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State of Minnesota  
**HOUSE OF REPRESENTATIVES**

**EIGHTY-FIFTH  
SESSION**

**HOUSE FILE No. 494**

February 1, 2007

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The bill was read for the first time and referred to the Committee on Environment and Natural Resources

A bill for an act

relating to natural resources; proposing an amendment to the Minnesota Constitution, article XI, by adding a section; increasing the sales tax rate by one-fourth of one percent and dedicating the receipts for national resources purposes; establishing a great outdoors and clean water fund; creating a Great Outdoors Council; authorizing the sale of state bonds; amending Minnesota Statutes 2006, sections 10A.01, subdivision 35; 114D.30, subdivisions 1, 5, by adding a subdivision; 114D.45, subdivisions 1, 2; 297A.62, subdivision 1; 297A.94; 297B.02, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 103F; repealing Minnesota Statutes 2006, section 114D.30, subdivision 2.

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

**Section 1. CONSTITUTIONAL AMENDMENT PROPOSED.**

An amendment to the Minnesota Constitution is proposed to the people. If the amendment is adopted, a section will be added to article XI, to read:

Sec. 15. Beginning July 1, 2009, until June 30, 2049, the sales and use tax rate shall be increased by one-fourth of one percent on sales and uses taxable under the general state sales and use tax law. Receipts from the increase, plus penalties and interest and reduced by any refunds, are dedicated to and must be deposited in the great outdoors and clean water fund. Money in the fund must be appropriated by law and may be spent only:

(1) to protect and restore the state's lakes, rivers, streams, wetlands, and groundwater;  
and

(2) to protect, preserve, enhance, and acquire the state's fish and wildlife habitat, parks, trails, and natural areas.

A great outdoors and clean water fund is established in the state treasury.

From July 1, 2009, until June 30, 2029, the commissioner of finance may sell and issue bonds for the purposes of the fund. The proceeds of the bonds shall be paid into

2.1 the fund. The priority fund expenditure is to pay principal and interest due on issued  
 2.2 bonds. If the fund is not adequate to pay principal and interest on the bonds when due, the  
 2.3 legislature shall appropriate money from the state treasury to the fund.

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

2.5 The proposed amendment must be submitted to the people at the 2008 general  
 2.6 election. The question submitted must be:

2.7 "Shall the Minnesota Constitution be amended to provide funding to protect,  
 2.8 preserve, enhance, and acquire the state's fish and wildlife habitat, parks, trails, and natural  
 2.9 areas and to protect and restore the state's lakes, rivers, streams, wetlands, and groundwater  
 2.10 by increasing the sales and use tax rate by one-fourth of one percent on taxable sales until  
 2.11 the year 2049 and by authorizing the sale and issuance of state bonds until the year 2029?

2.12 Yes .....  
 2.13 No ....."

2.14 Sec. 3. Minnesota Statutes 2006, section 10A.01, subdivision 35, is amended to read:

2.15 Subd. 35. **Public official.** "Public official" means any:

2.16 (1) member of the legislature;

2.17 (2) individual employed by the legislature as secretary of the senate, legislative  
 2.18 auditor, chief clerk of the house, revisor of statutes, or researcher, legislative analyst, or  
 2.19 attorney in the Office of Senate Counsel and Research or House Research;

2.20 (3) constitutional officer in the executive branch and the officer's chief administrative  
 2.21 deputy;

2.22 (4) solicitor general or deputy, assistant, or special assistant attorney general;

2.23 (5) commissioner, deputy commissioner, or assistant commissioner of any state  
 2.24 department or agency as listed in section 15.01 or 15.06, or the state chief information  
 2.25 officer;

2.26 (6) member, chief administrative officer, or deputy chief administrative officer of a  
 2.27 state board or commission that has either the power to adopt, amend, or repeal rules under  
 2.28 chapter 14, or the power to adjudicate contested cases or appeals under chapter 14;

2.29 (7) individual employed in the executive branch who is authorized to adopt, amend,  
 2.30 or repeal rules under chapter 14 or adjudicate contested cases under chapter 14;

2.31 (8) executive director of the State Board of Investment;

2.32 (9) deputy of any official listed in clauses (7) and (8);

2.33 (10) judge of the Workers' Compensation Court of Appeals;

3.1 (11) administrative law judge or compensation judge in the State Office of  
 3.2 Administrative Hearings or referee in the Department of Employment and Economic  
 3.3 Development;

3.4 (12) member, regional administrator, division director, general counsel, or operations  
 3.5 manager of the Metropolitan Council;

3.6 (13) member or chief administrator of a metropolitan agency;

3.7 (14) director of the Division of Alcohol and Gambling Enforcement in the  
 3.8 Department of Public Safety;

3.9 (15) member or executive director of the Higher Education Facilities Authority;

3.10 (16) member of the board of directors or president of Minnesota Technology, Inc.;

3.11 (17) member of the board of directors or executive director of the Minnesota State  
 3.12 High School League;

3.13 (18) member of the Minnesota Ballpark Authority established in section 473.755; ~~or~~

3.14 (19) citizen member of the Legislative-Citizen Commission on Minnesota Resources;

3.15 (20) citizen member of the Clean Water Council; or

3.16 (21) citizen member of the Great Outdoors Council.

3.17 **EFFECTIVE DATE.** This section is effective November 15, 2008, if the  
 3.18 constitutional amendment proposed in section 1 is adopted.

3.19 **Sec. 4. [103F.906] GREAT OUTDOORS AND CLEAN WATER FUND.**

3.20 The great outdoors and clean water fund is established in the Minnesota Constitution,  
 3.21 article XI, section 15. The commissioner of finance shall credit to the fund the increased  
 3.22 tax receipts and proceeds from the sale of bonds pursuant to that section. All contributions,  
 3.23 gifts, and money earned by the fund must be credited to the fund. No more than three  
 3.24 percent of the fund may be used for administrative purposes. A great outdoors account  
 3.25 and a clean water legacy account is created in the fund. A minimum of \$100,000,000 each  
 3.26 year must be deposited in the clean water legacy account from the tax receipts collected or  
 3.27 bonding proceeds, as provided in the Minnesota Constitution, article XI, section 15.

3.28 **EFFECTIVE DATE.** This section is effective July 1, 2009, if the constitutional  
 3.29 amendment proposed in section 1 is adopted.

3.30 **Sec. 5. [103F.907] GREAT OUTDOORS COUNCIL.**

3.31 Subdivision 1. **Membership.** (a) The Great Outdoors Council is created. The  
 3.32 commissioners of natural resources, agriculture, and the Pollution Control Agency and the  
 3.33 executive directors of the Board of Water and Soil Resources and the Public Facilities

4.1 Authority shall appoint one person from their respective agencies to serve as a nonvoting  
4.2 member of the council. Additional members shall be appointed as follows:

4.3 (1) two members of the senate appointed by the senate Subcommittee on Committees  
4.4 of the Committee on Rules and Administration;

4.5 (2) two citizen members representing fishing and wildlife interests appointed by the  
4.6 senate Subcommittee on Committees of the Committee on Rules and Administration;

4.7 (3) two members of the house of representatives appointed by the speaker of the  
4.8 house;

4.9 (4) two citizen members representing fishing and wildlife interests appointed by the  
4.10 speaker of the house; and

4.11 (5) three citizen members representing fishing and wildlife interests appointed by  
4.12 the governor.

4.13 (b) One member from the senate and one member from the house of representatives  
4.14 must be from the minority caucus. Legislative members are entitled to reimbursement  
4.15 for per diem expenses plus travel expenses incurred in the services of the council.  
4.16 The removal and, beginning July 1, 2009, the compensation of citizen members are as  
4.17 provided in section 15.0575.

4.18 (c) Members shall elect a chair, vice chair, and other officers as determined. The  
4.19 chair may convene meetings as necessary to conduct the duties of the council.

4.20 (d) Membership terms are two years. Members may serve on the council until  
4.21 their successors are appointed.

4.22 (e) Vacancies on the council do not affect the authority of the remaining members to  
4.23 carry out their duties. Vacancies must be filled as provided in paragraph (a).

4.24 Subd. 2. **Duties.** The Great Outdoors Council created in subdivision 1 shall develop  
4.25 and submit to the legislature a biennial budget plan for expenditures from the great  
4.26 outdoors account. The budget plan must provide for payment of principal and interest due  
4.27 on bond issues and may include appropriation and bonding recommendations consistent  
4.28 with the following purposes:

4.29 (1) protection, preservation, and enhancement of fish and wildlife habitat;

4.30 (2) acquisition of parks and trails;

4.31 (3) land stewardship costs associated with lands acquired under this program; and

4.32 (4) matching grants to local governmental units for local conservation programs.

4.33 Subd. 3. **Council administration.** (a) The council may employ personnel and  
4.34 contract with consultants as necessary to carry out the functions and duties of the council.  
4.35 Permanent employees must be in the unclassified service. The council may request staff  
4.36 assistance, legal opinions, and data from agencies of state government as needed.

5.1 (b) Beginning July 1, 2009, the administrative expenses of the council shall be paid  
5.2 from the great outdoors account.

5.3 (c) A council member or employee may not participate in or vote on a decision of  
5.4 the council relating to an organization in which the member or employee has a direct  
5.5 or indirect personal financial interest. A council member or employee shall avoid any  
5.6 potential conflict of interest.

5.7 Subd. 4. **Council meetings.** Meetings of the council and other groups the council  
5.8 may establish must be conducted according to chapter 13D. Except where prohibited by  
5.9 law, the council shall establish additional processes to broaden public involvement in all  
5.10 aspects of its deliberations.

5.11 **EFFECTIVE DATE.** This section is effective November 15, 2008, if the  
5.12 constitutional amendment proposed in section 1 is adopted.

5.13 Sec. 6. Minnesota Statutes 2006, section 114D.30, subdivision 1, is amended to read:

5.14 Subdivision 1. **Creation; duties.** A Clean Water Council is created to advise on  
5.15 the administration and implementation of this chapter; and article XI, section 15, of the  
5.16 Minnesota Constitution and to foster coordination and cooperation as described in section  
5.17 114D.20, subdivision 1. The council may also advise on the development of appropriate  
5.18 processes for expert scientific review as described in section 114D.35, subdivision 2. The  
5.19 Pollution Control Agency shall provide administrative support for the council with the  
5.20 support of other member agencies. The members of the council shall elect a chair from the  
5.21 nonagency members of the council.

5.22 **EFFECTIVE DATE.** This section is effective July 1, 2009, if the constitutional  
5.23 amendment proposed in section 1 is adopted.

5.24 Sec. 7. Minnesota Statutes 2006, section 114D.30, is amended by adding a subdivision  
5.25 to read:

5.26 Subd. 2a. **Membership.** The commissioners of natural resources, agriculture,  
5.27 and the Pollution Control Agency and the executive directors of the Board of Water and  
5.28 Soil Resources and the Public Facilities Authority shall appoint one person from their  
5.29 respective agencies to serve as a nonvoting member of the council. Thirteen citizen  
5.30 members shall be appointed as follows:

5.31 (1) five appointed by the governor;

5.32 (2) four appointed by the senate Subcommittee on Committees of the Committee on  
5.33 Rules and Administration; and

6.1 (3) four appointed by the speaker of the house of representatives.

6.2 The citizen appointments must represent environmental, agricultural, business, local  
 6.3 government, or hunting and fishing interests and must strive for geographic balance.

6.4 Sec. 8. Minnesota Statutes 2006, section 114D.30, subdivision 5, is amended to read:

6.5 Subd. 5. **Implementation plan.** The Clean Water Council shall recommend a plan  
 6.6 for implementation of this chapter and the Minnesota Constitution, article XI, section 15.  
 6.7 The recommended plan shall address general procedures and time frames for ~~implementing~~  
 6.8 ~~this chapter, implementation~~ and shall include a more specific implementation work plan  
 6.9 for the next fiscal biennium and a framework for setting priorities to address impaired  
 6.10 waters consistent with section 114D.20, subdivisions 2 to 7. The council shall issue the  
 6.11 first recommended plan under this subdivision by December 1, ~~2005~~ 2007, and shall issue  
 6.12 a revised plan by December 1 of each even-numbered year thereafter.

6.13 **EFFECTIVE DATE.** This section is effective July 1, 2009, if the constitutional  
 6.14 amendment proposed in section 1 is adopted.

6.15 Sec. 9. Minnesota Statutes 2006, section 114D.45, subdivision 1, is amended to read:

6.16 Subdivision 1. **Creation.** The clean water legacy account is created as an account in  
 6.17 the ~~environmental fund~~ great outdoors and clean water fund established in the Minnesota  
 6.18 Constitution, article XI, section 15. A minimum of \$100,000,000 a year must be deposited  
 6.19 in the account from the tax receipts collected or bonding proceeds, as provided in the  
 6.20 Minnesota Constitution, article XI, section 15. Money in the account must be made  
 6.21 available for the implementation of this chapter ~~and~~, sections 446A.073, 446A.074, and  
 6.22 446A.075, and the Minnesota Constitution, article XI, section 15, without supplanting or  
 6.23 taking the place of any other funds which are currently available or may become available  
 6.24 from any other source, whether federal, state, local, or private, for implementation of  
 6.25 those sections.

6.26 **EFFECTIVE DATE.** This section is effective July 1, 2009, if the constitutional  
 6.27 amendment proposed in section 1 is adopted.

6.28 Sec. 10. Minnesota Statutes 2006, section 114D.45, subdivision 2, is amended to read:

6.29 Subd. 2. **Sources of revenue.** The following revenues must be deposited in the  
 6.30 clean water legacy account:

6.31 (1) money transferred to the account; ~~and~~

- 7.1 (2) money deposited as provided in subdivision 1 and the Minnesota Constitution,  
 7.2 article XI, section 15; and  
 7.3 (3) interest accrued on the account.

7.4 **EFFECTIVE DATE.** This section is effective July 1, 2009, if the constitutional  
 7.5 amendment proposed in section 1 is adopted.

7.6 Sec. 11. Minnesota Statutes 2006, section 297A.62, subdivision 1, is amended to read:

7.7 Subdivision 1. **Generally.** (a) Except as otherwise provided in subdivision 2 or 3  
 7.8 or in this chapter, a sales tax of 6.5 percent is imposed on the gross receipts from retail  
 7.9 sales as defined in section 297A.61, subdivision 4, made in this state or to a destination  
 7.10 in this state by a person who is required to have or voluntarily obtains a permit under  
 7.11 section 297A.83, subdivision 1.

7.12 (b) The increased rate required under the Minnesota Constitution, article XI, section  
 7.13 15, is in addition to the rate imposed under paragraph (a).

7.14 **EFFECTIVE DATE.** This section is effective July 1, 2009, if the constitutional  
 7.15 amendment proposed in section 1 is adopted.

7.16 Sec. 12. Minnesota Statutes 2006, section 297A.94, is amended to read:

7.17 **297A.94 DEPOSIT OF REVENUES.**

7.18 (a) Except as provided in this section and the Minnesota Constitution, article XI,  
 7.19 section 15, the commissioner shall deposit the revenues, including interest and penalties,  
 7.20 derived from the taxes imposed by this chapter in the state treasury and credit them to the  
 7.21 general fund.

7.22 (b) The commissioner shall deposit taxes in the Minnesota agricultural and economic  
 7.23 account in the special revenue fund if:

7.24 (1) the taxes are derived from sales and use of property and services purchased for  
 7.25 the construction and operation of an agricultural resource project; and

7.26 (2) the purchase was made on or after the date on which a conditional commitment  
 7.27 was made for a loan guaranty for the project under section 41A.04, subdivision 3.

7.28 The commissioner of finance shall certify to the commissioner the date on which the  
 7.29 project received the conditional commitment. The amount deposited in the loan guaranty  
 7.30 account must be reduced by any refunds and by the costs incurred by the Department of  
 7.31 Revenue to administer and enforce the assessment and collection of the taxes.

7.32 (c) The commissioner shall deposit the revenues, including interest and penalties,  
 7.33 derived from the taxes imposed on sales and purchases included in section 297A.61,

8.1 subdivision 3, paragraph (g), clauses (1) and (4), in the state treasury, and credit them  
8.2 as follows:

8.3 (1) first to the general obligation special tax bond debt service account in each fiscal  
8.4 year the amount required by section 16A.661, subdivision 3, paragraph (b); and

8.5 (2) after the requirements of clause (1) have been met, the balance to the general  
8.6 fund.

8.7 (d) The commissioner shall deposit the revenues, including interest and penalties,  
8.8 collected under section 297A.64, subdivision 5, in the state treasury and credit them to the  
8.9 general fund. By July 15 of each year the commissioner shall transfer to the highway user  
8.10 tax distribution fund an amount equal to the excess fees collected under section 297A.64,  
8.11 subdivision 5, for the previous calendar year.

8.12 (e) For fiscal year 2001, 97 percent; for fiscal years 2002 and 2003, 87 percent; and  
8.13 for fiscal year 2004 and thereafter, 72.43 percent of the revenues, including interest and  
8.14 penalties, transmitted to the commissioner under section 297A.65, must be deposited by  
8.15 the commissioner in the state treasury as follows:

8.16 (1) 50 percent of the receipts must be deposited in the heritage enhancement account  
8.17 in the game and fish fund, and may be spent only on activities that improve, enhance, or  
8.18 protect fish and wildlife resources, including conservation, restoration, and enhancement  
8.19 of land, water, and other natural resources of the state;

8.20 (2) 22.5 percent of the receipts must be deposited in the natural resources fund, and  
8.21 may be spent only for state parks and trails;

8.22 (3) 22.5 percent of the receipts must be deposited in the natural resources fund, and  
8.23 may be spent only on metropolitan park and trail grants;

8.24 (4) three percent of the receipts must be deposited in the natural resources fund, and  
8.25 may be spent only on local trail grants; and

8.26 (5) two percent of the receipts must be deposited in the natural resources fund,  
8.27 and may be spent only for the Minnesota Zoological Garden, the Como Park Zoo and  
8.28 Conservatory, and the Duluth Zoo.

8.29 (f) The revenue dedicated under paragraph (e) may not be used as a substitute  
8.30 for traditional sources of funding for the purposes specified, but the dedicated revenue  
8.31 shall supplement traditional sources of funding for those purposes. Land acquired with  
8.32 money deposited in the game and fish fund under paragraph (e) must be open to public  
8.33 hunting and fishing during the open season, except that in aquatic management areas or  
8.34 on lands where angling easements have been acquired, fishing may be prohibited during  
8.35 certain times of the year and hunting may be prohibited. At least 87 percent of the money

9.1 deposited in the game and fish fund for improvement, enhancement, or protection of fish  
9.2 and wildlife resources under paragraph (e) must be allocated for field operations.

9.3 **EFFECTIVE DATE.** This section is effective July 1, 2009, if the constitutional  
9.4 amendment proposed in section 1 is adopted.

9.5 Sec. 13. Minnesota Statutes 2006, section 297B.02, subdivision 1, is amended to read:

9.6 Subdivision 1. **Rate.** There is imposed an excise tax at the rate provided in ~~chapter~~  
9.7 ~~297A~~ section 297A.62, subdivision 1, paragraph (a), on the purchase price of any motor  
9.8 vehicle purchased or acquired, either in or outside of the state of Minnesota, which is  
9.9 required to be registered under the laws of this state.

9.10 The excise tax is also imposed on the purchase price of motor vehicles purchased  
9.11 or acquired on Indian reservations when the tribal council has entered into a sales tax on  
9.12 motor vehicles refund agreement with the state of Minnesota.

9.13 **EFFECTIVE DATE.** This section is effective July 1, 2009, if the constitutional  
9.14 amendment proposed in section 1 is adopted.

9.15 Sec. 14. **REPEALER.**

9.16 Minnesota Statutes 2006, section 114D.30, subdivision 2, is repealed.