

**SENATE
STATE OF MINNESOTA
NINETY-FIRST SESSION**

S.F. No. 2337

(SENATE AUTHORS: JOHNSON)

DATE
03/11/2019

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OFFICIAL STATUS
Introduction and first reading
Referred to Environment and Natural Resources Finance

1.1 A bill for an act
1.2 relating to natural resources; allowing investment of financial assurance money;
1.3 establishing natural resources damages account; appropriating money; amending
1.4 Minnesota Statutes 2018, section 116.155, subdivision 1, by adding a subdivision;
1.5 proposing coding for new law in Minnesota Statutes, chapters 11A; 115B.

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

1.7 Section 1. **[11A.236] FINANCIAL ASSURANCE FOR PERMIT TO MINE;**
1.8 **INVESTMENT ACCOUNT.**

1.9 Subdivision 1. Establishment; appropriation. (a) The State Board of Investment, when
1.10 requested by the commissioner of natural resources, may invest money collected by the
1.11 commissioner as part of financial assurance provided under a permit to mine issued under
1.12 chapter 93. The State Board of Investment may establish one or more accounts into which
1.13 money may be deposited for the purposes of this section, subject to the policies and
1.14 procedures of the State Board of Investment. Use of any money in the account is restricted
1.15 to the financial assurance purposes identified in sections 93.46 to 93.51 and rules adopted
1.16 thereunder and as authorized under any trust fund agreements or other conditions established
1.17 under a permit to mine.

1.18 (b) Money in the accounts is appropriated to the commissioner for the purposes for
1.19 which the accounts are established under this section.

1.20 Subd. 2. Account maintenance and investment. The commissioner of natural resources
1.21 may deposit money in the appropriate account and may withdraw money from the appropriate
1.22 account for the financial assurance purposes identified in sections 93.46 to 93.51 and rules
1.23 adopted thereunder and as authorized under any trust fund agreements or other conditions

2.1 established under the permit to mine for which the financial assurance is provided, subject
 2.2 to the policies and procedures of the State Board of Investment. Investment strategies related
 2.3 to an account established under this section must be determined jointly by the commissioner
 2.4 of natural resources and the executive director of the State Board of Investment. The
 2.5 authorized investments for an account are the investments authorized under section 11A.24
 2.6 that are made available for investment by the State Board of Investment. Investment
 2.7 transactions must be at a time and in a manner determined by the executive director of the
 2.8 State Board of Investment. Decisions to withdraw money from the account must be
 2.9 determined by the commissioner of natural resources, subject to the policies and procedures
 2.10 of the State Board of Investment. Investment earnings must be credited to the appropriate
 2.11 account for financial assurance under the identified permit to mine. An account may be
 2.12 terminated by the commissioner of natural resources at any time if the termination is in
 2.13 accordance with applicable statutes, rules, trust fund agreements, or other conditions
 2.14 established under the permit to mine, subject to the policies and procedures of the State
 2.15 Board of Investment.

2.16 **Sec. 2. [115B.172] NATURAL RESOURCES DAMAGES ACCOUNT.**

2.17 **Subdivision 1. Establishment.** The natural resources damages account is established as
 2.18 an account in the remediation fund.

2.19 **Subd. 2. Revenues.** The account consists of money from the following sources:

2.20 (1) revenue from actions taken by the attorney general on behalf of the commissioner
 2.21 of the Pollution Control Agency and commissioner of natural resources under section
 2.22 115B.17, subdivisions 6 and 7, unless otherwise specified by the attorney general or
 2.23 settlement agreement;

2.24 (2) appropriations and transfers to the account as provided by law;

2.25 (3) interest earned on the account; and

2.26 (4) money received by the commissioner of the Pollution Control Agency or the
 2.27 commissioner of natural resources for deposit in the account in the form of a gift or grant.

2.28 **Subd. 3. Expenditures.** (a) Money in the account is appropriated to the commissioner
 2.29 of natural resources for the purposes authorized in section 115B.20, subdivision 2, clause
 2.30 (4).

2.31 (b) The commissioner of management and budget must allocate the amounts available
 2.32 in any biennium to the commissioner of natural resources for the purposes of this section
 2.33 based upon work plans submitted by the commissioner of natural resources and may adjust

3.1 those allocations if revised work plans are submitted. Copies of the work plans must be
3.2 submitted to the chairs of the house of representatives and senate committees and divisions
3.3 having jurisdiction over environment and natural resources finance.

3.4 Subd. 4. **Report.** By November 1 each year, the commissioner of natural resources must
3.5 submit a report to the chairs and ranking minority members of the house of representatives
3.6 and senate committees and divisions with jurisdiction over environment and natural resources
3.7 policy and finance on expenditures from the natural resources damages account during the
3.8 previous fiscal year.

3.9 **EFFECTIVE DATE.** This section is effective the day following final enactment.

3.10 Sec. 3. Minnesota Statutes 2018, section 116.155, subdivision 1, is amended to read:

3.11 Subdivision 1. **Creation.** The remediation fund is created as a special revenue fund in
3.12 the state treasury to provide a reliable source of public money for response and corrective
3.13 actions to address releases of hazardous substances, pollutants or contaminants, agricultural
3.14 chemicals, and petroleum, and for environmental response actions at qualified landfill
3.15 facilities for which the agency has assumed such responsibility, including perpetual care of
3.16 such facilities. The specific purposes for which the general portion of the fund may be spent
3.17 are provided in subdivision 2. In addition to the general portion of the fund, the fund contains
3.18 ~~three~~ four accounts described in subdivisions 4 to ~~5a~~ 5b.

3.19 Sec. 4. Minnesota Statutes 2018, section 116.155, is amended by adding a subdivision to
3.20 read:

3.21 Subd. 5b. **Natural resources damages account.** The natural resources damages account
3.22 is as described in section 115B.172.