

COMPARISON OF CONSTITUTIONAL AND STATUTORY PROVISIONS

(emphasis added by underlining)

**ENVIRONMENT AND NATURAL RESOURCES TRUST
FUND**

OUTDOOR HERITAGE FUND

Constitutional Establishment of the Funds (Article XI)

**Sec. 14. ENVIRONMENT AND NATURAL RESOURCES
FUND.**

A permanent environment and natural resources trust fund is established in the state treasury. Loans may be made of up to five percent of the principal of the fund for water system improvements as provided by law. The assets of the fund shall be appropriated by law for the public purpose of protection, conservation, preservation, and enhancement of the state's air, water, land, fish, wildlife, and other natural resources. The amount appropriated each year of a biennium, commencing on July 1 in each odd-numbered year and ending on and including June 30 in the next odd-numbered year, may be up to 5-1/2 percent of the market value of the fund on June 30 one year before the start of the biennium. Not less than 40 percent of the net proceeds from any state-operated lottery must be credited to the fund until the year 2025. [Adopted, November 8, 1988; Amended, November 6, 1990; November 3, 1998]

**Sec. 15. Outdoor heritage, clean water, parks and trails, and
arts and cultural heritage; sales tax dedicated funds.**

Beginning July 1, 2009, until June 30, 2034, the sales and use tax rate shall be increased by three-eighths 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, for the benefit of Minnesotans, to the following funds: 33 percent of the receipts shall be deposited in the outdoor heritage fund and may be spent only to restore, protect, and enhance wetlands, prairies, forests, and habitat for fish, game, and wildlife; 33 percent of the receipts shall be deposited in the clean water fund and may be spent only to protect, enhance, and restore water quality in lakes, rivers, and streams and to protect groundwater from degradation, and at least five percent of the clean water fund must be spent only to protect drinking water sources; 14.25 percent of the receipts shall be deposited in the parks and trails fund and may be spent only to support parks and trails of regional or statewide significance; and 19.75 percent shall be deposited in the arts and cultural heritage fund and may be spent only for arts, arts education, and arts access and to preserve Minnesota's history and cultural heritage. An outdoor heritage fund; a parks and trails fund; a clean water fund and a sustainable drinking water account; and an arts and cultural heritage fund are created in the state treasury. The money dedicated under this section shall be appropriated by law. The

COMPARISON OF CONSTITUTIONAL AND STATUTORY PROVISIONS

(emphasis added by underlining)

**ENVIRONMENT AND NATURAL RESOURCES TRUST
FUND**

OUTDOOR HERITAGE FUND

(Note: the environment and natural resources trust fund has similar substitution language under Minnesota Statutes, section 116P.03, paragraph (a) – see below)

dedicated money under this section must supplement traditional sources of funding for these purposes and may not be used as a substitute. Land acquired by fee with money deposited in the outdoor heritage fund under this section must be open to the public taking of fish and game during the open season unless otherwise provided by law. If the base of the sales and use tax is changed, the sales and use tax rate in this section may be proportionally adjusted by law to within one-thousandth of one percent in order to provide as close to the same amount of revenue as practicable for each fund as existed before the change to the sales and use tax. [Adopted, November 4, 2008]

Definitions

116P.02 DEFINITIONS.

Subdivision 1. **Applicability.**

The definitions in this section apply to this chapter.

Subd. 2.

[Repealed, 2006 c 243 s 22]

Subd. 3. **Board.**

"Board" means the State Board of Investment.

Subd. 4. **Commission.**

"Commission" means the Legislative-Citizen Commission on Minnesota Resources.

Subd. 5. **Natural resources.**

"Natural resources" includes the outdoor recreation system under section 86A.04 and regional recreation open space systems as defined under section 473.351, subdivision

3.3006 APPLICATION.

The definitions of "enhance," "protect," and "restore" in section 84.02 apply to all funds appropriated and purposes authorized under the clean water fund, parks and trails fund, and outdoor heritage fund.

Minnesota Statutes, section 84.02, subdivisions 4a, 6a, and 6b read:

Subd. 4a. **Enhance.** "Enhance" means to improve in value, quality, and desirability in order to increase the ecological value of the land or water.

Subd. 6a. **Protect.** "Protect" means protect or preserve ecological systems to maintain active and healthy ecosystems

COMPARISON OF CONSTITUTIONAL AND STATUTORY PROVISIONS

(emphasis added by underlining)

ENVIRONMENT AND NATURAL RESOURCES TRUST FUND

OUTDOOR HERITAGE FUND

1.
 Subd. 6. **Trust fund.**
 "Trust fund" means the Minnesota environment and natural resources trust fund established under Minnesota Constitution, article XI, section 14.

and prevent future degradation including, but not limited to, purchase in fee or easement.
 Subd. 6b. **Restore.** "Restore" means renewing degraded, damaged, or destroyed ecosystems through active human intervention to achieve high-quality ecosystems.

 (Note: these provisions were added in Laws 2009, chapter 172)

Statutory Supplanting Prohibition

116P.03 TRUST FUND NOT TO SUPPLANT EXISTING FUNDING; APPROPRIATIONS.
 (a) The trust fund may not be used as a substitute for traditional sources of funding environmental and natural resources activities, but the trust fund shall supplement the traditional sources, including those sources used to support the criteria in section 116P.08, subdivision 1. The trust fund must be used primarily to support activities whose benefits become available only over an extended period of time.
 (b) The commission must determine the amount of the state budget spent from traditional sources to fund environmental and natural resources activities before and after the trust fund is established and include a comparison of the amount in the report under section 116P.09, subdivision 7.
 (c) For the fiscal year beginning July 1, 2007, and each year thereafter, the amount of the environment and natural resources trust fund that is available for appropriation under

(See constitutional language above)

COMPARISON OF CONSTITUTIONAL AND STATUTORY PROVISIONS

(emphasis added by underlining)

**ENVIRONMENT AND NATURAL RESOURCES TRUST
FUND**

OUTDOOR HERITAGE FUND

the terms of the Minnesota Constitution, article XI, section 14, shall be appropriated by law.

(d) The amount appropriated from the environment and natural resources trust fund may be spent only for the public purpose of protection, conservation, preservation, and enhancement of the state's air, water, land, fish, wildlife, and other natural resources. Recommendations made by the commission under this chapter must be consistent with the Minnesota Constitution, article XI, section 14; this chapter; and the strategic plan adopted under section 116P.08, subdivision 3, and must demonstrate a direct benefit to the state's environment and natural resources.

COMPARISON OF CONSTITUTIONAL AND STATUTORY PROVISIONS

(emphasis added by underlining)

**ENVIRONMENT AND NATURAL RESOURCES TRUST
FUND**

OUTDOOR HERITAGE FUND

Statutory Fund Specifications

Minnesota Statutes, section 116P.04, subdivision 1, reads:

Subdivision 1. **Establishment of account and investment.**

A Minnesota environment and natural resources trust fund, under article XI, section 14, of the Minnesota Constitution, is established as an account in the state treasury. The commissioner of finance shall credit to the trust fund the amounts authorized under this section and section 116P.10. The State Board of Investment shall ensure that trust fund money is invested under section 11A.24. All money earned by the trust fund must be credited to the trust fund. The principal of the trust fund and any unexpended earnings must be invested and reinvested by the State Board of Investment.

Minnesota Statutes, section 97A.056, subdivision 1, reads:

Subdivision 1. **Outdoor heritage fund.**

An outdoor heritage fund, under article XI, section 15, of the Minnesota Constitution, is established as an account in the state treasury. All money earned by the outdoor heritage fund must be credited to the fund. At least 99 percent of the money appropriated from the fund must be expended to restore, protect, and enhance wetlands, prairies, forests, and habitat for fish, game, and wildlife.

Statutory Establishment of the Commission and Council

Minnesota Statutes, section 116P.05, subdivision 1 reads:

Subdivision 1. **Membership.** (a) A Legislative-Citizen Commission on Minnesota Resources of 17 members is created in the legislative branch, consisting of the chairs of the house of representatives and senate committees on environment and natural resources finance or designees appointed for the terms of the chairs, four members of the senate appointed by the Subcommittee on Committees of the Committee on Rules and Administration, and four members of the house of representatives

Minnesota Statutes, section 97A.056, subdivision 2, paragraphs (a) to (g), read:

Subd. 2. **Lessard Outdoor Heritage Council.** (a) The Lessard Outdoor Heritage Council of 12 members is created in the legislative branch, consisting of:

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

(2) two public members appointed by the speaker of the house;

COMPARISON OF CONSTITUTIONAL AND STATUTORY PROVISIONS

(emphasis added by underlining)

**ENVIRONMENT AND NATURAL RESOURCES TRUST
FUND**

OUTDOOR HERITAGE FUND

appointed by the speaker.

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

Seven citizens are members of the commission, five appointed by the governor, one appointed by the Senate Subcommittee on Committees of the Committee on Rules and Administration, and one appointed by the speaker of the house. The citizen members are selected and recommended to the appointing authorities according to subdivision 1a and must:

- (1) have experience or expertise in the science, policy, or practice of the protection, conservation, preservation, and enhancement of the state's air, water, land, fish, wildlife, and other natural resources;
- (2) have strong knowledge in the state's environment and natural resource issues around the state; and
- (3) have demonstrated ability to work in a collaborative environment.

(b) Members shall develop procedures to elect a chair that rotates between legislative and citizen members. The chair shall preside and convene meetings as often as necessary to conduct duties prescribed by this chapter.

(c) Appointed legislative members shall serve on the commission for two-year terms, beginning in January of each odd-numbered year and continuing through the end of

(3) four public members appointed by the governor;

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

(5) two members of the house of representatives appointed by the speaker of the house.

(b) Members appointed under paragraph (a) must not be registered lobbyists. In making appointments the governor, senate Subcommittee on Committees of the Committee on Rules and Administration, and the speaker of the house shall consider geographic balance, gender, age, ethnicity, and varying interests including hunting and fishing. The governor's appointments to the council are subject to the advice and consent of the senate.

(c) Public members appointed under paragraph (a) shall have practical experience or expertise or demonstrated knowledge in the science, policy, or practice of restoring, protecting, and enhancing wetlands, prairies, forests, and habitat for fish, game, and wildlife.

(d) Legislative members appointed under paragraph (a) shall include the chairs of the legislative committees with jurisdiction over environment and natural resources finance or their designee, one member from the minority party of the senate, and one member from the minority party of the house of representatives.

(e) Members serve four-year terms and shall be initially appointed according to the following schedule of terms:

- (1) two public members appointed by the governor for a

COMPARISON OF CONSTITUTIONAL AND STATUTORY PROVISIONS

(emphasis added by underlining)

**ENVIRONMENT AND NATURAL RESOURCES TRUST
FUND**

OUTDOOR HERITAGE FUND

December of the next even-numbered year. Citizen and legislative members continue to serve until their successors are appointed.

(d) A citizen member may be removed by an appointing authority for cause. Vacancies occurring on the commission shall not affect the authority of the remaining members of the commission to carry out their duties, and vacancies shall be filled for the remainder of the term in the same manner under paragraph (a).

(e) Citizen members shall be initially appointed according to the following schedule of terms:

(1) two members appointed by the governor for a term ending the first Monday in January 2010;

(2) one member appointed by the senate Subcommittee on Committees of the Committee on Rules and Administration for a term ending the first Monday in January 2010 and one member appointed by the speaker of the house for a term ending the first Monday in January 2010;

(3) two members appointed by the governor for a term ending the first Monday in January 2009; and

(4) one member appointed by the governor for a term ending the first Monday in January 2008.

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

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

term ending the first Monday in January 2011;

(2) one public member appointed by the senate Subcommittee on Committees of the Committee on Rules and Administration for a term ending the first Monday in January 2011;

(3) one public member appointed by the speaker of the house for a term ending the first Monday in January 2011;

(4) two public members appointed by the governor for a term ending the first Monday in January 2013;

(5) one public member appointed by the senate Subcommittee on Committees of the Committee on Rules and Administration for a term ending the first Monday in January 2013;

(6) one public member appointed by the speaker of the house for a term ending the first Monday in January 2013; and

(7) two members of the senate appointed by the senate Subcommittee on Committees of the Committee on Rules and Administration for a term ending the first Monday in January 2013, and two members of the house of representatives appointed by the speaker of the house for a term ending the first Monday in January 2013.

(f) Compensation and removal of public members are as provided in section 15.0575. A vacancy on the council may be filled by the appointing authority for the remainder of the unexpired term.

(g) The first meeting of the council shall be convened by the chair of the Legislative Coordinating Commission no later than December 1, 2008. Members shall elect a chair,

COMPARISON OF CONSTITUTIONAL AND STATUTORY PROVISIONS

(emphasis added by underlining)

**ENVIRONMENT AND NATURAL RESOURCES TRUST
FUND**

OUTDOOR HERITAGE FUND

vice-chair, secretary, and other officers as determined by the council. The chair may convene meetings as necessary to conduct the duties prescribed by this section.

Staffing

Minnesota Statutes, section 116P.09, subdivision 1, reads:

Subdivision 1. Administrative authority.

The commission may appoint legal and other personnel and consultants necessary to carry out functions and duties of the commission. Permanent employees shall be in the unclassified service. In addition, the commission may request staff assistance and data from any other agency of state government as needed for the execution of the responsibilities of the commission and an agency must promptly furnish it.

Minnesota Statutes, section 97A.056, subdivision 2, paragraph (h), reads:

(h) Upon coordination with and approval by the Legislative Coordinating Commission, the council may appoint nonpartisan staff and contract with consultants as necessary to carry out the functions of the council. Up to one percent of the money appropriated from the fund may be used to pay for administrative expenses of the council and for compensation and expense reimbursement of council members.

Administrative Expense Limits

Minnesota Statutes, section 116P.09, subdivision 5, reads:

Subd. 5. Administrative expense.

The prorated expenses related to commission administration of the trust fund may not exceed an amount equal to four percent of the amount available for appropriation of the trust fund for the biennium.

Minnesota Statutes, section 97A.056, subdivision 2, paragraph (h), reads:

(h) Upon coordination with and approval by the Legislative Coordinating Commission, the council may appoint nonpartisan staff and contract with consultants as necessary to carry out the functions of the council. Up to one percent of the money appropriated from the fund may be used to pay for administrative expenses of the council and for compensation and expense reimbursement of council members.

COMPARISON OF CONSTITUTIONAL AND STATUTORY PROVISIONS

(emphasis added by underlining)

**ENVIRONMENT AND NATURAL RESOURCES TRUST
FUND**

OUTDOOR HERITAGE FUND

Citizen Selection Committee

Minnesota Statutes, section 116P.05, subdivision 1a reads:

Subd. 1a. **Citizen selection committee.**

The governor shall appoint a Trust Fund Citizen Selection Committee of five members who come from different regions of the state and who have knowledge and experience of state environment and natural resource issues.

The duties of the Trust Fund Citizen Selection Committee shall be to:

(1) identify citizen candidates to be members of the commission as part of the open appointments process under section 15.0597;

(2) request and review citizen candidate applications to be members of the commission; and

(3) interview the citizen candidates and recommend an adequate pool of candidates to be selected for commission membership by the governor, the senate, and the house of representatives.

Members are entitled to travel expenses incurred to fulfill their duties under this subdivision as provided in section 15.059, subdivision 6.

No similar provision.

COMPARISON OF CONSTITUTIONAL AND STATUTORY PROVISIONS

(emphasis added by underlining)

**ENVIRONMENT AND NATURAL RESOURCES TRUST
FUND**

OUTDOOR HERITAGE FUND

Commission or Council Sunset

Minnesota Statutes, section 116P.05, subdivision 3 reads:

Subd. 3. **Sunset.**

This section expires June 30, 2016, unless extended by law.

No similar provision.

Funding Recommendations

Minnesota Statutes, section 116P.05, subdivision 2 reads:

Subd. 2. **Duties.** (a) The commission shall recommend an annual or biennial legislative bill for appropriations from the environment and natural resources trust fund and shall adopt a strategic plan as provided in section 116P.08. Approval of the recommended legislative bill requires an affirmative vote of at least 12 members of the commission.

(b) The commission shall recommend expenditures to the legislature from the state land and water conservation account in the natural resources fund.

Minnesota Statutes, section 97A.056, subdivision 3, paragraphs (a) to (h), read:

Subd. 3. **Council recommendations.** (a) The council shall make recommendations to the legislature on appropriations of money from the outdoor heritage fund that are consistent with the Constitution and state law and that will achieve the outcomes of existing natural resource plans, including, but not limited to, the Minnesota Statewide Conservation and Preservation Plan, that directly relate to the restoration, protection, and enhancement of wetlands, prairies, forests, and habitat for fish, game, and wildlife, and that prevent forest fragmentation, encourage forest consolidation, and expand restored native prairie. The council shall submit its initial recommendations to the legislature no later than April 1, 2009. Subsequent recommendations shall be submitted no later than January 15 each year. The council shall present its recommendations to the senate and house of representatives committees with jurisdiction over the environment and natural

COMPARISON OF CONSTITUTIONAL AND STATUTORY PROVISIONS

(emphasis added by underlining)

**ENVIRONMENT AND NATURAL RESOURCES TRUST
FUND**

OUTDOOR HERITAGE FUND

resources budget by February 15 in odd-numbered years, and within the first four weeks of the legislative session in even-numbered years. The council's budget recommendations to the legislature shall be separate from the Department of Natural Resource's budget recommendations.

(b) To encourage and support local conservation efforts, the council shall establish a conservation partners program. Local, regional, state, or national organizations may apply for matching grants for restoration, protection, and enhancement of wetlands, prairies, forests, and habitat for fish, game, and wildlife, prevention of forest fragmentation, encouragement of forest consolidation, and expansion of restored native prairie.

(c) The council may work with the Clean Water Council to identify projects that are consistent with both the purpose of the outdoor heritage fund and the purpose of the clean water fund.

(d) The council may make recommendations to the Legislative-Citizen Commission on Minnesota Resources on scientific research that will assist in restoring, protecting, and enhancing wetlands, prairies, forests, and habitat for fish, game, and wildlife, preventing forest fragmentation, encouraging forest consolidation, and expanding restored native prairie.

(e) Recommendations of the council, including approval of recommendations for the outdoor heritage fund, require an affirmative vote of at least nine members of the council.

(f) The council may work with the Clean Water Council, the Legislative-Citizen Commission on Minnesota Resources, the

COMPARISON OF CONSTITUTIONAL AND STATUTORY PROVISIONS

(emphasis added by underlining)

**ENVIRONMENT AND NATURAL RESOURCES TRUST
FUND**

OUTDOOR HERITAGE FUND

(c) It is a condition of acceptance of the appropriations made from the Minnesota environment and natural resources trust fund, and oil overcharge money under section 4.071, subdivision 2, that the agency or entity receiving the appropriation must submit a work program and semiannual progress reports in the form determined by the Legislative-Citizen Commission on Minnesota Resources, and comply with applicable reporting requirements under section 116P.16. None of the money provided may be spent unless the commission has approved the pertinent work program.

(d) The peer review panel created under section 116P.08 must also review, comment, and report to the commission on research

Board of Water and Soil Resources, soil and water conservation districts, and experts from Minnesota State Colleges and Universities and the University of Minnesota in developing the council's recommendations.

(g) The council shall develop and implement a process that ensures that citizens and potential recipients of funds are included throughout the process, including the development and finalization of the council's recommendations. The process must include a fair, equitable, and thorough process for reviewing requests for funding and a clear and easily understood process for ranking projects.

(h) The council shall use the regions of the state based upon the ecological regions and subregions developed by the Department of Natural Resources and establish objectives for each region and subregion to achieve the purposes of the fund outlined in the state constitution.

(Note: Laws 2009, chapter 172, contains the requirement that accomplishment plans must be approved by the council before any 2009 appropriations are spent.)

COMPARISON OF CONSTITUTIONAL AND STATUTORY PROVISIONS

(emphasis added by underlining)

**ENVIRONMENT AND NATURAL RESOURCES TRUST
FUND**

OUTDOOR HERITAGE FUND

proposals applying for an appropriation from the oil overcharge money under section 4.071, subdivision 2.

(e) The commission may adopt operating procedures to fulfill its duties under this chapter.

(f) As part of the operating procedures, the commission shall:

(1) ensure that members' expectations are to participate in all meetings related to funding decision recommendations;

(2) recommend adequate funding for increased citizen outreach and communications for trust fund expenditure planning;

(3) allow administrative expenses as part of individual project expenditures based on need;

(4) provide for project outcome evaluation;

(5) keep the grant application, administration, and review process as simple as possible; and

(6) define and emphasize the leveraging of additional sources of money that project proposers should consider when making trust fund proposals.

COMPARISON OF CONSTITUTIONAL AND STATUTORY PROVISIONS

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**ENVIRONMENT AND NATURAL RESOURCES TRUST
FUND**

OUTDOOR HERITAGE FUND

Strategic Planning

Minnesota Statutes, section 116P.08, subdivision 3, reads:

Subd. 3. Strategic plan required.

(a) The commission shall adopt a strategic plan for making expenditures from the trust fund, including identifying the priority areas for funding for the next six years. The strategic plan must be reviewed every two years. The strategic plan must have clearly stated short- and long-term goals and strategies for trust fund expenditures, must provide measurable outcomes for expenditures, and must determine areas of emphasis for funding.

(b) The commission shall consider the long-term strategic plans of agencies with environment and natural resource programs and responsibilities and plans of conservation and environmental organizations during the development and review of the strategic plan.

Minnesota Statutes, section 97A.056, subdivision 3, paragraph (i), reads:

(i) The council shall develop and submit to the Legislative Coordinating Commission plans for the first ten years of funding, and a framework for 25 years of funding, consistent with statutory and constitutional requirements. The council may use existing plans from other legislative, state, and federal sources, as applicable.

(Note: Laws 2009, chapter 172, includes additional requirements for strategic planning for the outdoor heritage fund.)

Minnesota Statutes, section 116P.09, subdivision 6, reads:

Subd. 6. Conflict of interest.

A commission member, a technical advisory committee member, a peer review panelist, or an employee of the commission may not participate in or vote on a decision of the commission, advisory committee, or peer review panel

Minnesota Statutes, section 97A.056, subdivision 4, reads:

Subd. 4. Conflict of interest.

(a) A council member may not be an advocate for or against a council action or vote on any action that may be a conflict of interest. A conflict of interest must be disclosed as soon as it is discovered. The council shall follow the policies

COMPARISON OF CONSTITUTIONAL AND STATUTORY PROVISIONS

(emphasis added by underlining)

ENVIRONMENT AND NATURAL RESOURCES TRUST FUND

OUTDOOR HERITAGE FUND

relating to an organization in which the member, panelist, or employee has either a direct or indirect personal financial interest. While serving on the commission, technical advisory committee, or peer review panel, or being an employee of the commission, a person shall avoid any potential conflict of interest.

and requirements related to conflicts of interest developed by the Office of Grants Management under section 16B.98.

(b) For the purposes of this section, a "conflict of interest" exists when a person has an organizational conflict of interest or direct financial interests and those interests present the appearance that it will be difficult for the person to impartially fulfill the person's duty. An "organizational conflict of interest" exists when a person has an affiliation with an organization that is subject to council activities, which presents the appearance of a conflict between organizational interests and council member duties. An "organizational conflict of interest" does not exist if the person's only affiliation with an organization is being a member of the organization.

Open Meeting Requirements

Minnesota Statutes, section 116P.08, subdivision 5, reads:

Subd. 5. Public meetings.

(a) Meetings of the commission, committees or subcommittees of the commission, technical advisory committees, and peer review panels must be open to the public. The commission shall attempt to meet throughout various regions of the state during each biennium. For purposes of this subdivision, a meeting occurs when a quorum is present and action is taken regarding a matter within the jurisdiction of the commission, a committee or

Minnesota Statutes, section 97A.056, subdivision 4, reads:

Subd. 5. Open meetings.

(a) Meetings of the council and other groups the council may establish are subject to chapter 13D. Except where prohibited by law, the council shall establish additional processes to broaden public involvement in all aspects of its deliberations, including recording meetings, video conferencing, and publishing minutes. For the purposes of this subdivision, a meeting occurs when a quorum is present and the members receive information or take action on any

COMPARISON OF CONSTITUTIONAL AND STATUTORY PROVISIONS

(emphasis added by underlining)

**ENVIRONMENT AND NATURAL RESOURCES TRUST
FUND**

OUTDOOR HERITAGE FUND

subcommittee of the commission, a technical advisory committee, or a peer review panel.

(b) For legislative members of the commission, enforcement of this subdivision is governed by section 3.055, subdivision 2. For nonlegislative members of the commission, enforcement of this subdivision is governed by section 13D.06, subdivisions 1 and 2.

matter relating to the duties of the council. The quorum requirement for the council shall be seven members.

(b) For legislative members of the council, enforcement of this subdivision is governed by section 3.055, subdivision 2. For nonlegislative members of the council, enforcement of this subdivision is governed by section 13D.06, subdivisions 1 and 2.

Gifts and Donations

Minnesota Statutes, section 116P.04, subdivision 4, reads:

Subd. 4. Gifts and donations.

Gifts and donations, including land or interests in land, may be made to the trust fund. Noncash gifts and donations must be disposed of for cash as soon as the board prudently can maximize the value of the gift or donation. Gifts and donations of marketable securities may be held or be disposed of for cash at the option of the board. The cash receipts of gifts and donations of cash or capital assets and marketable securities disposed of for cash must be credited immediately to the principal of the trust fund. The value of marketable securities at the time the gift or donation is made must be credited to the principal of the trust fund and any earnings from the marketable securities are earnings of the trust fund.

No similar provision.

COMPARISON OF CONSTITUTIONAL AND STATUTORY PROVISIONS

(emphasis added by underlining>

ENVIRONMENT AND NATURAL RESOURCES TRUST FUND

OUTDOOR HERITAGE FUND

Audit Requirements

Minnesota Statutes, section 116P.04, subdivision 5, reads:

Subd. 5. **Audits required.**
The legislative auditor shall audit trust fund expenditures to ensure that the money is spent for the purposes for which the money was appropriated.

Minnesota Statutes, section 97A.056, subdivision 6, reads:

Subd. 6. **Audit.** The legislative auditor shall audit the outdoor heritage fund expenditures, including administrative and staffing expenditures, every two years to ensure that the money is spent to restore, protect, and enhance wetlands, prairies, forests, and habitat for fish, game, and wildlife.

Legislative Oversight Requirement

No similar provision.

Minnesota Statutes, section 97A.056, subdivision 7, reads:

Subd. 7. **Legislative oversight.** The senate and house of representatives chairs of the committees with jurisdiction over the environment and natural resources budget shall convene a joint hearing to review the activities and evaluate the effectiveness of the council and to receive reports on the council from the legislative auditor no later than June 30, 2014.

Specific Statutory Expenditure Requirements

Minnesota Statutes, section 116P.08, subdivision 1, reads:

Subdivision 1. **Expenditures.**
Money in the trust fund may be spent only for:
(1) the reinvest in Minnesota program as provided in section 84.95, subdivision 2;
(2) research that contributes to increasing the

Minnesota Statutes, section 97A.056, subdivision 3, paragraph (b), reads:

(b) To encourage and support local conservation efforts, the council shall establish a conservation partners program. Local, regional, state, or national organizations may apply for matching grants for restoration, protection, and enhancement

COMPARISON OF CONSTITUTIONAL AND STATUTORY PROVISIONS

(emphasis added by underlining)

**ENVIRONMENT AND NATURAL RESOURCES TRUST
FUND**

OUTDOOR HERITAGE FUND

effectiveness of protecting or managing the state's environment or natural resources;

(3) collection and analysis of information that assists in developing the state's environmental and natural resources policies;

(4) enhancement of public education, awareness, and understanding necessary for the protection, conservation, restoration, and enhancement of air, land, water, forests, fish, wildlife, and other natural resources;

(5) capital projects for the preservation and protection of unique natural resources;

(6) activities that preserve or enhance fish, wildlife, land, air, water, and other natural resources that otherwise may be substantially impaired or destroyed in any area of the state;

(7) administrative and investment expenses incurred by the State Board of Investment in investing deposits to the trust fund; and

(8) administrative expenses subject to the limits in section 116P.09.

of wetlands, prairies, forests, and habitat for fish, game, and wildlife, prevention of forest fragmentation, encouragement of forest consolidation, and expansion of restored native prairie.

Statutory Expenditure Prohibitions

Minnesota Statutes, section 116P.08, subdivision 2, reads:

Subd. 2. Exceptions.

Money from the trust fund may not be spent for:

(1) purposes of environmental compensation and

No similar provision.

COMPARISON OF CONSTITUTIONAL AND STATUTORY PROVISIONS

(emphasis added by underlining)

ENVIRONMENT AND NATURAL RESOURCES TRUST FUND

OUTDOOR HERITAGE FUND

liability under chapter 115B and response actions under chapter 115C;
(2) purposes of municipal water pollution control under the authority of chapters 115 and 116;
(3) costs associated with the decommissioning of nuclear power plants;
(4) hazardous waste disposal facilities;
(5) solid waste disposal facilities; or
(6) projects or purposes inconsistent with the strategic plan.

Legislative Recommendations

Minnesota Statutes, section 116P.08, subdivision 4, reads:

Subd. 4. **Legislative recommendations.** (a) Funding may be provided only for those projects that meet the categories established in subdivision 1.

(b) The commission must recommend an annual or biennial legislative bill to make appropriations from the trust fund for the purposes provided in subdivision 1. The recommendations must be submitted to the governor for inclusion in the biennial budget and supplemental budget submitted to the legislature.

(c) The commission may recommend regional block grants for a portion of trust fund expenditures to partner with existing regional organizations that have strong citizen involvement, to address unique local needs and capacity, and to leverage all

Minnesota Statutes, section 97A.056, subdivision 3, paragraph (a), reads:

(a) The council shall make recommendations to the legislature on appropriations of money from the outdoor heritage fund that are consistent with the Constitution and state law and that will achieve the outcomes of existing natural resource plans, including, but not limited to, the Minnesota Statewide Conservation and Preservation Plan, that directly relate to the restoration, protection, and enhancement of wetlands, prairies, forests, and habitat for fish, game, and wildlife, and that prevent forest fragmentation, encourage forest consolidation, and expand restored native prairie. The council shall submit its initial recommendations to the legislature no later than April 1, 2009. Subsequent

COMPARISON OF CONSTITUTIONAL AND STATUTORY PROVISIONS

(emphasis added by underlining)

**ENVIRONMENT AND NATURAL RESOURCES TRUST
FUND**

OUTDOOR HERITAGE FUND

available funding sources for projects.

(d) The commission may recommend the establishment of an emerging issues account in its legislative bill for funding emerging issues, which come up unexpectedly, but which still adhere to the commission's strategic plan, to be approved by the governor after initiation and recommendation by the commission.

(e) Money in the trust fund may not be spent except under an appropriation by law.

recommendations shall be submitted no later than January 15 each year. The council shall present its recommendations to the senate and house of representatives committees with jurisdiction over the environment and natural resources budget by February 15 in odd-numbered years, and within the first four weeks of the legislative session in even-numbered years. The council's budget recommendations to the legislature shall be separate from the Department of Natural Resource's budget recommendations.

Peer Review Requirements

Minnesota Statutes, section 116P.08, subdivisions 6 and 7, reads

Subd. 6. Peer review.

(a) Research proposals must include a stated purpose directly connected to the trust fund's constitutional mandate, this chapter, and the adopted strategic plan under subdivision 3, a timeline, potential outcomes, and an explanation of the need for the research. All research proposals must be reviewed by a peer review panel before receiving an appropriation.

(b) In conducting research proposal reviews, the peer review panel shall:

(1) comment on the methodology proposed and whether it can be expected to yield appropriate and useful information and data;

No similar provisions.

COMPARISON OF CONSTITUTIONAL AND STATUTORY PROVISIONS

(emphasis added by underlining)

**ENVIRONMENT AND NATURAL RESOURCES TRUST
FUND**

OUTDOOR HERITAGE FUND

(2) comment on the need for the research and about similar existing information available, if any; and
(3) report to the commission on clauses (1) and (2).
(c) The peer review panel also must review completed research proposals that have received an appropriation and comment and report upon whether the project reached the intended goals.

Subd. 7. Peer review panel membership.

(a) The peer review panel must consist of at least five members who are knowledgeable in general research methods in the areas of environment and natural resources. Not more than two members of the panel may be employees of state agencies in Minnesota.

(b) The commission shall select a chair every two years who shall be responsible for convening meetings of the panel as often as is necessary to fulfill its duties as prescribed in this section. Compensation of panel members is governed by section 15.059, subdivision 3.

Royalties Copyrights, and Patents

**116P.10 ROYALTIES, COPYRIGHTS, PATENTS, AND
SALE OF PRODUCTS AND ASSETS.**

(a) This section applies to projects supported by the trust fund and the oil overcharge money referred to in section 4.071, subdivision 2, each of which is referred to in this section as a "fund."

(b) The fund owns and shall take title to the percentage of a

No similar provision.

COMPARISON OF CONSTITUTIONAL AND STATUTORY PROVISIONS

(emphasis added by underlining)

ENVIRONMENT AND NATURAL RESOURCES TRUST FUND

OUTDOOR HERITAGE FUND

royalty, copyright, or patent resulting from a project supported by the fund equal to the percentage of the project's total funding provided by the fund. Cash receipts resulting from a royalty, copyright, or patent, or the sale of the fund's rights to a royalty, copyright, or patent, must be credited immediately to the principal of the fund. Receipts from Minnesota future resources fund projects must be credited to the trust fund. The commission may include in its legislative bill a recommendation to relinquish the ownership or rights to a royalty, copyright, or patent resulting from a project supported by the fund to the project's proposer when the amount of the original grant or loan, plus interest, has been repaid to the fund.

(c) If a project supported by the fund results in net income from the sale of products or assets developed or acquired by an appropriation from the fund, the appropriation must be repaid to the fund in an amount equal to the percentage of the project's total funding provided by the fund. The commission may include in its legislative bill a recommendation to relinquish the income if a plan is approved for reinvestment of the income in the project or when the amount of the original grant or loan, plus interest, has been repaid to the fund.

Land Acquisition Restrictions

116P.15 LAND ACQUISITION RESTRICTIONS.

Subdivision 1. **Scope.**

A recipient of an appropriation from the trust fund or the Minnesota future resources fund who acquires an interest in

(Note: Laws 2009, chapter 172, contains similar land acquisition restriction language for 2009 appropriations.)

COMPARISON OF CONSTITUTIONAL AND STATUTORY PROVISIONS

(emphasis added by underlining)

**ENVIRONMENT AND NATURAL RESOURCES TRUST
FUND**

OUTDOOR HERITAGE FUND

real property with the appropriation must comply with this section. If the recipient fails to comply with the terms of this section, ownership of the interest in real property transfers to the state. For the purposes of this section, "interest in real property" includes, but is not limited to, an easement or fee title to property.

Subd. 2. Restrictions; modification procedure.

(a) An interest in real property acquired with an appropriation from the trust fund or the Minnesota future resources fund must be used in perpetuity or for the specific term of an easement interest for the purpose for which the appropriation was made.

(b) A recipient of funding who acquires an interest in real property subject to this section may not alter the intended use of the interest in real property or convey any interest in the real property acquired with the appropriation without the prior review and approval of the commission. The commission shall establish procedures to review requests from recipients to alter the use of or convey an interest in real property. These procedures shall allow for the replacement of the interest in real property with another interest in real property meeting the following criteria:

(1) the interest is at least equal in fair market value, as certified by the commissioner of natural resources, to the interest being replaced; and

(2) the interest is in a reasonably equivalent location, and has a reasonably equivalent usefulness compared to the interest being replaced.

COMPARISON OF CONSTITUTIONAL AND STATUTORY PROVISIONS

(emphasis added by underlining)

**ENVIRONMENT AND NATURAL RESOURCES TRUST
FUND**

OUTDOOR HERITAGE FUND

(c) A recipient of funding who acquires an interest in real property under paragraph (a) must separately record a notice of funding restrictions in the appropriate local government office where the conveyance of the interest in real property is filed. The notice of funding agreement must contain:

- (1) a legal description of the interest in real property covered by the funding agreement;
- (2) a reference to the underlying funding agreement;
- (3) a reference to this section; and
- (4) the following statement:

"This interest in real property shall be administered in accordance with the terms, conditions, and purposes of the grant agreement or work program controlling the acquisition of the property. The interest in real property, or any portion of the interest in real property, shall not be sold, transferred, pledged, or otherwise disposed of or further encumbered without obtaining the prior written approval of the Legislative-Citizen Commission on Minnesota Resources or its successor. If the holder of the interest in real property fails to comply with the terms and conditions of the grant agreement or work program, ownership of the interest in real property shall transfer to this state."

COMPARISON OF CONSTITUTIONAL AND STATUTORY PROVISIONS

(emphasis added by underlining)

**ENVIRONMENT AND NATURAL RESOURCES TRUST
FUND**

OUTDOOR HERITAGE FUND

Real Property Reports

116P.16 REAL PROPERTY INTEREST REPORT.

By December 1 each year, a recipient of an appropriation from the trust fund, that is used for the acquisition of an interest in real property, must submit annual reports on the status of the real property to the Legislative-Citizen Commission on Minnesota Resources in a form determined by the commission. The responsibility for reporting under this section may be transferred by the recipient of the appropriation to another person who holds the interest in the real property. To complete the transfer of reporting responsibility, the recipient of the appropriation must:

(1) inform the person to whom the responsibility is transferred of that person's reporting responsibility;
(2) inform the person to whom the responsibility is transferred of the property restrictions under section 116P.15; and

(3) provide written notice to the commission of the transfer of reporting responsibility, including contact information for the person to whom the responsibility is transferred.

After the transfer, the person who holds the interest in the real property is responsible for reporting requirements under this section.

(Note: Laws 2009, chapter 172, contains similar real interest reporting language for 2009 appropriations.)

COMPARISON OF CONSTITUTIONAL AND STATUTORY PROVISIONS

(emphasis added by underlining)

**ENVIRONMENT AND NATURAL RESOURCES TRUST
FUND**

OUTDOOR HERITAGE FUND

Information Gathering

116P.07 INFORMATION GATHERING.

The commission may convene public forums or employ other methods to gather information for establishing priorities for funding.

Minnesota Statutes, section 97A.056, subdivision 3, paragraphs (g) and (h), read:

(g) The council shall develop and implement a process that ensures that citizens and potential recipients of funds are included throughout the process, including the development and finalization of the council's recommendations. The process must include a fair, equitable, and thorough process for reviewing requests for funding and a clear and easily understood process for ranking projects.

(h) The council shall use the regions of the state based upon the ecological regions and subregions developed by the Department of Natural Resources and establish objectives for each region and subregion to achieve the purposes of the fund outlined in the state constitution.

Web Site Requirements

Minnesota Statutes, section 3.303, subdivision 10, reads:

Subd. 10. **Constitutionally dedicated funding accountability.** (a) The Legislative Coordinating Commission shall develop and maintain a user-friendly, public-oriented Web site that informs, educates, and demonstrates to the public how the constitutionally dedicated funds in the arts and cultural heritage fund, outdoor heritage fund, clean water fund, parks and trails fund, and environment and natural

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COMPARISON OF CONSTITUTIONAL AND STATUTORY PROVISIONS

(emphasis added by underlining)

**ENVIRONMENT AND NATURAL RESOURCES TRUST
FUND**

OUTDOOR HERITAGE FUND

resources trust fund are being expended to meet the requirements established for each fund in the state constitution. Information provided on the Web site must include, but is not limited to:

- (1) information on all project proposals received by the Outdoor Heritage Council and the Legislative-Citizen Commission on Minnesota Resources;
- (2) information on all projects receiving funding, including proposed measurable outcomes and the plan for measuring and evaluating the results;
- (3) measured outcomes and evaluation of projects as required under sections 85.53, subdivision 2; 97A.056, subdivision 9; 114D.50, subdivision 2; and 129D.17, subdivision 2;
- (4) education about the areas and issues the projects address, including, when feasible, maps of where projects have been undertaken;
- (5) all frameworks developed for future uses of each fund; and
- (6) methods by which members of the public may apply for project funds under any of the constitutionally dedicated funds.

(b) All information for proposed and funded projects, including the proposed measurable outcomes, must be made available on the Web site as soon as practicable. Information on the measured outcomes and evaluation must be posted as soon as it becomes available. The costs of these activities shall be paid out of the arts and

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COMPARISON OF CONSTITUTIONAL AND STATUTORY PROVISIONS

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<p align="center">ENVIRONMENT AND NATURAL RESOURCES TRUST FUND</p>	<p align="center">OUTDOOR HERITAGE FUND</p>
<p>cultural heritage fund, outdoor heritage fund, clean water fund, parks and trails fund, and the environment and natural resources trust fund proportionately. For purposes of this section, "measurable outcomes" means outcomes, indicators, or other performance measures that may be quantified or otherwise measured in order to measure the effectiveness of a project or program in meeting its intended goal or purpose.</p> <p>(c) The Legislative Coordinating Commission shall be responsible for receiving all ten-year plans and 25-year frameworks for each of the constitutionally dedicated funds. To the extent practicable, staff for the commission shall provide assistance and oversight to these planning efforts and shall coordinate public access to hearings and public meetings for all planning efforts.</p> <p>(Note: this was added in Laws 2009, chapter 172)</p>	<p>cultural heritage fund, outdoor heritage fund, clean water fund, parks and trails fund, and the environment and natural resources trust fund proportionately. For purposes of this section, "measurable outcomes" means outcomes, indicators, or other performance measures that may be quantified or otherwise measured in order to measure the effectiveness of a project or program in meeting its intended goal or purpose.</p> <p>(c) The Legislative Coordinating Commission shall be responsible for receiving all ten-year plans and 25-year frameworks for each of the constitutionally dedicated funds. To the extent practicable, staff for the commission shall provide assistance and oversight to these planning efforts and shall coordinate public access to hearings and public meetings for all planning efforts.</p> <p>(Note: this was added in Laws 2009, chapter 172)</p>
<p align="center">Public Official Designation (for the purposes of the lobbyist gift ban and economic interest reporting requirements)</p>	
<p>Minnesota Statutes, section 10A.01, subdivision 35 reads:</p> <p>Subd. 35.Public official. "Public official" means any: (1) <u>member of the legislature</u>; (2) individual employed by the legislature as secretary of the senate, legislative auditor, chief clerk of the house of representatives, revisor of statutes, or researcher, legislative analyst, or attorney in the Office of Senate Counsel and</p>	<p>Minnesota Statutes, section 10A.01, subdivision 35 reads:</p> <p>Subd. 35.Public official. "Public official" means any: (1) <u>member of the legislature</u>; (2) individual employed by the legislature as secretary of the senate, legislative auditor, chief clerk of the house of representatives, revisor of statutes, or researcher, legislative analyst, or attorney in the Office of Senate Counsel and</p>

COMPARISON OF CONSTITUTIONAL AND STATUTORY PROVISIONS

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**ENVIRONMENT AND NATURAL RESOURCES TRUST
FUND**

OUTDOOR HERITAGE FUND

Research or House Research;

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

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

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

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

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

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

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

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

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

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

(13) member or chief administrator of a metropolitan

Research or House Research;

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

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

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

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COMPARISON OF CONSTITUTIONAL AND STATUTORY PROVISIONS

(emphasis added by underlining)

**ENVIRONMENT AND NATURAL RESOURCES TRUST
FUND**

OUTDOOR HERITAGE FUND

agency;

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

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

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

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

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

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

(20) manager of a watershed district, or member of a watershed management organization as defined under section 103B.205, subdivision 13;

(21) supervisor of a soil and water conservation district;

(22) director of Explore Minnesota Tourism; or

(23) citizen member of the Lessard Outdoor Heritage Council established in section 97A.056.

agency;

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

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

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

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