

**SENATE
STATE OF MINNESOTA
NINETIETH SESSION**

S.F. No. 3837

(SENATE AUTHORS: NEWMAN and Jasinski)

DATE	D-PG	OFFICIAL STATUS
03/26/2018	6988	Introduction and first reading
		Referred to Transportation Finance and Policy
04/09/2018	7130a	Comm report: To pass as amended and re-refer to Rules and Administration
		Joint rule 2.03, referred to Rules and Administration
04/23/2018	7887	Comm report: Amend previous comm report Joint rule 2.03 suspended and re-refer to Taxes
04/30/2018	8469	Author added Jasinski

1.1 A bill for an act

1.2 relating to transportation; governing transportation finance; proposing a

1.3 constitutional amendment to the Minnesota Constitution, article XIV, to allocate

1.4 state general sales tax revenue related to rental vehicles and motor vehicle repair

1.5 and replacement parts exclusively to fund roads and to allocate state general sales

1.6 tax revenue for leased vehicles exclusively to transportation purposes; amending

1.7 Minnesota Statutes 2016, sections 16A.88, subdivision 1a; 161.081, subdivision

1.8 1; 162.081, subdivision 1; 162.145, subdivision 2; 174.50, subdivision 2; Minnesota

1.9 Statutes 2017 Supplement, section 297A.94; proposing coding for new law in

1.10 Minnesota Statutes, chapters 161; 162.

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

1.12 **ARTICLE 1**

1.13 **CONSTITUTIONAL AMENDMENT IMPLEMENTATION**

1.14 Section 1. **CONSTITUTIONAL AMENDMENT PROPOSED.**

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

1.16 is adopted, article XIV, section 14, will read:

1.17 Sec. 14. **Road and bridge fund.** There is hereby created a road and bridge fund to be

1.18 used solely for road and bridge construction and repair projects. The fund consists of the

1.19 proceeds of the taxes specified under section 16 of this article. The net proceeds of the taxes

1.20 shall be apportioned: four percent to a fund or account dedicated solely for construction

1.21 and maintenance of city roads in cities that do not receive municipal state-aid street funds,

1.22 3.25 percent to a fund or account dedicated solely for construction and maintenance of town

1.23 roads, and 1.75 percent to a fund or account dedicated solely for construction and

1.24 maintenance of town bridges. The balance of the road and bridge fund shall be apportioned:

2.1 62 percent to the trunk highway construction fund, 29 percent to the county state-aid highway
2.2 fund, and nine percent to the municipal state-aid street fund.

2.3 **Sec. 2. CONSTITUTIONAL AMENDMENT PROPOSED.**

2.4 An amendment to the Minnesota Constitution is proposed to the people. If the amendment
2.5 is adopted, article XIV, section 15, will read:

2.6 **Sec. 15. Trunk highway construction fund.** There is hereby created a trunk highway
2.7 construction fund that shall be used solely for road and bridge construction and repair
2.8 projects and the payment of principal and interest of any bonds issued under the authority
2.9 of section 11 of this article. All payments of principal and interest on bonds issued shall be
2.10 a first charge on money coming into this fund during the year in which the principal or
2.11 interest is payable. For purposes of this section, "road and bridge construction and repair
2.12 projects" include costs exclusively for design, engineering, planning, acquisition of property
2.13 rights, construction, or repair directly related to a road or bridge on the trunk highway
2.14 system.

2.15 **Sec. 3. CONSTITUTIONAL AMENDMENT PROPOSED.**

2.16 An amendment to the Minnesota Constitution is proposed to the people. If the amendment
2.17 is adopted, article XIV, section 16, will read:

2.18 **Sec. 16. Sales taxes; motor vehicle and trailer repair and replacement parts; rental**
2.19 **vehicles.** Beginning July 1, 2020, 70 percent of the revenue from the general state sales
2.20 and use tax that is attributed by law to the sale and purchase of repair and replacement parts
2.21 for motor vehicles and trailers must be solely deposited in the road and bridge fund, then
2.22 the revenue apportioned must be increased by 15 percent for each subsequent fiscal year
2.23 through June 30, 2023, and then the revenue must be apportioned 100 percent for the purposes
2.24 of this section after June 30, 2023. Beginning July 1, 2020, 100 percent of the revenue from
2.25 rental motor vehicle sales tax and rental motor vehicle tax must be solely deposited to the
2.26 road and bridge fund. Revenue under this section does not include revenue from the tax
2.27 under sections 9, 12, and 13 of this article or article XI, section 15.

3.1 Sec. 4. CONSTITUTIONAL AMENDMENT PROPOSED.

3.2 An amendment to the Minnesota Constitution is proposed to the people. If the amendment
3.3 is adopted, article XIV, section 17, will read:

3.4 Sec. 17. Motor vehicle lease sales tax revenue. Beginning July 1, 2019, 100 percent
3.5 of the revenue from the motor vehicle lease sales tax imposed by the state must be
3.6 apportioned in amounts established in law by the legislature to the county state-aid highway
3.7 fund; to a fund or account dedicated solely to public transit in greater Minnesota; to a fund
3.8 or account dedicated solely to construction, replacement, and repair of local bridges; and
3.9 to the highway user tax distribution fund. No change in the apportionment of these funds
3.10 may be made within six years of the last previous change.

3.11 Sec. 5. SUBMISSION TO VOTERS.

3.12 (a) The proposed amendment must be submitted to the people at the 2018 general election.
3.13 The question submitted must be:

3.14 "Shall the Minnesota Constitution be amended so that the following taxes already being
3.15 collected are used exclusively for road and bridge construction and transportation purposes:
3.16 sales tax on vehicle and trailer repair and replacement parts, taxes on rental vehicles, and
3.17 the motor vehicle lease sales tax?

3.18 Yes

3.19 No "

3.20 (b) The title required under Minnesota Statutes, section 204D.15, subdivision 1, for the
3.21 question submitted to the people under paragraph (a) shall be "Guaranteed Use of Existing
3.22 Motor Vehicle Taxes for Road and Bridge Construction."

3.23 **ARTICLE 2**

3.24 **CONSTITUTIONAL AMENDMENT IMPLEMENTATION**

3.25 Section 1. Minnesota Statutes 2016, section 16A.88, subdivision 1a, is amended to read:

3.26 Subd. 1a. **Greater Minnesota transit account.** The greater Minnesota transit account
3.27 is established within the transit assistance fund in the state treasury. The account consists
3.28 of funds allocated under subdivision 1 and funds distributed for public transit in greater
3.29 Minnesota pursuant to Minnesota Constitution, article XIV, section 14. Money in the account
3.30 is annually appropriated to the commissioner of transportation for assistance to transit
3.31 systems outside the metropolitan area under section 174.24. The commissioner may use up

4.1 to \$408,000 in fiscal year 2008 and \$416,000 in fiscal year 2009 and thereafter for
 4.2 administration of the transit program. The commissioner shall use the account for transit
 4.3 operations as provided in section 174.24 and related program administration.

4.4 **Sec. 2. [161.042] TRUNK HIGHWAY CONSTRUCTION FUND.**

4.5 Subdivision 1. **Composition.** The trunk highway construction fund shall consist of 62
 4.6 percent of the net road and bridge fund as provided in the Minnesota Constitution, article
 4.7 XIV; the proceeds of the sale of any bonds authorized by the Minnesota Constitution, article
 4.8 XIV; money received from the federal government as aid in the construction and maintenance
 4.9 of trunk highways; and any other money otherwise allotted, appropriated, or legislated
 4.10 therefor.

4.11 Subd. 2. **Investment of fund.** Upon the request of the commissioner, money in the trunk
 4.12 highway construction fund shall be invested by the State Board of Investment in those
 4.13 securities authorized for such purpose in section 11A.21. All interest and profits from such
 4.14 investments shall be credited to the trunk highway construction fund. The commissioner of
 4.15 management and budget shall be the custodian of all securities purchased under the provisions
 4.16 of this section.

4.17 Sec. 3. Minnesota Statutes 2016, section 161.081, subdivision 1, is amended to read:

4.18 Subdivision 1. **Distribution of five percent.** (a) Pursuant to Minnesota Constitution,
 4.19 article 14 XIV, section 5, of the Constitution, five percent of the net highway user tax
 4.20 distribution fund is set aside, and apportioned to the county state-aid highway fund.

4.21 (b) That apportionment is further distributed as follows:

4.22 (1) 30.5 percent to the town road account created in section 162.081;

4.23 (2) 16 percent to the town bridge account, ~~which is created in the state treasury section~~
 4.24 162.082; and

4.25 (3) 53.5 percent to the flexible highway account created in subdivision 3.

4.26 Sec. 4. Minnesota Statutes 2016, section 162.081, subdivision 1, is amended to read:

4.27 Subdivision 1. **Account created.** A town road account is created in the county state-aid
 4.28 highway fund. The account consists of funds distributed for construction and maintenance
 4.29 of town roads pursuant to Minnesota Constitution, article XIV, section 14, and other funds
 4.30 as provided by law, and any other money donated, allotted, transferred, or otherwise provided
 4.31 to the account.

5.1 Sec. 5. **[162.082] TOWN BRIDGE ACCOUNT.**

5.2 A town bridge account is created in the county state-aid highway fund. The account
 5.3 consists of funds distributed for construction and maintenance of town bridges pursuant to
 5.4 Minnesota Constitution, article XIV, section 14, and other funds as provided by law, and
 5.5 any other money donated, allotted, transferred, or otherwise provided to the account.

5.6 Sec. 6. Minnesota Statutes 2016, section 162.145, subdivision 2, is amended to read:

5.7 Subd. 2. **Small cities assistance account.** A small cities assistance account is created
 5.8 in the special revenue fund. The account consists of funds distributed for construction and
 5.9 maintenance of city roads in cities that do not receive municipal state-aid street funds
 5.10 pursuant to Minnesota Constitution, article XIV, section 14, and other funds as provided
 5.11 by law, and any other money donated, allotted, transferred, or otherwise provided to the
 5.12 account. Money in the account may only be expended as provided under this section.

5.13 Sec. 7. Minnesota Statutes 2016, section 174.50, subdivision 2, is amended to read:

5.14 Subd. 2. **Fund created.** A Minnesota state transportation fund is created as a separate
 5.15 bookkeeping account in the general books of account of the state, to record receipts and
 5.16 disbursements of money appropriated from the fund to agencies and subdivisions of the
 5.17 state for the acquisition and betterment of public land, buildings, and capital improvements
 5.18 needed for the development of the state transportation system. The fund includes funds
 5.19 distributed for construction, replacement, and repair of local bridges pursuant to Minnesota
 5.20 Constitution, article XIV, section 14.

5.21 Sec. 8. Minnesota Statutes 2017 Supplement, section 297A.94, is amended to read:

5.22 **297A.94 DEPOSIT OF REVENUES.**

5.23 Subdivision 1. Deposits. (a) Except as provided in this section, the commissioner shall
 5.24 deposit the revenues, including interest and penalties, derived from the taxes imposed by
 5.25 this chapter in the state treasury and credit them to the general fund.

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

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

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

6.1 The commissioner of management and budget shall certify to the commissioner the date on
 6.2 which the project received the conditional commitment. The amount deposited in the loan
 6.3 guaranty account must be reduced by any refunds and by the costs incurred by the Department
 6.4 of Revenue to administer and enforce the assessment and collection of the taxes.

6.5 (c) The commissioner shall deposit the revenues, including interest and penalties, derived
 6.6 from the taxes imposed on sales and purchases included in section 297A.61, subdivision 3,
 6.7 paragraph (g), clauses (1) and (4), in the state treasury, and credit them as follows:

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

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

6.11 (d) Beginning with sales taxes remitted after July 1, 2017, the commissioner shall deposit
 6.12 in the state treasury the revenues collected under section 297A.64, subdivision 1, including
 6.13 interest and penalties and minus refunds, and credit them to the highway user tax distribution
 6.14 fund.

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

6.20 (f) Beginning with sales taxes remitted after July 1, 2017, in conjunction with the deposit
 6.21 of revenues under paragraph (d), the commissioner shall deposit into the state treasury and
 6.22 credit to the highway user tax distribution fund an amount equal to the estimated revenues
 6.23 derived from the tax rate imposed under section 297A.62, subdivision 1, on the lease or
 6.24 rental for not more than 28 days of rental motor vehicles subject to section 297A.64. The
 6.25 commissioner shall estimate the amount of sales tax revenue deposited under this paragraph
 6.26 based on the amount of revenue deposited under paragraph (d).

6.27 (g) ~~Starting after July 1, 2017,~~ The commissioner shall deposit ~~an amount of the~~
 6.28 ~~remittances~~ monthly into the state treasury and credit ~~them~~ to the ~~highway user tax~~
 6.29 ~~distribution~~ road and bridge fund as a portion of the estimated amount of taxes collected
 6.30 from the sale and purchase of motor vehicle repair and replacement parts in that month, in
 6.31 the amounts provided under this paragraph. For the remittances between July 1, 2017, and
 6.32 June 30, 2019, the monthly deposit amount is \$2,628,000. For the remittances between July
 6.33 1, 2019, and June 30, 2020, the monthly deposit amount is \$15,808,000. For remittances
 6.34 in each subsequent fiscal year, the monthly deposit amount is \$12,137,000 equal to 1/12 of

7.1 the most recent percentage estimate for the fiscal year under subdivision 2, multiplied by
7.2 the total sales tax revenues collected in the previous calendar year. For purposes of this
7.3 paragraph, "motor vehicle" has the meaning given in section 297B.01, subdivision 11, ~~and,~~
7.4 For purposes of this section, "motor vehicle repair and replacement parts" includes (i) all
7.5 parts, tires, accessories, and equipment incorporated into or affixed to the motor vehicle as
7.6 part of the motor vehicle maintenance and repair, and (ii) paint, oil, and other fluids that
7.7 remain on or in the motor vehicle as part of the motor vehicle maintenance or repair. For
7.8 purposes of this paragraph, "tire" means any tire of the type used on highway vehicles, if
7.9 wholly or partially made of rubber and if marked according to federal regulations for highway
7.10 use.

7.11 (h) 72.43 percent of the revenues, including interest and penalties, transmitted to the
7.12 commissioner under section 297A.65, must be deposited by the commissioner in the state
7.13 treasury as follows:

7.14 (1) 50 percent of the receipts must be deposited in the heritage enhancement account in
7.15 the game and fish fund, and may be spent only on activities that improve, enhance, or protect
7.16 fish and wildlife resources, including conservation, restoration, and enhancement of land,
7.17 water, and other natural resources of the state;

7.18 (2) 22.5 percent of the receipts must be deposited in the natural resources fund, and may
7.19 be spent only for state parks and trails;

7.20 (3) 22.5 percent of the receipts must be deposited in the natural resources fund, and may
7.21 be spent only on metropolitan park and trail grants;

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

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

7.27 (i) The revenue dedicated under paragraph (h) may not be used as a substitute for
7.28 traditional sources of funding for the purposes specified, but the dedicated revenue shall
7.29 supplement traditional sources of funding for those purposes. Land acquired with money
7.30 deposited in the game and fish fund under paragraph (h) must be open to public hunting
7.31 and fishing during the open season, except that in aquatic management areas or on lands
7.32 where angling easements have been acquired, fishing may be prohibited during certain times
7.33 of the year and hunting may be prohibited. At least 87 percent of the money deposited in

8.1 the game and fish fund for improvement, enhancement, or protection of fish and wildlife
8.2 resources under paragraph (h) must be allocated for field operations.

8.3 (j) The commissioner must deposit the revenues, including interest and penalties minus
8.4 any refunds, derived from the sale of items regulated under section 624.20, subdivision 1,
8.5 that may be sold to persons 18 years old or older and that are not prohibited from use by
8.6 the general public under section 624.21, in the state treasury and credit:

8.7 (1) 25 percent to the volunteer fire assistance grant account established under section
8.8 88.068;

8.9 (2) 25 percent to the fire safety account established under section 297I.06, subdivision
8.10 3; and

8.11 (3) the remainder to the general fund.

8.12 For purposes of this paragraph, the percentage of total sales and use tax revenue derived
8.13 from the sale of items regulated under section 624.20, subdivision 1, that are allowed to be
8.14 sold to persons 18 years old or older and are not prohibited from use by the general public
8.15 under section 624.21, is a set percentage of the total sales and use tax revenues collected in
8.16 the state, with the percentage determined under section 39.

8.17 (k) The revenues deposited under paragraphs (a) to (j) do not include the revenues,
8.18 including interest and penalties, generated by the sales tax imposed under section 297A.62,
8.19 subdivision 1a, which must be deposited as provided under the Minnesota Constitution,
8.20 article XI, section 15.

8.21 **Subd. 2. Motor vehicle repair and replacement parts estimation; legislative report.**

8.22 (a) Beginning June 30, 2020, and by June 30 of every second year or more frequently
8.23 thereafter, the commissioner must estimate the percentage of total sales tax revenues,
8.24 including interest and penalties, collected in the previous calendar year that is attributable
8.25 to sales and purchases of motor vehicle repair and replacement parts, based on federal data
8.26 and department consumption models. Beginning July 1 following a percentage estimate
8.27 revision, the estimate is effective for deposits under subdivision 1, paragraph (g).

8.28 (b) By November 1 in a fiscal year in which a revised estimate becomes effective, the
8.29 commissioner must submit a report on the estimate and estimation methodology to the chairs
8.30 and ranking minority members of the legislative committees with jurisdiction over taxes
8.31 and transportation policy and finance.

9.1 Sec. 9. **EFFECTIVE DATE.**

9.2 This article is effective June 30, 2019, if the constitutional amendment in article 1 is
9.3 ratified.

9.4 **ARTICLE 3**

9.5 **CONSTITUTIONAL AMENDMENT IMPLEMENTATION**

9.6 Section 1. Minnesota Statutes 2017 Supplement, section 297A.94, is amended to read:

9.7 **297A.94 DEPOSIT OF REVENUES.**

9.8 **Subdivision 1. Deposits.** (a) Except as provided in this section, the commissioner shall
9.9 deposit the revenues, including interest and penalties, derived from the taxes imposed by
9.10 this chapter in the state treasury and credit them to the general fund.

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

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

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

9.17 The commissioner of management and budget shall certify to the commissioner the date on
9.18 which the project received the conditional commitment. The amount deposited in the loan
9.19 guaranty account must be reduced by any refunds and by the costs incurred by the Department
9.20 of Revenue to administer and enforce the assessment and collection of the taxes.

9.21 (c) The commissioner shall deposit the revenues, including interest and penalties, derived
9.22 from the taxes imposed on sales and purchases included in section 297A.61, subdivision 3,
9.23 paragraph (g), clauses (1) and (4), in the state treasury, and credit them as follows:

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

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

9.27 (d) Beginning with sales taxes remitted after July 1, 2017, the commissioner shall deposit
9.28 in the state treasury the revenues collected under section 297A.64, subdivision 1, including
9.29 interest and penalties and minus refunds, and credit them to the highway user tax distribution
9.30 fund.

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

10.6 (f) Beginning with sales taxes remitted after July 1, 2017, in conjunction with the deposit
 10.7 of revenues under paragraph (d), the commissioner shall deposit into the state treasury and
 10.8 credit to the highway user tax distribution fund an amount equal to the estimated revenues
 10.9 derived from the tax rate imposed under section 297A.62, subdivision 1, on the lease or
 10.10 rental for not more than 28 days of rental motor vehicles subject to section 297A.64. The
 10.11 commissioner shall estimate the amount of sales tax revenue deposited under this paragraph
 10.12 based on the amount of revenue deposited under paragraph (d).

10.13 (g) ~~Starting after July 1, 2017,~~ The commissioner shall deposit ~~an amount of the~~
 10.14 ~~remittances~~ monthly into the state treasury and credit ~~them~~ to the highway user tax
 10.15 distribution fund ~~as a portion of the estimated amount of taxes collected from the sale and~~
 10.16 ~~purchase of motor vehicle repair and replacement parts in that month, in the amounts provided~~
 10.17 ~~under this paragraph.~~ For the remittances between July 1, 2017, and June 30, 2019, the
 10.18 monthly deposit amount is \$2,628,000. For the remittances between July 1, 2019, and June
 10.19 30, 2020, the monthly deposit amount is \$16,688,000. For remittances in each subsequent
 10.20 fiscal year, the monthly deposit amount is \$12,137,000 equal to 1/12 of the most recent
 10.21 percentage estimate for the fiscal year under subdivision 2 or Laws 2017, First Special
 10.22 Session chapter 3, article 3, section 123, multiplied by the total sales tax revenues collected
 10.23 in the previous calendar year. For purposes of this paragraph, "motor vehicle" has the
 10.24 meaning given in section 297B.01, subdivision 11, ~~and.~~ For purposes of this section, "motor
 10.25 vehicle repair and replacement parts" includes (i) all parts, tires, accessories, and equipment
 10.26 incorporated into or affixed to the motor vehicle as part of the motor vehicle maintenance
 10.27 and repair, and (ii) paint, oil, and other fluids that remain on or in the motor vehicle as part
 10.28 of the motor vehicle maintenance or repair. For purposes of this paragraph, "tire" means
 10.29 any tire of the type used on highway vehicles, if wholly or partially made of rubber and if
 10.30 marked according to federal regulations for highway use.

10.31 (h) 72.43 percent of the revenues, including interest and penalties, transmitted to the
 10.32 commissioner under section 297A.65, must be deposited by the commissioner in the state
 10.33 treasury as follows:

10.34 (1) 50 percent of the receipts must be deposited in the heritage enhancement account in
 10.35 the game and fish fund, and may be spent only on activities that improve, enhance, or protect

11.1 fish and wildlife resources, including conservation, restoration, and enhancement of land,
11.2 water, and other natural resources of the state;

11.3 (2) 22.5 percent of the receipts must be deposited in the natural resources fund, and may
11.4 be spent only for state parks and trails;

11.5 (3) 22.5 percent of the receipts must be deposited in the natural resources fund, and may
11.6 be spent only on metropolitan park and trail grants;

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

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

11.12 (i) The revenue dedicated under paragraph (h) may not be used as a substitute for
11.13 traditional sources of funding for the purposes specified, but the dedicated revenue shall
11.14 supplement traditional sources of funding for those purposes. Land acquired with money
11.15 deposited in the game and fish fund under paragraph (h) must be open to public hunting
11.16 and fishing during the open season, except that in aquatic management areas or on lands
11.17 where angling easements have been acquired, fishing may be prohibited during certain times
11.18 of the year and hunting may be prohibited. At least 87 percent of the money deposited in
11.19 the game and fish fund for improvement, enhancement, or protection of fish and wildlife
11.20 resources under paragraph (h) must be allocated for field operations.

11.21 (j) The commissioner must deposit the revenues, including interest and penalties minus
11.22 any refunds, derived from the sale of items regulated under section 624.20, subdivision 1,
11.23 that may be sold to persons 18 years old or older and that are not prohibited from use by
11.24 the general public under section 624.21, in the state treasury and credit:

11.25 (1) 25 percent to the volunteer fire assistance grant account established under section
11.26 88.068;

11.27 (2) 25 percent to the fire safety account established under section 297I.06, subdivision
11.28 3; and

11.29 (3) the remainder to the general fund.

11.30 For purposes of this paragraph, the percentage of total sales and use tax revenue derived
11.31 from the sale of items regulated under section 624.20, subdivision 1, that are allowed to be
11.32 sold to persons 18 years old or older and are not prohibited from use by the general public

12.1 under section 624.21, is a set percentage of the total sales and use tax revenues collected in
12.2 the state, with the percentage determined under section 39.

12.3 (k) The revenues deposited under paragraphs (a) to (j) do not include the revenues,
12.4 including interest and penalties, generated by the sales tax imposed under section 297A.62,
12.5 subdivision 1a, which must be deposited as provided under the Minnesota Constitution,
12.6 article XI, section 15.

12.7 **Subd. 2. Motor vehicle repair and replacement parts estimation; legislative report.**

12.8 (a) Beginning June 30, 2023, and by June 30 of every fourth year or more frequently
12.9 thereafter, the commissioner must estimate the percentage of total sales tax revenues,
12.10 including interest and penalties, collected in the previous calendar year that is attributable
12.11 to sales and purchases of motor vehicle repair and replacement parts, based on federal data
12.12 and department consumption models. Beginning July 1 following a percentage estimate
12.13 revision, the estimate is effective for deposits under subdivision 1, paragraph (g).

12.14 (b) By November 1 in a fiscal year in which a revised estimate becomes effective, the
12.15 commissioner must submit a report on the estimate and estimation methodology to the
12.16 chairs, ranking minority members, and staff of the legislative committees with jurisdiction
12.17 over taxes and transportation policy and finance.

12.18 **Sec. 2. EFFECTIVE DATE.**

12.19 This article is effective June 30, 2019, if the constitutional amendment in article 1 is
12.20 ratified.

APPENDIX
Article locations in SF3837-1

ARTICLE 1 CONSTITUTIONAL AMENDMENT IMPLEMENTATION..... Page.Ln 1.12
ARTICLE 2 CONSTITUTIONAL AMENDMENT IMPLEMENTATION..... Page.Ln 3.23
ARTICLE 3 CONSTITUTIONAL AMENDMENT IMPLEMENTATION..... Page.Ln 9.4