

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

**S.F. No. 4289**

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Introduction and first reading  
Referred to Environment and Natural Resources Policy and Legacy Finance

OFFICIAL STATUS

1.1 A bill for an act  
1.2 relating to natural resources; modifying the Legislative-Citizen Commission on  
1.3 Minnesota Resources member terms; modifying expenditure of environment and  
1.4 natural resources trust fund; amending Minnesota Statutes 2020, sections 116P.05,  
1.5 subdivisions 1, 2; 116P.08, subdivisions 1, 2; 116P.12, subdivision 1; repealing  
1.6 Minnesota Statutes 2020, section 116P.05, subdivision 1a.

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

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

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

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

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

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

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

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

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

2.12 (e) Appointed legislative members shall serve on the commission for two-year terms,  
 2.13 beginning in January of each odd-numbered year and continuing through the end of December  
 2.14 of the next even-numbered year. Appointed citizen members shall serve ~~four-year~~ two-year  
 2.15 terms, beginning in January of the first year and continuing through the end of December  
 2.16 of the final year. Citizen and legislative members continue to serve until their successors  
 2.17 are appointed. Citizen members may serve no more than two terms.

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

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

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

2.25 Sec. 2. Minnesota Statutes 2020, section 116P.05, subdivision 2, is amended to read:

2.26 Subd. 2. **Duties.** (a) The commission shall recommend an annual or biennial legislative  
 2.27 bill for appropriations from the environment and natural resources trust fund ~~and~~. The  
 2.28 commission must recommend appropriations that follow the priority order provided in  
 2.29 section 116P.08, subdivision 1. The commission shall adopt a strategic plan as provided in  
 2.30 section 116P.08. Approval of the recommended legislative bill requires an affirmative vote  
 2.31 of at least 12 members of the commission.

3.1 (b) It is a condition of acceptance of the appropriations made from the Minnesota  
3.2 environment and natural resources trust fund, and oil overcharge money under section 4.071,  
3.3 subdivision 2, that the agency or entity receiving the appropriation must submit a work plan  
3.4 and annual or semiannual progress reports in the form determined by the Legislative-Citizen  
3.5 Commission on Minnesota Resources, and comply with applicable reporting requirements  
3.6 under section 116P.16. None of the money provided may be spent unless the commission  
3.7 has approved the pertinent work plan. The commission must approve or disapprove a work  
3.8 plan submitted within 90 days of its submission to the commission. A work plan that is not  
3.9 approved or disapproved within 90 days of submission is deemed approved under this  
3.10 paragraph. Disapproval of a work plan requires an affirmative vote of 12 members.  
3.11 Modifications to the approved work plan and budget expenditures shall be made through  
3.12 the amendment process established by the commission. The commission shall ensure that  
3.13 the expenditures and outcomes described in the work plan for appropriations funded by the  
3.14 environment and natural resources trust fund are met.

3.15 (c) The peer review procedures created under section 116P.08 must also be used to  
3.16 review, comment, and report to the commission on research proposals applying for an  
3.17 appropriation from the oil overcharge money under section 4.071, subdivision 2.

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

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

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

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

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

3.26 (4) provide for project outcome evaluation;

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

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

4.1 Sec. 3. Minnesota Statutes 2020, section 116P.08, subdivision 1, is amended to read:

4.2 Subdivision 1. **Expenditures.** ~~(a)~~ Money in the trust fund may be spent only for the  
4.3 purposes listed in this subdivision in the following priority order:

4.4 (1) capital projects for the preservation and protection of unique natural resources and  
4.5 betterment and enhancement of the state park system;

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

4.8 (3) the reinvest in Minnesota program as provided in section 84.95, subdivision 2;

4.9 ~~(2) research that contributes to increasing the effectiveness of protecting or managing~~  
4.10 ~~the state's environment or natural resources;~~

4.11 (4) municipal water pollution control in municipalities with a population of 5,000 or  
4.12 more under the authority of chapters 115 and 116;

4.13 (5) public education activities to increase utilization of the state's air, land, water, forests,  
4.14 fish, wildlife, and other natural resources;

4.15 ~~(3)~~ (6) research, including collection and analysis of information, that assists in  
4.16 developing the state's environmental and natural resources policies;

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

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

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

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

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

4.26 ~~(b) In making recommendations for expenditures from the trust fund, the commission~~  
4.27 ~~shall give priority to funding programs and projects under paragraph (a), clauses (1) and~~  
4.28 ~~(6). Any requests for proposals issued by the commission shall clearly indicate these~~  
4.29 ~~priorities.~~

5.1 Sec. 4. Minnesota Statutes 2020, section 116P.08, subdivision 2, is amended to read:

5.2 Subd. 2. **Exceptions.** Money from the trust fund may not be spent for:

5.3 (1) purposes of environmental compensation and liability under chapter 115B and  
5.4 response actions under chapter 115C;

5.5 ~~(2) purposes of municipal water pollution control in municipalities with a population of~~  
5.6 ~~5,000 or more under the authority of chapters 115 and 116;~~

5.7 ~~(3)~~ (2) costs associated with the decommissioning of nuclear power plants;

5.8 ~~(4)~~ (3) hazardous waste disposal facilities;

5.9 ~~(5)~~ (4) solid waste disposal facilities; or

5.10 ~~(6)~~ (5) projects or purposes inconsistent with the strategic plan.

5.11 Sec. 5. Minnesota Statutes 2020, section 116P.12, subdivision 1, is amended to read:

5.12 Subdivision 1. **Loans authorized.** (a) If the principal of the trust fund equals or exceeds  
5.13 \$200,000,000, ~~the commission may vote to set aside~~ legislature may appropriate up to ~~five~~  
5.14 20 percent of the principal of the trust fund for water system improvement loans. The purpose  
5.15 of water system improvement loans is to offer below market rate interest loans to local units  
5.16 of government for the purposes of water system improvements.

5.17 (b) The interest on a loan ~~shall be calculated on the declining balance at a rate that is the~~  
5.18 ~~greater of one percent or 50 percent of the secondary market yield of one-year United States~~  
5.19 ~~Treasury bills calculated according to section 549.09, subdivision 1, paragraph (e) under~~  
5.20 this section is one percent.

5.21 (c) An eligible project must prove that existing federal or state loans or grants have not  
5.22 been adequate.

5.23 (d) Payments on the principal and interest of loans under this section must be credited  
5.24 to the trust fund.

5.25 (e) Repayment of loans made under this section must be completed within 20 years.

5.26 (f) The Minnesota Public Facilities Authority must report to the commission each year  
5.27 on any loans made to the authority under this section.

5.28 Sec. 6. **CITIZEN MEMBER TRANSITION.**

5.29 A citizen member of the Legislative-Citizen Commission on Minnesota Resources  
5.30 serving on the effective date of this act who has served more than two terms must be replaced

6.1 by the appointing authority. Citizen members of the Legislative-Citizen Commission on  
6.2 Minnesota Resources appointed on or after the effective date of this act are appointed to  
6.3 serve two-year terms as provided in section 116P.05, subdivision 1.

6.4 Sec. 7. **REPEALER.**

6.5 Minnesota Statutes 2020, section 116P.05, subdivision 1a, is repealed.

6.6 Sec. 8. **EFFECTIVE DATE.**

6.7 Sections 1 to 7 are effective July 1, 2022.

**116P.05 LEGISLATIVE-CITIZEN COMMISSION ON MINNESOTA RESOURCES.**

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

(b) 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.

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