



# Wetland Banking

## Fact Sheet

References            Minnesota Statutes 103G.222.  
                             Minnesota Rules Chapter 8420.

**More Information:**  
[www.bwsr.state.mn.us/wetlands](http://www.bwsr.state.mn.us/wetlands)

Wetland Banking is a convenient way to replace wetlands that are drained or filled for agriculture or urban development. The program connects people who need to replace wetlands with people who have already restored or created high-quality wetlands. Like a traditional bank, the Wetland Bank is the means to make deposits and withdrawals. The Wetland Bank is administered by the Minnesota Board of Water and Soil Resources (BWSR).

## Wetland Bank Transactions

### Deposits

Deposits are made in "wetland replacement credits," which relates to the acres of wetlands that are restored or created. Depositing credits is an entrepreneurial opportunity for landowners wishing to capitalize on wet, marginal land. Replacement wetlands are developed in advance of the proposed impact and are protected with a permanent conservation easement.

### Withdrawals

State and federal wetland regulations require people who drain or fill wetlands to replace the wetland acres that are impacted. A person makes a withdrawal of wetland replacement credits by contacting a landowner who has deposited credits and negotiating a purchase price.

A database of available wetland replacement credits is available on the BWSR website: [www.bwsr.state.mn.us/wetlands](http://www.bwsr.state.mn.us/wetlands)

## High-quality wetland restorations and administrative efficiency

Without wetland banking, every project that is affected by wetland regulations would require a wetland restoration project to restore the impacted wetland acres. Restoring a wetland involves multiple steps that may take several years.

Also, a 1- or 2-acre restored wetland would not provide the same benefits as a large complex of wetlands with adjacent upland buffers of native vegetation.

BWSR has the technical, financial and project management expertise to complete high-quality, cost-effective wetland restoration projects that generate replacement credit for local road authorities. BWSR has capitalized on this expertise by entering into a partnership with the Minnesota Department of Transportation (MnDOT) that benefits both agencies by streamlining wetland replacement for state and local road projects. BWSR-developed wetland credits can also be used to meet Clean Water Act, Section 404 requirements after they are certified by the U.S Army Corps of Engineers.

## Making a Deposit

Successful wetland bank sites usually begin with a restored wetland, where existing soils and hydrology provide a suitable for establishment of native wetland vegetation, but also can include creation and enhancement/ preservation of existing wetlands.

Many factors are weighed when evaluating a proposed bank site. Factors include site history, surrounding land use, functions and values to be provided by the bank and eventual credit yield. In the end, credit yield or return on the initial investment, will typically outweigh other functional attributes but all are interrelated due the approval process for the resulting credits.

The ideal bank site could be one that is effectively drained by artificial means and has been intensively cropped for decades. The ideal site will also provide a suite of functions that are desirable for the particular watershed, will be sustainable and will little construction to complete the project.

Once the construction is complete and the hydrology is restored the focus shifts to establishing native vegetation. Again the ideal site will have a viable native seed bank that will establish with little or no help allowing the applicant to rely on this natural seed source rather than buying native seed and plants from a commercial vendor. When the above elements are present on a proposed bank site the input costs are minimized and the potential return is maximized.

The overall process used to develop a wetland bank site includes four distinct phases:

- planning,
- construction,
- credit release and
- long-term maintenance.

The planning portion of the process is subdivided into three progressive steps in order to provide the applicant with an early regulatory review and opinion regarding the project's feasibility before committing significant resources.

## Making a Withdrawal

The Minnesota Wetland Conservation Act (WCA) is a state law that regulates activities that result in the draining, filling, or excavating of wetlands in Minnesota, including those on agricultural land. It is administered by local government units; in rural areas this is usually the County or Soil and Water Conservation District (SWCD). SWCDs also provide technical assistance to landowners. Request a field visit by the local government that administers WCA. This can help identify regulated wetlands on your property, and regulations that could affect your project. Many wetlands do not contain standing water or are only saturated for part of the year, and can be difficult for landowners to identify.

Tell your contractor to submit a "Contractor Liability form". Contractors who conduct projects that will impact a wetland are required to notify the local government. The Contractor Responsibility and Landowner Statement Form is available at [www.bwsr.state.mn.us/wetlands/forms](http://www.bwsr.state.mn.us/wetlands/forms) (see "Replacement Plan Forms") and must be mailed to the local government prior to starting work.

Communication is the key! A quick call or stop at your SWCD or local government office prior to beginning your project will help you comply with the laws and save a project from potential additional costs and delays.