

Minnesota minimum standards for regulation

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Southeastern Minnesota would get a silica sand board and taxes from industry under a bill in the Legislature.

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In its first effort to place boundaries on the state's growing sand industry, the Legislature is considering a bill that would tax frac sand and set uniform, minimum standards to protect southeastern Minnesota against potential health and environmental hazards.

The proposed legislation, set for its first hearing Tuesday, would create a permanent Southeastern Minnesota Silica Sand Board and require the state Environmental Quality Board to study the industry's projected effects by May 1, 2014. The sand board would use that study and advice from agency experts, environmentalists, industry officials and other interest groups to develop overarching limits on frac-sand mining and handling.

Sen. Matt Schmit, DFL-Red Wing, said his bill is designed to avoid an uneven patchwork of mining ordinances set by counties, cities and townships. Local units of government could still impose stricter conditions, but all local ordinances would have to conform to the Silica Sand Board's minimum standards.

"It would be setting a regional baseline," Schmit said. "We're not shutting anything down."

John Kaul, a lobbyist for Save the Bluffs, a Red Wing-area citizens group opposed to unbridled frac-sand mining, said the legislation seeks to avoid what has happened in Wisconsin, where local units of government have issued operating permits to nearly 100 sand-mining facilities in the past four years under a wide range of conditions.

In some cases, sand-mining companies have migrated to Wisconsin localities that require scant regulation. "Wisconsin is the poster child for what we don't want here," Kaul said.

Gov. Mark Dayton hasn't yet commented on the legislation. Spokeswoman Katharine

Tinucci said the governor considers the issue important and looks forward to being “engaged in the process.”

Fred Corrigan of the Minnesota Industrial Sand Council, a new trade group and lobbying organization, said Monday that his group was still studying the proposal.

With Minnesota lagging far behind Wisconsin in development of frac-sand mines, Schmit said there is still time to get a regulatory framework in place.

Both states have seen a rush to mine and process the crush-resistant silica, a key ingredient for the “hydrofracking” technique that has triggered an oil and gas boom in the United States. The bill proposes a local tax and a state tax on frac-sand production, but Schmit left the amount blank for now.

“It’s like a taconite tax for silica sand,” he said.

Besides taxing in-state production of frac sand, the bill would slap a tax on frac sand hauled into Minnesota from Wisconsin.

Schmit said the tax revenue would be used to offset damage to roads and bridges, pay for the Silica Sand Board and be used for other purposes ranging from environmental protection to tourism and economic development.

Environmental groups also have been pressing for a statewide moratorium on frac-sand development until standards are set and state agencies understand the environmental risks. Local units of government in frac-sand territory also have pressed for the moratorium, saying their own resources are insufficient to study mining effects and set appropriate regulations.

Schmit’s bill doesn’t include language for a blanket moratorium, but he said it would allow counties and other localities to adopt or extend their own moratoriums until early 2015.

A less-detailed frac-sand bill also has been introduced in the House by Rep. Rick Hansen, DFL-South St. Paul. His bill calls for the Environmental Quality Board to develop model standards and criteria for frac-sand operations. The Environmental Quality Board also would assemble a silica sand technical assistance team to provide local units of governments assistance in writing ordinances and issuing permits.

Under Schmit’s bill, the sand board would have county board representatives from 18 affected southeastern Minnesota counties, and would have two advisory groups — one representing industry and the public, the other including scientific advisers.

In related news, the Red Wing City Council was expected to discuss the resignation of

Mayor Dennis Egan, who came under fire for taking a job as executive director of the Minnesota Industrial Sand Council, an industry lobbying group. Egan announced plans over the weekend to resign as mayor by April 1, but some local residents want the resignation to take effect immediately.

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