

SENATE
STATE OF MINNESOTA
NINETY-SECOND SESSION

S.F. No. 4131

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DATE	D-PG	OFFICIAL STATUS
03/21/2022	5470	Introduction and first reading Referred to Environment and Natural Resources Policy and Legacy Finance
03/24/2022	5583	Comm report: To pass and re-referred to Environment and Natural Resources Finance
03/30/2022	5912a	Comm report: To pass as amended and re-refer to Rules and Administration Joint rule 2.03, referred to Rules and Administration
04/27/2022		Joint rule 2.03 Suspended amend previous committee report Re-referred to Finance

1.1 A bill for an act

1.2 proposing an amendment to the Minnesota Constitution, article XI, section 14;

1.3 providing for the renewal of the environment and natural resources trust fund;

1.4 providing for the establishment of a water improvement fund to provide for the

1.5 construction, repair, and improvement of public water systems and related facilities;

1.6 making changes to the Legislative-Citizen Commission on Minnesota Resources;

1.7 amending Minnesota Statutes 2020, sections 116P.05, subdivision 1; 349A.08,

1.8 subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 446A.

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

1.10 ARTICLE 1

1.11 CONSTITUTIONAL AMENDMENT

1.12 Section 1. CONSTITUTIONAL AMENDMENT PROPOSED.

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

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

1.15 Sec. 14. A permanent environment and natural resources trust fund ~~is~~ and a water

1.16 improvement fund are established in the state treasury. ~~Loans may be made of up to five~~

1.17 ~~percent of the principal of the fund for water system improvements as provided by law.~~ The

1.18 assets of the environment and natural resources trust fund shall be appropriated by law for

1.19 the public purpose of protection, conservation, preservation, and enhancement of the state's

1.20 air, water, land, fish, wildlife, and other natural resources. The assets of the environment

1.21 and natural resources trust fund shall not be used to pay the principal or interest of any

1.22 bonds. The assets of the environment and natural resources trust fund shall not be used to

1.23 pay for any costs related to the construction, repair, improvement, or operation of any facility

1.24 or system that processes wastewater, but may be used to pay for research related to

2.1 wastewater. The amount appropriated from the environment and natural resources trust fund
 2.2 each year of a biennium, commencing on July 1 in each odd-numbered year and ending on
 2.3 and including June 30 in the next odd-numbered year, may be up to 5-1/2 percent of the
 2.4 market value of the fund on June 30 one year before the start of the biennium. ~~Not less than~~
 2.5 40 The assets of the water improvement fund shall be appropriated by law for the public
 2.6 purpose of construction, repair, and improvement of public water systems and related
 2.7 facilities. Until the year 2050, 50 percent of the net proceeds from any state-operated lottery
 2.8 must be credited to the environment and natural resources trust fund until the year 2025,
 2.9 and the remaining 50 percent of the net proceeds must be credited to the water improvement
 2.10 fund.

2.11 **Sec. 2. SUBMISSION TO VOTERS.**

2.12 (a) The proposed amendment must be submitted to the people at the 2024 general election.

2.13 The question submitted must be:

2.14 "Shall the Minnesota Constitution be amended to protect drinking water sources; protect
 2.15 the water quality of lakes, rivers, and streams; and protect forests to improve air quality,
 2.16 wildlife habitat, natural areas, parks, and trails by extending from 2025 until 2050 the transfer
 2.17 of proceeds from the state-operated lottery to the environment and natural resources trust
 2.18 fund; to increase the portion of lottery proceeds transferred to the fund from the lottery from
 2.19 40 to 50 percent; to limit the uses of trust fund money; and to transfer the remaining 50
 2.20 percent of the net proceeds from the state-operated lottery to a new water improvement fund
 2.21 for the construction, repair, and improvement of public water systems and related facilities?"

2.22 Yes

2.23 No "

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

2.27 **ARTICLE 2**
 2.28 **STATUTORY CHANGES**

2.29 Section 1. Minnesota Statutes 2020, section 116P.05, subdivision 1, is amended to read:

2.30 Subdivision 1. **Membership.** (a) A Legislative-Citizen Commission on Minnesota
 2.31 Resources of 17 members is created in the legislative branch, consisting of the chairs of the
 2.32 house of representatives and senate committees on environment and natural resources finance

3.1 or designees appointed for the terms of the chairs, four members of the senate appointed
3.2 by the Subcommittee on Committees of the Committee on Rules and Administration, and
3.3 four members of the house of representatives appointed by the speaker.

3.4 (b) At least two members from the senate and two members from the house of
3.5 representatives must be from the minority caucus. Members are entitled to reimbursement
3.6 for per diem expenses plus travel expenses incurred in the services of the commission.

3.7 (c) Seven citizens are members of the commission, five appointed by the governor, one
3.8 appointed by the Senate Subcommittee on Committees of the Committee on Rules and
3.9 Administration, and one appointed by the speaker of the house. The citizen members are
3.10 selected and recommended to the appointing authorities according to subdivision 1a. The
3.11 citizen members appointed by the governor must reside in different geographic regions of
3.12 the state, with no more than two citizen members from the seven-county metropolitan area
3.13 as defined under section 473.121, subdivision 2, and must:

3.14 (1) have experience or expertise in the science, policy, or practice of the protection,
3.15 conservation, preservation, and enhancement of the state's air, water, land, fish, wildlife,
3.16 and other natural resources;

3.17 (2) have strong knowledge in the state's environment and natural resource issues around
3.18 the state; and

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

3.20 (d) Members shall develop procedures to elect a chair that rotates between legislative
3.21 and citizen members each meeting. A citizen member, a senate member, and a house of
3.22 representatives member shall serve as chairs. The citizen members, senate members, and
3.23 house of representatives members must select their respective chairs. The chair shall preside
3.24 and convene meetings as often as necessary to conduct duties prescribed by this chapter.

3.25 (e) Appointed legislative members shall serve on the commission for two-year terms,
3.26 beginning in January of each odd-numbered year and continuing through the end of December
3.27 of the next even-numbered year. Appointed citizen members shall serve four-year terms,
3.28 beginning in January of the first year and continuing through the end of December of the
3.29 final year. Citizen and legislative members continue to serve until their successors are
3.30 appointed.

3.31 (f) A citizen member may be removed by an appointing authority for cause. Vacancies
3.32 occurring on the commission shall not affect the authority of the remaining members of the

4.1 commission to carry out their duties, and vacancies shall be filled for the remainder of the
 4.2 term in the same manner under paragraphs (a) to (c).

4.3 (g) Citizen members are entitled to per diem and reimbursement for expenses incurred
 4.4 in the services of the commission, as provided in section 15.059, subdivision 3.

4.5 (h) The governor's appointments are subject to the advice and consent of the senate.

4.6 Sec. 2. Minnesota Statutes 2020, section 349A.08, subdivision 5, is amended to read:

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

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

4.20 Sec. 3. **[446A.077] WATER SYSTEM IMPROVEMENT FUND**
 4.21 **RECOMMENDATIONS.**

4.22 By March 1 of each year, the authority must submit to the chairs and ranking minority
 4.23 members of the legislative committees and divisions with jurisdiction over environment
 4.24 and natural resources finance recommendations for appropriations from the water
 4.25 improvement fund established under the Minnesota Constitution, article XI, section 14. The
 4.26 recommendations may be in the form of recommendations for appropriations to existing
 4.27 programs administered by the authority that provide for the construction, repair, or
 4.28 improvement of public water systems or in the form of recommendations for new programs
 4.29 to be established for this purpose.

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

5.1 Sec. 4. **APPLICATION TO CITIZEN MEMBERS OF THE**
5.2 **LEGISLATIVE-CITIZEN COMMISSION ON MINNESOTA RESOURCES.**

5.3 The requirements of Minnesota Statutes, section 116P.05, subdivision 1, paragraph (c),
5.4 as amended by section 1, must not be construed to require the removal of existing citizen
5.5 members on the effective date of that section but apply only to future appointments.