shall be postponed until the completion of the emergency rules authorized in section 26, at which time it shall be considered, conducted and acted upon in accordance with sections 116C.51 to 116C.69, as amended by this act, and the emergency or permanent rules adopted pursuant to sections 22 or 26 of this act. Section 18 is effective January 1, 1978.

Approved June 2, 1977.

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