

SF3852 - 0 - Mun. Water Use Permit Mod. for Cert. Users Prohib.

Chief Author: **Ann Johnson Stewart**
 Committee: **Environment, Climate, And Legacy**
 Date Completed: **3/23/2026 2:27:02 PM**
 Agency: **Natural Resources Dept**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings	X	
Tax Revenue		X
Information Technology	X	
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2025	FY2026	FY2027	FY2028	FY2029
Natural Resource Misc. Statutory	-	-	-	-	-	-
Water Mgmt. Account	-	-	127	27	27	27
Total	-	-	127	27	27	27
Biennial Total			127			54

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2025	FY2026	FY2027	FY2028	FY2029
Natural Resource Misc. Statutory	-	-	1	1	1
Water Mgmt. Account	-	-	-	-	-
Total	-	-	1	1	1

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Jordan Peoples **Date:** 3/23/2026 2:27:02 PM
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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands	FY2025	FY2026	FY2027	FY2028	FY2029	
Natural Resource Misc. Statutory	-	-	-	-	-	-
Water Mgmt. Account	-	-	127	27	27	
Total	-	-	127	27	27	
Biennial Total			127		54	
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Natural Resource Misc. Statutory	-	-	165	165	165	
Water Mgmt. Account	-	-	130	30	30	
Total	-	-	295	195	195	
Biennial Total			295		390	
2 - Revenues, Transfers In*						
Natural Resource Misc. Statutory	-	-	165	165	165	
Water Mgmt. Account	-	-	3	3	3	
Total	-	-	168	168	168	
Biennial Total			168		336	

Bill Description

The Bill proposes to modify statutes such that water appropriation applications for commercial or industrial water uses that exceed 100 million gallons per year (MGY) receive their own water appropriation permit, even if the water user proposes to source the water from an existing municipal water supply source.

The bill also requires that such permittees will be required to submit their water use information on a monthly basis rather than annually. The Bill also proposes a 30-day public comment period on any such application that exceeds 100 MGY, and that required aquifer tests be included in any environmental review that may be conducted for an applicable project.

Assumptions

The Minnesota Permitting and Reporting System (MPARS) will need modifications by MNIT to accommodate the required permit structure, even though a municipality would already have to have a permit authorizing the use of water. MPARS will also need modifications by MNIT to accommodate monthly water use reporting.

A new public comment period will require developing a new comment platform or purchasing a platform that is capable of handling a potentially large number of public comments. We will need to develop a system for maintaining a database of all persons who wish to register for notice of permit actions, including a mechanism to define notices based on the required hydrologic unit watershed boundaries.

DNR estimates up to 30 permit applications would be affected by the public comment requirements. Managing a public comment period for 30 permits on an annual basis will add administrative costs to process these applications. A 30-day comment period and time to process comments will add as many as 90 days to the application review period. An estimated 1 FTE would be needed to organize and administer new public comment and outreach efforts. DNR assumes that these additional project evaluation costs will be charged to the applicants under statute 103G.301 Subd. 2b.

DNR also estimates that 5 permit applications per year would be subject to separate application requirements, resulting in new application fees at \$600 each.

Expenditure and/or Revenue Formula

One-time MPARS modifications are estimated at \$100,000.

Annual cost of public comment platform estimated at \$30,000.

One FTE annually at \$165,000 per year.

We estimate that separate permits will result in new application fees about 5 permits that might otherwise have been managed through a municipal permit (5 x \$600 = \$3,000).

Long-Term Fiscal Considerations

Costs for a public comment administration would be ongoing.

Local Fiscal Impact

None.

References/Sources

None.

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