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State of Minnesota
HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 1900

- 02/16/2023 Authored by Hollins; Hansen, R.; Acomb; Jordan; Pursell and others
The bill was read for the first time and referred to the Committee on Environment and Natural Resources Finance and Policy
- 04/11/2023 Adoption of Report: Amended and re-referred to the Committee on Ways and Means
Pursuant to Joint Rule 2.03, re-referred to the Committee on Rules and Legislative Administration
- 04/13/2023 Adoption of Report: Re-referred to the Committee on Ways and Means
Joint Rule 2.03 has been waived for any subsequent committee action on this bill

1.1 A bill for an act

1.2 relating to natural resources; proposing an amendment to the Minnesota

1.3 Constitution, article XI, section 14; providing for the renewal of the environment

1.4 and natural resources trust fund; requiring a report; appropriating money; amending

1.5 Minnesota Statutes 2022, sections 349A.08, subdivision 5; 349A.10, subdivision

1.6 5; proposing coding for new law in Minnesota Statutes, chapter 116P; proposing

1.7 coding for new law as Minnesota Statutes, chapter 116X.

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

1.9 **ARTICLE 1**

1.10 **CONSTITUTIONAL AMENDMENT**

1.11 Section 1. **CONSTITUTIONAL AMENDMENT PROPOSED.**

1.12 An amendment to the Minnesota Constitution is proposed to the people. If the amendment

1.13 is adopted, article XI, section 14, will read:

1.14 Sec. 14. A permanent environment and natural resources trust fund is established in the

1.15 state treasury. ~~Loans may be made of up to five percent of the principal of the fund for water~~

1.16 ~~system improvements as provided by law.~~ The assets of the fund shall be appropriated by

1.17 law for the public purpose of protection, conservation, preservation, and enhancement of

1.18 the state's air, water, land, fish, wildlife, and other natural resources. The assets of the fund

1.19 shall not be used to pay the principal or interest of any bonds. The assets of the fund shall

1.20 not be used to pay for any costs related to the construction, repair, improvement, or operation

1.21 of any facility or system that processes wastewater, but may be used to pay for research

1.22 related to wastewater. The amount appropriated each year of a biennium, commencing on

1.23 July 1 in each odd-numbered year and ending on and including June 30 in the next

1.24 odd-numbered year, may be up to ~~5-1/2~~ seven percent of the market value of the fund on

2.1 June 30 one year before the start of the biennium. Not less than ~~40~~ 50 percent of the net
2.2 proceeds from any state-operated lottery must be credited to the fund ~~until the year 2025~~
2.3 through December 31, 2050.

2.4 Sec. 2. **SUBMISSION TO VOTERS.**

2.5 (a) The proposed amendment must be submitted to the people at the 2024 general election.
2.6 The question submitted must be:

2.7 "Shall the Minnesota Constitution be amended to protect drinking water sources and the
2.8 water quality of lakes, rivers, and streams; conserve wildlife habitat and natural areas;
2.9 improve air quality; and expand access to parks and trails by extending the transfer of
2.10 proceeds from the state-operated lottery to the environment and natural resources trust fund,
2.11 to increase the portion of lottery proceeds transferred to the fund from the lottery from 40
2.12 to 50 percent, and to dedicate the proceeds for these purposes?

2.13 Yes

2.14 No "

2.15 (b) The title required under Minnesota Statutes, section 204D.15, subdivision 1, for the
2.16 question submitted to the people under paragraph (a) shall be: "Environment and Natural
2.17 Resources Trust Fund Renewal."

2.18 **ARTICLE 2**

2.19 **STATUTORY CHANGES**

2.20 Section 1. **[116P.011] CHAPTER DOES NOT APPLY TO CERTAIN**
2.21 **APPROPRIATIONS.**

2.22 This chapter does not apply to appropriations from the environment and natural resources
2.23 trust fund under section 116X.03 or to projects funded with those appropriations.

2.24 **EFFECTIVE DATE.** If the constitutional amendment in article 1, section 1, is approved
2.25 by the voters at the 2024 general election, this section is effective January 1, 2025.

2.26 Sec. 2. **[116X.01] DEFINITIONS.**

2.27 Subdivision 1. **Applicability.** The definitions in this section apply to this chapter.

2.28 Subd. 2. **Advisory council.** "Advisory council" means the council created under section
2.29 116X.05.

2.30 Subd. 3. **Commissioner.** "Commissioner" means the commissioner of natural resources.

3.1 Subd. 4. **Grant program.** "Grant program" means the program established under section
3.2 116X.03.

3.3 **EFFECTIVE DATE.** This section is effective the day after the day on which the
3.4 constitutional amendment in article 1, section 1, is approved by the voters at the 2024 general
3.5 election.

3.6 Sec. 3. **[116X.03] ENVIRONMENT AND NATURAL RESOURCES TRUST FUND**
3.7 **COMMUNITY GRANT PROGRAM.**

3.8 Subdivision 1. **Establishment.** The commissioner must establish the environment and
3.9 natural resources trust fund community grant program for the benefit of current residents
3.10 and future generations. The commissioner must award grants under the program for purposes
3.11 under Minnesota Constitution, article XI, section 14, but have not traditionally been funded
3.12 from that source.

3.13 Subd. 2. **Priority.** In awarding grants under this section, the commissioner must give
3.14 priority to awarding grants that will fund projects that will:

3.15 (1) be undertaken in census tracts that are overburdened or underserved, including
3.16 communities disproportionately affected by agriculture loss, building loss, wildfire risk,
3.17 low incomes, high energy costs, rates of asthma, rates of diabetes, rates of heart disease,
3.18 low life expectancy, high housing costs, lack of green space, lack of indoor plumbing,
3.19 presence of lead paint, proximity to hazardous waste and related facilities, particulate matter
3.20 exposure, linguistic isolation, or unemployment; and

3.21 (2) provide multiple public benefits.

3.22 Subd. 3. **Appropriation.** (a) Each year of a biennium, commencing on July 1 in each
3.23 odd-numbered year and ending on and including June 30 in the next odd-numbered year,
3.24 1.5 percent of the market value of the environment and natural resources trust fund on June
3.25 30 one year before the start of the biennium is appropriated to the commissioner of natural
3.26 resources to provide grants under the grant program.

3.27 (b) Money appropriated from the trust fund under this subdivision must supplement the
3.28 traditional sources of funding environment and natural resources activities and may not be
3.29 used as a substitute.

3.30 (c) Any appropriated funds not encumbered before the appropriation expires must be
3.31 credited to the principal of the trust fund.

4.1 Subd. 4. **Administrative expenses.** (a) Up to five percent of the money appropriated to
4.2 the commissioner under subdivision 3 may be used by the commissioner for administering
4.3 and monitoring grants under this section.

4.4 (b) A recipient of a grant awarded under this section may not use more than five percent
4.5 of the grant for administrative expenses.

4.6 Subd. 5. **Improper expenditure of funds.** The commissioner may require a recipient
4.7 of a grant under this section to return all money awarded to the recipient if the recipient
4.8 does not use the money to complete the project in accordance with the applicable agreement.

4.9 Subd. 6. **Reporting.** By February 1 each year, the commissioner must submit a report
4.10 to the chairs and ranking minority members of the house of representatives and senate
4.11 committees and divisions with jurisdiction over environment and natural resources on the
4.12 administration of this section during the previous fiscal year, including administrative
4.13 expenses and the grants awarded.

4.14 **EFFECTIVE DATE.** If the constitutional amendment in article 1, section 1, is approved
4.15 by the voters at the 2024 general election, this section is effective January 1, 2025.

4.16 Sec. 4. **[116X.05] ENVIRONMENT AND NATURAL RESOURCES TRUST FUND**
4.17 **COMMUNITY GRANT ADVISORY COUNCIL; REPORTING.**

4.18 Subdivision 1. **Establishment.** The commissioner of natural resources must establish
4.19 an Environment and Natural Resources Trust Fund Community Grant Advisory Council.

4.20 Subd. 2. **Membership; terms.** (a) The commissioner, in consultation with the
4.21 commissioners of health and the Pollution Control Agency, must appoint 11 residents of
4.22 Minnesota to the advisory council as follows:

4.23 (1) three members who reside in and represent various genders, ethnicities, ages, and
4.24 other demographics from rural communities in Minnesota;

4.25 (2) three members who reside in and represent various genders, ethnicities, ages, and
4.26 other demographics from urban or suburban communities in Minnesota;

4.27 (3) two members who are members of the Ojibwe Tribe;

4.28 (4) two members who are members of the Dakota Tribe; and

4.29 (5) one member who identifies as Black or African American, Hispanic or Latino, Asian,
4.30 or Pacific Islander or as a member of a community of color.

5.1 (b) In addition to the members appointed under paragraph (a), the commissioner, in
5.2 consultation with the commissioners of health and the Pollution Control Agency, may
5.3 appoint up to eight additional Minnesota residents to the advisory council when, in the
5.4 commissioner's discretion, it is necessary to ensure that the advisory council is sufficiently
5.5 representative of various Minnesota communities.

5.6 (c) The membership appointed under paragraphs (a) and (b) must include persons who:

5.7 (1) have experience or expertise in the science, policy, or practice of the protection,
5.8 conservation, preservation, and enhancement of the state's air, water, land, fish, wildlife,
5.9 and other natural resources, including expertise in understanding the cultural context in
5.10 which these activities are undertaken from the perspective of Tribal communities;

5.11 (2) have strong knowledge of environment and natural resource issues around the state,
5.12 including those that are of particular importance to Tribal communities; and

5.13 (3) have demonstrated the ability to work in a collaborative environment.

5.14 (d) Members serve staggered three-year terms, beginning in January of the first year
5.15 and continuing through the end of December of the final year. Members continue to serve
5.16 until their replacement is named. Initial appointees may be appointed to terms of less than
5.17 three years to establish a structure of staggered terms.

5.18 (e) A member appointed under this subdivision may not be a registered lobbyist.

5.19 Subd. 3. **Duties.** (a) The advisory council must:

5.20 (1) advise the commissioner on developing forms and applications and reporting for
5.21 grants awarded under the grant program;

5.22 (2) review proposed grant program policies and budgets for the upcoming year;

5.23 (3) propose changes to the grant program, as needed;

5.24 (4) review other relevant information;

5.25 (5) make recommendations to the legislature and the commissioner for improving
5.26 management of the grant program; and

5.27 (6) review and advise on recipient eligibility.

5.28 (b) The commissioner must provide the council with the information required to perform
5.29 its duties under this subdivision.

6.1 Subd. 4. **Per diem.** Members of the council are entitled to per diem and reimbursement
6.2 for expenses incurred in the services of the commission, as provided in section 15.059,
6.3 subdivision 3.

6.4 **EFFECTIVE DATE.** This section is effective the day after the day on which the
6.5 constitutional amendment in article 1, section 1, is approved by the voters at the 2024 general
6.6 election.

6.7 Sec. 5. Minnesota Statutes 2022, section 349A.08, subdivision 5, is amended to read:

6.8 Subd. 5. **Payment; unclaimed prizes.** A prize in the state lottery must be claimed by
6.9 the winner within one year of the date of the drawing at which the prize was awarded or
6.10 the last day sales were authorized for a game where a prize was determined in a manner
6.11 other than by means of a drawing. If a valid claim is not made for a prize payable directly
6.12 by the lottery by the end of this period, the prize money is considered unclaimed and the
6.13 winner of the prize shall have no further claim to the prize. A prize won by a person who
6.14 purchased the winning ticket in violation of section 349A.12, subdivision 1, or won by a
6.15 person ineligible to be awarded a prize under subdivision 7 must be treated as an unclaimed
6.16 prize under this section. The director must transfer all unclaimed prize money at the end of
6.17 each fiscal year from the lottery cash flow account to the ~~general~~ environment and natural
6.18 resources trust fund.

6.19 Sec. 6. Minnesota Statutes 2022, section 349A.10, subdivision 5, is amended to read:

6.20 Subd. 5. **Deposit of net proceeds.** Within 30 days after the end of each month, the
6.21 director shall deposit in the state treasury the net proceeds of the lottery, which is the balance
6.22 in the lottery fund after transfers to the lottery prize fund and credits to the lottery operations
6.23 account. Of the net proceeds, ~~40~~ 50 percent must be credited to the Minnesota environment
6.24 and natural resources trust fund and the remainder must be credited to the general fund.

6.25 **EFFECTIVE DATE.** This section is effective the day after the day on which the
6.26 constitutional amendment in article 1, section 1, is approved by the voters at the 2024 general
6.27 election.

6.28 Sec. 7. **COUNCIL ORGANIZATION; REPORT.**

6.29 By January 15, 2026, the commissioner of natural resources must submit a report to the
6.30 chairs and ranking minority members of the house of representatives and senate committees
6.31 and divisions with jurisdiction over environment and natural resources on the organizational

7.1 structure and membership of the Environment and Natural Resources Trust Fund Community
7.2 Grant Advisory Council required under Minnesota Statutes, section 116X.05.

7.3 **EFFECTIVE DATE.** This section is effective the day after the day on which the
7.4 constitutional amendment in article 1, section 1, is approved by the voters at the 2024 general
7.5 election.

7.6 Sec. 8. **INITIAL REPORTING DATES.**

7.7 Notwithstanding Minnesota Statutes, section 116X.03, subdivision 6, the commissioner
7.8 of natural resources is not required to submit the report required under that section before
7.9 February 1, 2027.

7.10 **EFFECTIVE DATE.** If the constitutional amendment in article 1, section 1, is approved
7.11 by the voters at the 2024 general election, this section is effective January 1, 2025.