AN ACT to renumber and amend 281.36 (3r) (a) 1.; to amend 281.36 (3r) (a) 2., 281.36 (3r) (b), 281.36 (3r) (e) and 295.60 (8) (dm) 4.; and to create 281.36 (1) (ad), 281.36 (1) (ae), 281.36 (1) (bf) and (bg), 281.36 (3r) (a) 1. b. and c., 281.36 (3r) (ag), 281.36 (3t) (g) and 281.36 (3w) of the statutes; relating to: wetland mitigation banks, providing an exemption from emergency rule procedures, providing an exemption from rule-making procedures, and requiring the exercise of rule-making authority.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 281.36 (1) (ad) of the statutes is created to read:

281.36 (1) (ad) “Bank service area” means the geographic area corresponding to the HUC 6 within which impacts to a wetland from a discharge can be mitigated at a specific mitigation bank as determined in an agreement between the department and the U.S. army corps of engineers and referenced in a mitigation banking instrument under sub. (3w).

SECTION 2. 281.36 (1) (ae) of the statutes is created to read:

281.36 (1) (ae) “Basin” means the Lake Michigan, Lake Superior, or Mississippi River basin.

SECTION 3m. 281.36 (1) (bf) and (bg) of the statutes are created to read:

281.36 (1) (bf) “HUC 6” means a watershed delineated by the U.S. geological survey using a nationwide system based on surface hydrologic features at the 6-digit basin scale (the hydrologic unit code 6).

(bg) “HUC 8” means a watershed delineated by the U.S. geological survey using a nationwide system based on surface hydrologic features at the 8-digit subbasin scale (the hydrologic unit code 8).

SECTION 4. 281.36 (3r) (a) 1. of the statutes is renumbered 281.36 (3r) (a) 1. a. and amended to read:

281.36 (3r) (a) 1. a. Purchasing Except as provided in subd. 1. b. and par. (ag), purchasing credits from a mitigation bank located in this state the same HUC 8 as the wetland impacted by the discharge.

SECTION 5. 281.36 (3r) (a) 1. b. and c. of the statutes are created to read:

281.36 (3r) (a) 1. b. Except as provided in subd. 1. c. and par. (ag), if credits are not available to be purchased as provided under subd. 1. a., credits may be purchased from a mitigation bank within the same bank service area as the wetland impacted by the discharge.

c. Except as provided in par. (ag), if credits are not available to be purchased as provided under subd. 1. b., credits may be purchased from a mitigation bank in the same basin as the wetland impacted by the discharge.

SECTION 6. 281.36 (3r) (a) 2. of the statutes is amended to read:

281.36 (3r) (a) 2. Participating in the in lieu fee subprogram, if such a subprogram is established under par. (e).
Section 7. 281.36 (3r) (ag) of the statutes is amended to read:

281.36 (3r) (ag) The department may, in consultation with the U.S. army corps of engineers, allow credits to be purchased from a different mitigation bank than the one prescribed under par. (a) 1. or allow mitigation to be done through the in lieu fee subprogram rather than by purchasing credits from a mitigation bank if the department determines it would better serve natural resource goals, such as retaining flood water, improving or restoring wildlife habitat, or more closely matching the impacted wetland type. The department may also consider economic factors when making this determination only if the HUC 8 has one approved mitigation bank and that bank is charging a price for credits in that watershed that is in excess of 150 percent of the price of a credit in that watershed under the in lieu fee subprogram.

Section 8. 281.36 (3r) (b) of the statutes is amended to read:

281.36 (3r) (b) Under the mitigation program, mitigation as specified in par. (a) 1. and participation in the in lieu fee subprogram, if established under par. (a) 2. shall be the preferred types of mitigation.

Section 9. 281.36 (3r) (e) of the statutes is amended to read:

281.36 (3r) (e) As part of the mitigation program established under par. (a), the department may establish an in lieu fee subprogram, under which payments are made to the department or another entity for the purposes of restoring, enhancing, creating, or preserving wetlands or other water resource features. The subprogram must be approved by the U.S. army corps of engineers. The department shall establish requirements for calculating the in lieu fee payments. Under the in lieu fee subprogram, the wetlands that benefit from the subprogram shall be open to the public for hunting, fishing, trapping, cross-country skiing, or hiking or any combination thereof, but the department may establish reasonable restrictions on the use of the land by the public in order to protect public safety or to protect a unique plant or animal community. The subprogram shall be consistent with federal regulations.

Section 10. 281.36 (3t) (g) of the statutes is created to read:

281.36 (3t) (g) Financial assurance requirements for the construction of mitigation projects by mitigation banks.

Section 11. 281.36 (3w) of the statutes is created to read:

281.36 (3w) Release of credits. (a) In this subsection:

1. “Applicant” means the applicant for a wetland individual permit for which wetland mitigation is required under sub. (3n) (d) or the proponent of a wetland mitigation project required under sub. (3n) (d).
estimated credits under par. (b) until one of the following occurs:

1. The department approves the change to the mitigation banking instrument, and the mitigation bank sponsor and the department adjust the estimated credits and make any necessary adjustments to the credit release schedule under par. (b), if the department believes these adjustments are necessary based on the change to the mitigation banking instrument.

2. The department rejects the changes submitted by the mitigation bank sponsor, in which case the existing mitigation banking instrument remains effective.

**SECTION 12.** 295.60 (8) (dm) 4. of the statutes is amended to read:

295.60 (8) (dm) 4. Participation in the in lieu fee subprogram, if such a subprogram is established under s. 281.36 (3r) (e).

**SECTION 13.** Nonstatutory provisions.

(1) Using the procedure under s. 227.24, the department of natural resources may promulgate the rules necessary to implement s. 281.36 (3t) (g) as emergency rules. Notwithstanding s. 227.24 (1) (a), (2) (b), and (3), the department of natural resources is not required to provide evidence that promulgating a rule under this subsection as an emergency rule is necessary for the preservation of the public peace, health, safety, or welfare and is not required to provide a finding of emergency for a rule promulgated under this subsection.

(2) Notwithstanding s. 227.135 (2), the department of natural resources is not required to present the statement of scope of the rules necessary to implement s. 281.36 (3t) (g) to the department of administration for review by the department of administration and approval by the governor. Notwithstanding s. 227.135 (2), the department of natural resources is not required to present the statement of scope, as provided in s. 227.135 (2), to the natural resources board for approval. Notwithstanding s. 227.24 (1) (c) and (2), emergency rules promulgated under sub. (1) remain in effect until the date that is 2 years after the date of promulgation or until the date on which permanent rules take effect, whichever is sooner.

**SECTION 14.** Effective dates. This act takes effect on the 90th day after the day of publication, except as follows:

(1) The treatment of s. 281.36 (3t) (g) and **SECTION 13** of this act take effect on the day after publication.